

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 40-F

- Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934  
or  
 Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2019 Commission File Number 001-38179

**Kirkland Lake Gold Ltd.**

(Exact name of Registrant as specified in its charter)

**Ontario**  
(Province or other jurisdiction of incorporation or organization)

**1000**  
(Primary Standard Industrial Classification Code Number)

**N/A**  
(I.R.S. Employer Identification Number)

**200 Bay Street, Suite 3120  
Toronto, Ontario M5J 2J1  
Canada  
(416) 840-7884**

(Address and telephone number of Registrant's principal executive offices)

**Registered Agent Solutions, Inc.**

**99 Washington Avenue  
Suite 1008  
Albany, NY 12260  
(888) 705-7274**

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

**Common Shares, no par value**

**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

For annual reports, indicate by check mark the information filed with this Form:

- Annual information form       Audited annual financial statements

Indicate the number of outstanding shares of each of the registrant's classes of capital or common stock as of the close of the period covered by the annual report:  
209,624,480

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act.

<sup>†</sup> The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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## EXPLANATORY NOTE

Kirkland Lake Gold Ltd. (the “Company” or the “Registrant”) is a Canadian issuer that is permitted, under the multijurisdictional disclosure system adopted in the United States, to prepare this annual report on Form 40-F (this “Annual Report”) pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act and Rule 405 under the Securities Act of 1933, as amended. Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 thereunder.

## FORWARD LOOKING STATEMENTS

The Exhibits incorporated by reference into this Annual Report contain forward-looking statements that reflect our management’s expectations with respect to future events, our financial performance and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of the words such as “plan”, “expect”, “budget”, “target”, “schedule”, “estimate”, “forecast”, “project”, “intend”, “believe”, “anticipate” and other similar words or statements that certain events or conditions “may”, “could”, “would”, “might”, or “will” occur or be achieved, and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated or implied in such forward-looking statements, including, without limitation, those described in the Company’s Annual Information Form (the “AIF”) for the year ended December 31, 2019 filed as Exhibit 99.1 to this Annual Report. No assurance can be given that these expectations will prove to be correct and such forward-looking statements in the Exhibits incorporated by reference into this Annual Report should not be unduly relied upon. The Registrant’s forward-looking statements contained in the Exhibits incorporated by reference into this Annual Report are made as of the respective dates set forth in such Exhibits. Such forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: the price of gold; potential impacts of infectious diseases, including but not limited to COVID-19; exploration, development and operating risks; health, safety and environmental risks and hazards; risks relating to foreign operations and political risks; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; uncertainty relating to mineral resources; risks related to production estimates and cost estimates; obligations as a public company; risks relating to government regulation; risks related to acquisitions, integration and dispositions; the impact of Australian laws regarding foreign investment; access to additional capital; volatility in the market price of the Company’s securities; the continuation of the Company’s dividend policy; risks related to the Company’s investments; liquidity risk; risks related to community relations; risks relating to equity investments; risks relating to first nations and aboriginal heritage; risks relating to non-governmental organizations; the availability of infrastructure, energy and other commodities; nature and climactic conditions; risks related to information technology and cybersecurity; timing and costs associated with the design, procurement and construction of the Company’s various capital projects, including but not limited to the #4 Shaft project at the Company’s Macassa mine complex located in northeastern Ontario and the ventilation and paste fill plant project at the Company’s Fosterville gold mine located in the State of Victoria, Australia; permitting; risks related to insurance and uninsured risks; the prevalence of competition within the mining industry; currency exchange rates (such as the Canadian dollar and the Australian dollar versus the United States dollar); availability of sufficient power and water for operations; risks associated with tax matters and foreign mining tax regimes; risks relating to activist shareholders; risks relating to potential litigation; risks associated with the mineral tenure regimes in jurisdictions where the Company operates; risks associated with title to the Company’s mining claims and leases; risks relating to the dependence of the Company on outside parties and key management personnel; risks relating to the Company’s counterparties; risks associated with dilution; labour and employment matters; risks in the event of a potential conflict of interest; risks relating to the Company’s disclosure and internal controls; risks relating to global financial conditions; as well as those risk factors discussed or referred to in the Company’s annual management’s discussion and analysis (the “MD&A”) as at and for the years ended December 31, 2019 and 2018 filed as Exhibit 99.3 to this Annual Report. In preparing this Annual Report, the Company has not updated such forward-looking statements to reflect any change in circumstances or in

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management's beliefs, expectations or opinions that may have occurred prior to the date hereof. Nor does the Company assume any obligation to update such forward-looking statements in the future. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the exhibits attached to this Annual Report, including those described in the AIF and the MD&A and incorporated by reference herein. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

#### **NOTE TO UNITED STATES READERS - DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES**

The Registrant is permitted, under a multijurisdictional disclosure system adopted by the United States Securities and Exchange Commission (the "SEC"), to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant prepares its financial statements, which are filed with this Annual Report in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and which are not comparable to financial statements of United States companies.

#### **RESOURCE AND RESERVE ESTIMATES**

The exhibits filed or incorporated by reference into this Annual Report have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined 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 Definition Standards"). These definitions differ from the definitions in SEC Industry Guide 7 under the United States Securities Act of 1933, as amended (the "Securities Act"). Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

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; however, these terms are not defined terms under SEC Industry Guide 7 and have historically not been permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all 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 rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, SEC Industry Guide 7 has historically only permitted issuers to report mineralization that does not constitute "reserves" under SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Annual Report and the documents incorporated by reference herein contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies who prepare their disclosure in accordance with SEC Industry Guide 7.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC. These amendments became effective February 25, 2019 (the

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“SEC Modernization Rules”) and, following a two-year transition period, the SEC Modernization Rules will replace the historical property disclosure requirements for mining registrants that are included in SEC Industry Guide 7. Following the transition period, as a foreign private issuer that files its annual report on Form 40-F with the SEC pursuant to the multi-jurisdictional disclosure system, the Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Definition Standards. If the Company ceases to be a foreign private issuer or loses its eligibility to file its annual report on Form 40-F pursuant to the multi-jurisdictional disclosure system, then the Company will be subject to the SEC Modernization Rules which differ from the requirements of NI 43-101 and the CIM Definition Standards.

#### **CURRENCY**

Unless otherwise indicated, all dollar amounts in this Annual Report on Form 40-F are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on December 31, 2019, based upon the daily exchange rate as quoted by the Bank of Canada was U.S.\$1.00 = Cdn.\$1.2988.

#### **ANNUAL INFORMATION FORM**

The AIF for the fiscal year ended December 31, 2019 is filed as [Exhibit 99.1](#) to this Annual Report and is incorporated by reference herein.

#### **AUDITED ANNUAL FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the years ended December 31, 2019 and 2018, including the report of the independent registered public accounting firm thereon, are filed as [Exhibit 99.2](#) to this Annual Report, and are incorporated by reference herein.

#### **MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Company’s MD&A for the years ended December 31, 2019 and December 31, 2018 is filed as [Exhibit 99.3](#) to this Annual Report, and is incorporated by reference herein.

#### **TAX MATTERS**

Purchasing, holding, or disposing of the Company’s securities may have tax consequences under the laws of the United States and Canada that are not described in this Annual Report.

#### **CONTROLS AND PROCEDURES**

##### *Disclosure Controls and Procedures*

As of the end of the period covered by this Annual Report, the Company carried out an evaluation, under the supervision of the Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, the Company’s CEO and CFO have concluded that, as of the end of the period covered by this Annual Report, the Company’s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

##### *Management’s Annual Report on Internal Control over Financial Reporting*

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. The Company’s management has employed a framework consistent

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with Exchange Act Rule 13a-15(c), to evaluate the Company's internal control over financial reporting described below. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting, and has used the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013)(COSO) to evaluate the effectiveness of our controls for the period covered by this Annual Report. Based on this evaluation, management concluded that our internal control over financial reporting were appropriately designed and effective as at December 31, 2019 and provided a reasonable assurance of the reliability of our financial reporting and preparation of financial statements.

The Company is required to provide an auditor's report on its internal control over financial reporting as of December 31, 2019. In this annual report on Form 40-F, the Company's independent registered auditor, KPMG LLP, states its opinion as to the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. KPMG LLP has audited the Company's financial statements included in this annual report on Form 40-F and has issued an audit report on the Company's internal control over financial reporting.

#### *Audit Report of the Registered Public Accounting Firm*

The audit report of KPMG LLP on the Company's internal control over financial reporting is included in the audited consolidated financial statements of the Company for the years ended December 31, 2019 and 2018, which are filed as Exhibit 99.2.

#### *Changes in Internal Control over Financial Reporting*

During the period covered by this Annual Report, no change occurred in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

### **CORPORATE GOVERNANCE**

The Company's Board of Directors (the "Board of Directors") is responsible for the Company's corporate governance and has a separately designated standing Corporate Governance and Nominating Committee, Compensation Committee, Audit Committee, Technical Committee, and a Health, Safety, Environment and Corporate Social Responsibility Committee. The Board of Directors has determined that all the members of the Compensation Committee, Audit Committee and the Corporate Governance and Nominating Committee are independent, based on the criteria for independence prescribed by Section 303A.02 of the New York Stock Exchange (the "NYSE") Listed Company Manual.

#### *Compensation Committee*

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Compensation of the Company's CEO and all other executive officers is recommended to the Board of Directors for determination by the Compensation Committee. The Company's Compensation Committee is comprised of Jonathan Gill (Chair), Jeffrey Parr and Arnold Klassen. The Compensation Committee is responsible for: establishment of executive compensation policies and programs; establishment, review and approval of corporate goals and executive compensation; review of incentive compensation plans and submission for approval of such plans to the Board of Directors; review of director compensation; monitor compliance with any legal requirements relating to the granting of loans by the Company to directors or senior management of the Company; continuous disclosure reporting; and any other duties or responsibilities delegated by the Board of Directors from time to time. The Company's CEO cannot be present during the Compensation Committee's deliberations or vote on his or her compensation. The Company's Compensation Committee Charter is available on the Company's website at [www.klgold.com](http://www.klgold.com).

#### *Corporate Governance and Nominating Committee*

Nominees for the election to the Board of Directors are recommended by the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is comprised of Jon Gill (Chair), Arnold Klassen and Jeff Parr. The Corporate Governance and Nominating Committee is responsible, on behalf of the Board of Directors, for developing the Company's approach to, and reviewing the Company's effectiveness with respect to, governance and assessing the composition and effectiveness of the Board of Directors. The Company's Corporate Governance and Nominating Committee Charter is available on the Company's website at [www.klgold.com](http://www.klgold.com).

### **AUDIT COMMITTEE**

The Board of Directors has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act and Section 303A.06 of the NYSE Listed Company Manual. The Company's Audit Committee is comprised of Arnold Klassen (Chair), Jeff Parr and Barry Olson, all of whom, in the opinion of the Company's Board of Directors, are independent (as determined under Rule 10A-3 of the Exchange Act and Section 303A.02 of the NYSE Listed Company Manual). All three members of the Audit Committee are financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Audit Committee meets the composition requirements set forth by Section 303A.07 of the NYSE Listed Company Manual.

The members of the Audit Committee do not have fixed terms and are appointed and replaced from time to time by resolution of the Board of Directors.

The full text of the Audit Committee Charter is available on the Company's website at [www.klgold.com](http://www.klgold.com) and is attached as Schedule "A" to the AIF, which is filed as [Exhibit 99.1](#) to this Annual Report.

#### *Audit Committee Financial Expert*

The Board of Directors has determined that Jeffrey Parr qualifies as a financial expert (as defined in Item 407 (d)(5)(ii) of Regulation S-K under the Exchange Act), has financial management expertise (pursuant to section 303A.07 of the NYSE Listed Company Manual) and is independent (as determined under Exchange Act Rule 10A-3 and section 303A.02 of the NYSE Listed Company Manual).

### **PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITOR**

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors and requires the Audit Committee to pre-approve all permitted non-audit services to be provided by the Company's external auditors, in accordance with applicable law. The Company also requires pre-approval of all audit services to be provided by its independent auditor. All audit and non-audit services performed by the Company's auditor for the fiscal year ended December 31, 2019 were pre-approved by the Audit Committee and none were approved on the basis of the de minimis exemption set forth in Rule 2-01(c)(7)(i)(C) of Regulation S-X.

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## PRINCIPAL ACCOUNTANT FEES AND SERVICES - INDEPENDENT AUDITOR

The following table shows the aggregate fees, in Canadian dollars, billed to the Company by KPMG LLP and its affiliates, Chartered Professional Accountants, the Company's independent auditor, in each of the last two years.

	2018	2019
Audit Fees <sup>(1)</sup>	\$2,595,000	\$2,312,000
Audit-Related Fees <sup>(2)</sup>	Nil	7,100
Tax Fees <sup>(3)</sup>	5,200	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$2,600,200	\$2,319,100

<sup>(1)</sup> "Audit Fees" refers to the aggregate fees billed by the Company's external auditor for audit services, including fees incurred in relation to quarterly reviews, procedures in connection with securities filings, and statutory audits.

<sup>(2)</sup> "Audit-Related Fees" refers to the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees. These reported fees related to compliance of a royalty program, including testing thereof.

<sup>(3)</sup> Tax Fees" refers to the aggregate fees billed for the professional services rendered during the year ended December 31, 2019 by the Company's external auditor for tax compliance.

<sup>(4)</sup> "All Other Fees" refers to the aggregate fees billed for services provided by the Company's external auditor, other than the services reported under the other three columns.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

## CODE OF ETHICS

The Company has adopted a Code of Conduct and Ethics that applies to directors, officers and employees of, and consultants to, the Company (the "Code"). The Code has been posted on the Company's website at [www.klgold.com](http://www.klgold.com). The Code meets the requirements for a "code of ethics" within the meaning of that term in General Instruction 9(b) of the Form 40-F.

All amendments to the Code will be made available to all employees and all waivers of the Code with respect to any of the officers covered by it will be promptly disclosed as required by applicable securities rules and regulations. During the fiscal year ended December 31, 2019, the Company did not waive or implicitly waive any provision of the Code with respect to any of the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

## TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table lists, as of December 31, 2019, information with respect to the Company's known contractual obligations (in thousands):

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**Payments due by period**

<b>Contractual Obligations</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>
Accounts payable and accrued liabilities	\$151,760	\$151,760	\$—	\$—	\$—
Lease obligation payments	15,717	10,485	5,054	178	—
Income taxes payable	188,450	188,450	—	—	—
<b>Total</b>	<b>\$355,927</b>	<b>\$350,695</b>	<b>\$5,054</b>	<b>\$178</b>	<b>\$—</b>

**NOTICES PURSUANT TO REGULATION BTR**

There were no notices required by Rule 104 of Regulation BTR that the Company sent during the year ended December 31, 2019 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

**NYSE CORPORATE GOVERNANCE**

The Company complies with corporate governance requirements of both the Toronto Stock Exchange (the “TSX”) and the NYSE. As a foreign private issuer the Company is not required to comply with all of the corporate governance requirements of the NYSE; however, the Company adopts best practices consistent with domestic NYSE listed companies when appropriate to its circumstances.

The Company has reviewed the NYSE corporate governance requirements and confirms that except as described below, the Company is in compliance with the NYSE corporate governance standards in all significant respects:

*Shareholder Meeting Quorum Requirement:* The NYSE is of the opinion that the quorum required for any meeting of shareholders should be sufficiently high to insure a representative vote. The Company’s quorum requirement is set forth in its Bylaws. A quorum for a meeting of shareholders of the Company is two persons in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 10% of the issued shares of the Corporation enjoying voting rights at such meeting.

*Proxy Delivery Requirement:* The NYSE requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to SEC proxy rules. The Company is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

*Approval of Equity Compensation Plans.* Section 303A.08 of the NYSE’s Listed Company Manual requires shareholder approval of all equity compensation plans and material revisions to such plans. The definition of “equity compensation plans” covers plans that provide for the delivery of both newly issued and treasury securities, as well as plans that rely on securities re-acquired in the open market by the issuing company for the purpose of redistribution to employers and directors. The TSX rules provide that the creation of any equity compensation plans that provide for new issuances of securities is subject to shareholder approval. Any amendments to such plans are subject to shareholder approval unless the specific equity compensation plan contains detailed provisions, approved by the shareholders that specify those amendments requiring shareholder approval and those amendments which can be made without shareholder approval. The Company follows the TSX rules with respect to the requirements for shareholder approval of equity compensation plans and revisions to such plans.

The foregoing are consistent with the laws, customs and practices in Canada.

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#### **MINE SAFETY DISCLOSURE**

Not applicable.

#### **UNDERTAKING**

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

#### **CONSENT TO SERVICE OF PROCESS**

The Company has previously filed with the SEC a written consent to service of process on Form F-X. Any change to the name or address of the Company's agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of the Company.

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## SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

### KIRKLAND LAKE GOLD LTD.

By: signed "David Soares"  
Name: David Soares  
Title: Chief Financial Officer

Date: March 30, 2020

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## EXHIBIT INDEX

The following documents are being filed with the Commission as Exhibits to this Annual Report:

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
99.1	<a href="#">Annual Information Form dated March 30, 2020</a>
99.2	<a href="#">Audited Annual Consolidated Financial Statements and notes thereto as at and for the years ended December 31, 2019 and December 31, 2018, together with the report thereon of the independent auditor</a>
99.3	<a href="#">Management's Discussion and Analysis for the years ended December 31, 2019 and December 31, 2018</a>
99.4	<a href="#">Certificate of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act</a>
99.5	<a href="#">Certificate of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act</a>
99.6	<a href="#">Certificate of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
99.7	<a href="#">Certificate of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
99.8	<a href="#">Consent of KPMG LLP</a>
99.9	<a href="#">Consent of Eric Kallio</a>
99.10	<a href="#">Consent of Troy Fuller</a>
99.11	<a href="#">Consent of Ion Hann</a>
99.12	<a href="#">Consent of Ian Holland</a>
99.13	<a href="#">Consent of Natasha Vaz</a>
99.14	<a href="#">Consent of Simon Hitchman</a>
99.15	<a href="#">Consent of Mariana Pinheiro Harvey</a>
99.16	<a href="#">Consent of Robert Glover</a>
99.17	<a href="#">Consent of William Tai</a>
99.18	<a href="#">Consent of Ben Harwood</a>

### **XBRL**

101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase



**KIRKLAND LAKE GOLD**

**KIRKLAND LAKE GOLD LTD.**

**ANNUAL INFORMATION FORM  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**March 30, 2020**

**3120 – 200 Bay Street  
Toronto, Ontario M5J 2J1  
[www.klgold.com](http://www.klgold.com)**

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## CAUTIONARY STATEMENT

### **Forward-Looking Information**

This annual information form (“**Annual Information Form**”) contains “forward-looking statements” within the meaning of applicable United States securities laws and “forward-looking information” within the meaning of applicable Canadian securities legislation (together with the forward-looking statements, “**forward-looking information**”). Forward-looking information includes, but is not limited to, information with respect to: the Company’s (as defined below) expected production from, and further potential of, the Company’s properties; the future price of minerals, particularly gold; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of ongoing and future exploration activities; mining or processing issues; the timing of sustaining capital projects; assessment of future reclamation obligations; government regulation of mining operations; and environmental risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors. Forward-looking information is characterized by words such as “plan”, “expect”, “budget”, “target”, “schedule”, “estimate”, “forecast”, “project”, “intend”, “believe”, “anticipate” and other similar words or statements that certain events or conditions “may”, “could”, “would”, “might”, or “will” occur or be achieved. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: the price of gold; potential impacts of infectious diseases, including but not limited to COVID-19; exploration, development and operating risks; health, safety and environmental risks and hazards; risks relating to foreign operations and political risks; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; uncertainty relating to mineral resources; risks related to production estimates and cost estimates; obligations as a public company; risks relating to government regulation; risks related to acquisitions, integration and dispositions; the impact of Australian laws regarding foreign investment; access to additional capital; volatility in the market price of the Company’s securities; the continuation of the Company’s dividend policy; risks related to the Company’s investments; liquidity risk; risks related to community relations; risks relating to equity investments; risks relating to first nations and aboriginal heritage; risks relating to non-governmental organizations; the availability of infrastructure, energy and other commodities; nature and climactic conditions; risks related to information technology and cybersecurity; timing and costs associated with the design, procurement and construction of the Company’s various capital projects, including but not limited to the #4 Shaft project at the Macassa Mine (as defined below) and the ventilation and paste fill plant project at the Fosterville Mine (as defined below); permitting; risks related to insurance and uninsured risks; the prevalence of competition within the mining industry; currency exchange rates (such as the Canadian dollar and the Australian dollar versus the United States dollar); availability of sufficient power and water for operations; risks associated with tax matters and foreign mining tax regimes; risks relating to activist shareholders; risks relating to potential litigation; risks associated with the mineral tenure regimes in jurisdictions where the Company operates; risks associated with title to the Company’s mining claims and leases; risks relating to the dependence of the Company on outside parties and key management personnel; risks relating to the Company’s counterparties; risks associated with dilution; labour and employment matters; risks in the event of a potential conflict of interest; risks relating to the Company’s disclosure and internal controls; risks relating to global financial conditions; as well as those risk factors discussed or referred to herein and in the Company’s annual management’s discussion and analysis (“**MD&A**”) as at and for the years ended December 31, 2019 and 2018 available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates, assumptions or opinions should change, except as required by applicable law. The reader

is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

#### **Note to United States Investors Concerning Estimates of Mineral Reserves and Mineral Resources**

This Annual Information Form has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined 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"). These definitions differ significantly from the definitions in the disclosure requirements promulgated by the Securities and Exchange Commission (the "SEC") and contained in Industry Guide 7 ("Industry Guide 7") under the United States Securities Act of 1933, as amended. In particular, under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. In addition, Industry Guide 7 applies different standards in order to classify mineralization as a mineral reserve. As a result, the definitions of proven mineral reserves and probable mineral reserves used in NI 43-101, based on the CIM Standards, differ from the definitions used in Industry Guide 7. Under SEC standards, mineralization has historically not been classified as a mineral reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the mineral reserve determination is made. Among other things, all necessary permits would be required to be in hand or the issuance must be imminent in order to classify mineralized material as mineral reserves under the SEC standards. Accordingly, mineral reserve estimates contained in this Annual Information Form may not qualify as mineral reserves under SEC standards.

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. However, the SEC does not recognize mineral resources and United States companies have historically not been permitted to disclose mineral resources of any category in documents they file with the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves as defined in NI 43-101 or Industry Guide 7. Further, inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable, or that all or any part of indicated mineral resources or inferred mineral resources will ever be upgraded to a higher category. In addition, disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. In contrast, the SEC only permits United States companies to report mineralization that does not constitute mineral reserves by SEC standards as in place tonnage and grade, without reference to unit measures. Investors are cautioned that information contained in this Annual Information Form may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations of the SEC thereunder.



## NON-IFRS MEASURES

This AIF makes reference to certain non-IFRS measures including all-in sustaining costs (“AISC”) and AISC per ounce sold and operating cash cost per ounce sold. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers; however, the Company believes that these measures are useful to assist readers in evaluating the total costs of producing gold from current operations.

AISC and AISC per ounce are Non-IFRS measures. These measures are intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, the Company’s definition conforms to the definition of AISC as set out by the World Gold Council in its guidance note dated June 27, 2013.

The Company defines AISC as the sum of operating costs (as defined and calculated above), royalty expenses, sustaining capital, corporate expenses and reclamation cost accretion related to current operations. Corporate expenses include general and administrative expenses, net of transaction related costs, severance expenses for management changes and interest income. AISC excludes growth capital, reclamation cost accretion not related to current operations, interest expense, debt repayment and taxes.

For more information regarding the non-IFRS measures used by the Company, see the information under the headings “Non-IFRS Financial Measures”, “Free Cash Flow”, “Operating Cash Costs and Operating Cash Costs per Ounce Sold”, “Sustaining and Growth Capital”, “AISC and AISC per Ounce Sold”, “Total Cash Costs and AISC Reconciliation”, “Average Realized Price per Ounce Sold”, “Adjusted Net Earnings and Adjusted Net Earnings per Share”, “Earnings before Interest, Taxes, Depreciation, and Amortization” and “Working Capital” in the Company’s MD&A for the financial year ended December 31, 2019, which sections are incorporated by reference herein. The financial statements and MD&A of the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## GLOSSARY OF TERMS AND UNITS

The following is a glossary of some of the technical terms used in this Annual Information Form.

<b>Term</b>	<b>Definition</b>
3D	Three dimensional.
AAS	Atomic Absorption Spectroscopy.
acQuire	acQuire – Geoscientific Information Management System database software.
Ag	Silver.
As	Arsenic.
Au	Gold.
batolith	A large mass of igneous rock extending to great depth with its upper portion dome-like in shape. It has crystallized below surface, but may be exposed as a result of erosion of the overlying rock. Smaller masses of igneous rocks are known as bosses or plugs.
Bi	Bismuth.
BIOX®	Bacterial oxidation used in agitated tanks for the pre-treatment of certain refractory ores and concentrates ahead of conventional cyanide leach for gold recovery.
break	A mineralized fault.
bullion	A refined metal, such as gold or silver.
Ca	Calcium.
cfm	Cubic feet per minute.
CIL	Carbon in leach.
cm	Centimetre.
crosscut	A horizontal opening driven from a shaft and at right angles to the strike of a vein or rock formation.
Cu	Copper.

Term	Definition
cut (and uncut)	Assays are 'cut' or reduced to a lower, more consistent value to avoid such higher grade assays skewing the average and producing inconsistent results. Assays that are 'uncut' include such higher grade assays.
cyanidation	A milling process, using hydrogen cyanide, to extract gold from the host rock.
doré	The final saleable product of a gold mine, usually a bar consisting of gold and silver, prior to refining into bullion.
drift	A horizontal underground opening that follows along the length of a vein or rock formation as opposed to a crosscut which crosses the rock formation.
EL	Exploration Licence.
fault	A break in the Earth's crust caused by tectonic forces which have moved the rock on one side with respect to the other. Faults may extend many kilometres, or be only a few centimetres in length. Similarly, the movement or displacement along the fault may vary widely.
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Fe	Iron.
footwall	The wall or rock on the underside of a vein or ore structure.
fracture	A break in the rock, the opening of which affords the opportunity for entry of mineral-bearing solutions. A 'cross fracture' is a minor break extending at more-or-less right angles to the direction of the principal fractures.
free-milling gold	Gold is 'free-milling' if it can be extracted from ore such that cyanidation can extract approximately 95% of the gold when the ore is ground to size 80% passing 45 microns, without prohibitively high reagent consumption. The highest level of free-milling ore is that from which the gold can be separated by a gravity process.
ft	Feet.
g	Grams.
gangue	Worthless minerals in an ore deposit.
geotechnical	Using geology and geological engineering.
g/t	Gold concentration, gram per tonne of rock
ha	Hectare, being a square of 100 metres on each side.
hangingwall	The wall or rock on the upper side of a vein or ore deposit.
HCl	Hydrogen Chloride.
HNO3	Nitric Acid.
HQ	63.5 mm diameter diamond drill core.
ICP-AES	Induced polarization – geophysical imaging technique
igneous	A type of rock which has been formed from magma, a molten substance from the earth's core.
in	Inch.
ISO	International Organization for Standardization
K	Potassium.
km	Kilometre.
koz	Kilo ounce.
kt	Kilo tonne.
kV	Kilovolt.
kW	Kilowatt.
lb	Pound.
m	Metre.
μ	Micro.
Ma	Million years.
MAIG	Member of the Australasian Institute of Geoscientists
mill	1) A plant in which ore is treated for the recovery of valuable metals, or the concentration of valuable minerals into a smaller volume for shipment to a smelter or refinery. 2) A piece of milling equipment consisting of a revolving drum, for the fine-grinding of ores as a preparation for treatment.
MIN	Mining Licence.
mineralization	The concentration of metals and their chemical compounds within a body of rock.
ML	Megalitre.
mm	Millimetre.
mRL	Metres Reduced Level (Elevation).
muck	Ore or rock that has been broken by blasting.
MVA	Megavolt-ampere.

Term	Definition
net smelter royalty or NSR	A type of royalty based on a percentage of the proceeds, net of smelting, refining and transportation costs and penalties, from the sale of metals extracted from concentrate and doré by the smelter or refinery.
NPI	Net profit interest.
NQ	47.6 mm diameter diamond drill core.
NQ2	50.6 mm diameter diamond drill core.
opt	Gold concentration, ounce per imperial ton of rock
ore	A mixture of minerals and gangue from which at least one metal can be extracted at a profit.
oz	Troy ounce (31.1034768 g).
paste	Paste fill is a cemented fill material of which tailings is a constituent.
plunge	The vertical angle an ore body makes between the horizontal plane and the direction along which it extends, longitudinally to depth.
ppb	Parts per billion.
PQ	85.0 mm diameter diamond drill core.
raise	A vertical or inclined underground working that has been excavated from the bottom upward.
refractory	Ore that has high melting point and is resistant to milling treatment. Such ore is commonly associated with sulphides.
reserve or mineral reserve	<p>CIM defines a ‘mineral reserve’ as the economically mineable part of a measured or indicated mineral resource demonstrated by at least a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and where an effective method of mineral processing has been determined. This study must include a financial analysis based on reasonable assumptions of technical, engineering, operating, and economic factors and evaluation of other relevant factors which are sufficient for a person qualified under such instrument, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.</p> <p>Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves. A probable mineral reserve has a lower level of confidence than a proven mineral reserve.</p> <p>(1) <i>Probable Mineral Reserve.</i> A ‘probable mineral reserve’ is the economically mineable part of an Indicated, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.</p> <p>(2) <i>Proven Mineral Reserve.</i> A ‘proven mineral reserve’ is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.</p>
resource or mineral resource	<p>CIM defines a ‘mineral resource’ as a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.</p> <p>Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories. An inferred mineral resource has a lower level of confidence than that applied to an indicated mineral resource. An indicated mineral resource has a higher level of confidence than an inferred mineral resource but has a lower level of confidence than a measured mineral resource.</p> <p>(1) <i>Inferred Mineral Resource.</i> An ‘inferred mineral resource’ is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.</p> <p>(2) <i>Indicated Mineral Resource.</i> An ‘indicated mineral resource’ is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.</p> <p>(3) <i>Measured Mineral Resource.</i> A ‘measured mineral resource’ is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.</p> <p>As used herein, “resources” or “mineral resources” do not include reserves.</p>

Term	Definition
royalty	An amount of money paid at regular intervals, or based on production, by the lessee or operator of an exploration or mining property to the current or former owner of the mineral interests. Generally based on a certain amount per tonne or a percentage of the total production or profits.
RQD	Rock Quality Designation.
S	Sulfur.
SAG	Semi-Autogenous Grinding.
Sb	Antimony.
shaft	A vertical or inclined excavation in rock from surface for the purpose of providing access to an ore body. Usually equipped with a hoist at the top, which lowers and raises a conveyance for handling workers and materials.
shear	The deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing such metamorphic structures as cleavage and schistosity.
shoot	A concentration of mineral values. That part of a vein or zone carrying values of ore grade.
splay	An offshoot of a fault. A split from a major fault.
SQL	Structured Query Language.
stope	An excavation in a mine from which ore is being or has been extracted.
strike	The direction, or bearing, from true north of a vein or rock formation measured on a horizontal surface.
t	(metric) tonne (2204.6 lb or 1.1023 short tons).
tailings	Material rejected from a mill after most of the recoverable valuable minerals have been extracted.
tpd	Production rate measured in tonnes per day
TSF	Tailings Storage Facility.
UG	Underground.
unknown ore	Ore encountered during mining that has not been defined through drilling and which is mined before being included in reserves and resources. Due to the erratic nature of the mineralization at most narrow vein gold mines, and the difficulties of defining ore zones in this environment, a significant fraction of ore mined in any period can be unknown ore. Unknown ore often must be mined when encountered to maintain the most efficient and stable mining sequence, and is normally, but not necessarily, lower grade than ore that which has been included in the reserves and resources.
vein	An occurrence of ore with an irregular development in length, width and depth usually from an intrusion of igneous rock.
XRF	X-ray fluorescence analytical technique.

### CURRENCY PRESENTATION

This Annual Information Form contains references to Australian dollars, referred to herein as “A\$”, United States dollars, referred to herein as “US\$”, and Canadian dollars, referred to herein as “C\$”.

The closing, high and low exchange rates for one United States dollar in terms of Australian dollars for each of the three years ended December 31, 2019, December 31, 2018, and December 31, 2017 based on the indicative rate of exchange as reported by Thomson Reuters, were as follows:

	Year-Ended December 31		
	2019 (A\$)	2018 (A\$)	2017 (A\$)
Closing	1.4243	1.4186	1.2821
High	1.4921	1.4221	1.3824
Low	1.3751	1.2338	1.2314
Average <sup>(1)</sup>	1.4384	1.3385	1.3039

Note:

<sup>(1)</sup> Calculated as an average of the applicable daily rates for each period.

On March 27, 2020, the indicative rate of exchange as reported by Thomson Reuters was US\$1.00 = A\$1.6221 or A\$1.00 = US\$0.6165.

The closing, high, low and average exchange rates for one United States dollar in terms of Canadian dollars for each of the three years ended December 31, 2019, December 31, 2018, and December 31, 2017, based on the noon spot rate

of exchange for 2017 and based on the indicative rate of exchange for 2018 and 2019, as reported by Thomson Reuters, were as follows:

	Year-Ended December 31		
	2019 (C\$)	2018 (C\$)	2017 (C\$)
Closing	1.2986	1.3637	1.2545
High	1.3637	1.3637	1.3743
Low	1.2986	1.2281	1.2128
Average <sup>(1)</sup>	1.3266	1.2962	1.2986

Note:

<sup>(1)</sup> Calculated as an average of the applicable daily rates for each period.

On March 27, 2020, the indicative rates of exchange as reported by Thomson Reuters was US\$1.00 = C\$1.3977 or C\$1.00 = US\$0.7155.

The following factors for converting Imperial measurements into metric equivalents are provided:

To Convert from Imperial	To metric	Multiply by
tons (2,000 pounds)	Tonnes (1,000 kilograms)	0.907
ounces (troy)/ton	grams/tonne	34.286

### CORPORATE STRUCTURE

Newmarket Gold Inc. (one of the predecessors to the Company) (“**Old Newmarket**”), was originally incorporated as 565300 B.C. Ltd under the *Company Act* (British Columbia) on May 27, 1998 and changed its name to Raystar Enterprises Ltd. on August 13, 1998. Old Newmarket transitioned to the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on May 25, 2004. On October 17, 2007, Old Newmarket changed its name to Raystar Capital Ltd., and on October 4, 2013 announced that it had changed its name to “Newmarket Gold Inc.”. On July 7, 2015, Old Newmarket was continued under the *Business Corporations Act* (Ontario) (“**OBCA**”).

On July 10, 2015, Old Newmarket amalgamated with Crocodile Gold Corp. (“**Crocodile Gold**”) pursuant to a plan of arrangement under the OBCA to create an amalgamated entity which was also named Newmarket Gold Inc. (the “**Company**”). The subsidiaries of Crocodile Gold, became the subsidiaries of the Company.

On November 30, 2016, the Company combined with Kirkland Lake Gold Inc. (“**Old Kirkland Lake Gold**”) pursuant to a plan of arrangement under the *Canada Business Corporations Act* (the “**CBCA**”), as a result of which, Old Kirkland Lake Gold became a wholly-owned subsidiary of the Company (the “**Old Kirkland Arrangement**”). In connection with the Old Kirkland Arrangement with Old Kirkland Lake Gold, the Company changed its name from Newmarket Gold Inc. to Kirkland Lake Gold Ltd.

Old Kirkland Lake Gold was originally incorporated under the *Company Act* (British Columbia) (now the BCBCA) on June 29, 1983 and continued under the CBCA on July 27, 1988, at which time the authorized capital was changed to an unlimited number of common shares. Old Kirkland Lake Gold changed its name from “Foxpoint Resources Ltd.” to “Kirkland Lake Gold Inc.” on October 25, 2002 to reflect the nature and location of the Company’s business. On January 26, 2016, Old Kirkland Lake Gold completed the acquisition of St Andrew Goldfields Ltd. (“**St Andrew Goldfields**”) pursuant to a plan of arrangement under the OBCA (the “**St Andrew Arrangement**”). As a result, St Andrew Goldfields became a wholly-owned subsidiary of Old Kirkland Lake Gold.

On December 31, 2017, the Company completed a corporate reorganization of its Australian subsidiaries pursuant to which Newmarket Gold NT Holdings Pty Ltd., an indirectly held wholly-owned subsidiary of the Company, acquired all of the common shares of Newmarket Gold Victorian Holdings Pty Ltd. (“**NGVH**”).

On December 11, 2017, NGVH entered into a share sale agreement with an affiliate of Arete Capital Partners Ltd. (“**Arete**”) pursuant to which, on December 22, 2017, Arete acquired all of the issued and outstanding common shares of Leviathan Resources Pty Ltd. and Stawell Gold Mines Pty Ltd., which held the Stawell gold mine located in the State of Victoria, Australia (the “**Stawell Gold Mine**”).

Subsequent to the financial year ended December 31, 2019, on January 31, 2020, the Company acquired all issued and outstanding common shares (the “**Detour Shares**”) of Detour Gold Corporation (“**Detour**”) pursuant to a plan of arrangement under the CBCA (the “**Detour Arrangement**”). Pursuant to the Detour Arrangement, Detour Gold shareholders received 0.4343 of a common share of the Company (each whole share, a “**Common Share**”) in exchange for each Detour Share held immediately prior to closing of the Detour Arrangement. In aggregate, the Company issued 77,217,129 Common Shares to former Detour shareholders as consideration for their Detour Shares. In addition, under the Detour Arrangement, all outstanding stock options of Detour held immediately prior to closing of the Detour Arrangement were exchanged for replacement options to acquire Common Shares in accordance with the Detour Arrangement. With the completion of the Detour Arrangement, effective January 31, 2020, Detour became a wholly-owned subsidiary of Kirkland Lake Gold, and the Company is now the owner and operator of the Detour Lake Mine, a large-scale, open-pit gold mine in Northern Ontario (the “**Detour Mine**”).

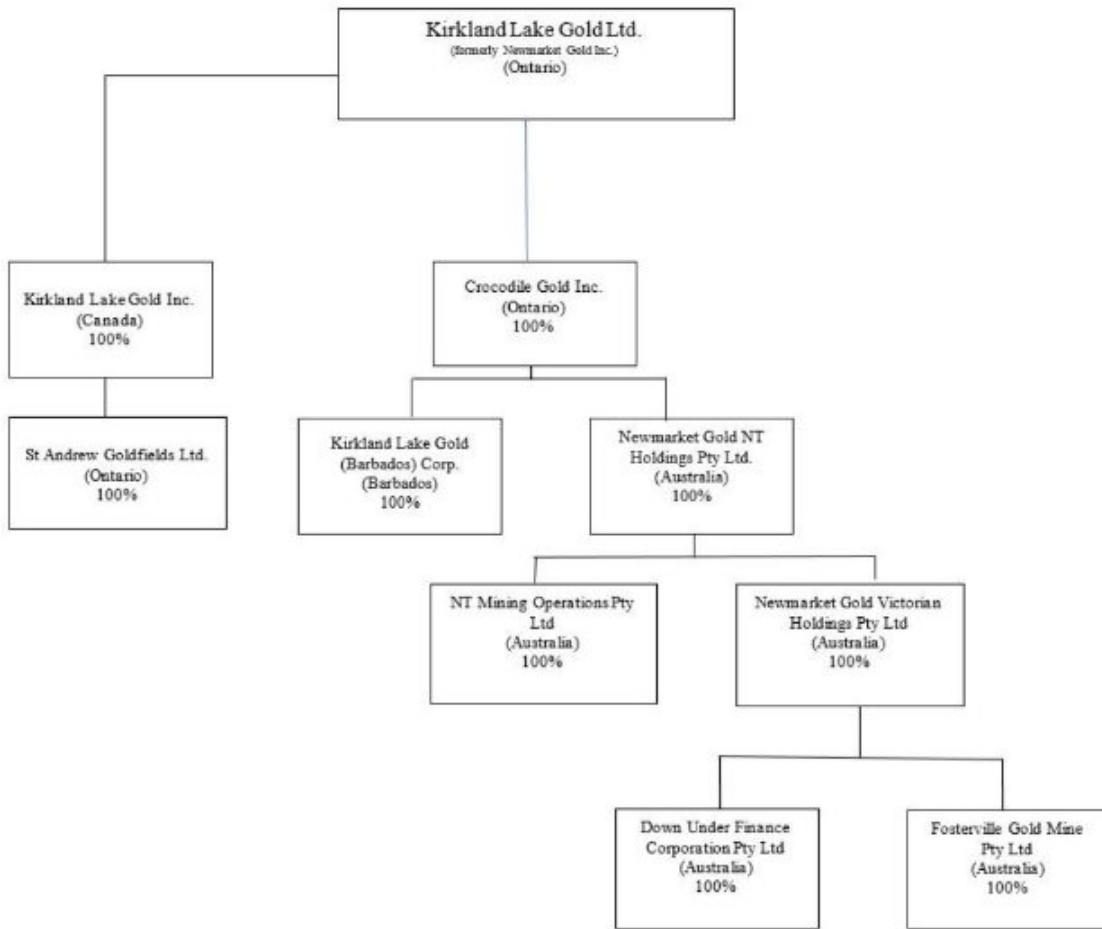
The Common Shares trade on the Toronto Stock Exchange (the “**TSX**”) and the New York Stock Exchange (the “**NYSE**”) under the symbol “**KL**” and on the Australian Securities Exchange (the “**ASX**”) under the symbol “**KLA**”. The Detour Shares, which previously traded on the TSX under the symbol “**DGC**”, were delisted from the TSX on February 3, 2020. On February 13, 2020, Detour ceased to be a reporting issuer.

The Company’s registered and head office is located at 3120 – 200 Bay Street, Toronto, Ontario Canada M5J 2J1.

The corporate chart that follows on the next page sets forth the Company’s subsidiaries (collectively, the “**Subsidiaries**”) as of December 31, 2019, together with the governing law of each of the Subsidiaries and the percentage of voting securities beneficially owned, controlled or directed, directly or indirectly, by the Company.

As used in this Annual Information Form, unless the context otherwise requires, reference to “**Kirkland Lake Gold**” or the “**Company**” means Kirkland Lake Gold Ltd. and the Subsidiaries. Reference to “**Old Kirkland Lake Gold**” means Kirkland Lake Gold Inc. and its subsidiaries, prior to the completion of the Old Kirkland Arrangement and reference to “**Newmarket Gold**” means the Company (when it was previously named Newmarket Gold Inc.) and its subsidiaries, prior to the completion of the Old Kirkland Arrangement. Reference to “**Detour**” means Detour prior to completion of the Detour Arrangement.

**Kirkland Lake Gold Ltd. – Corporate Structure Chart**



**GENERAL DEVELOPMENT OF THE BUSINESS**

**Overview of the Business**

Kirkland Lake Gold is a senior gold mining, development and exploration company with a diversified portfolio of assets located in the stable mining jurisdictions of Canada and Australia with a significant pipeline of high-quality exploration projects. The production profile of the Company as at December 31, 2019 was anchored by two high-grade, low cost operations including the Macassa mine complex located in northeastern Ontario (the “**Macassa Mine**”) and the Fosterville gold mine located in the State of Victoria, Australia (the “**Fosterville Mine**”). In addition, the Company owns the Holt mine (the “**Holt Complex**”) and the Taylor mine (the “**Taylor Mine**”) which are situated along the Porcupine-Destor Fault Zone, in northeastern Ontario, and the Cosmo gold mine located in the Northern Territory, Australia (the “**Cosmo Gold Mine**”). The Company has a strong foundation of quality, low-cost gold production, with its mines producing a total of 974,615 ounces in 2019, at an average operating cash costs per ounce sold of \$284 and all-in sustaining costs (“**AISC**”) per ounce sold of \$564. On January 31, 2020, the Company acquired all of the issued and outstanding shares of Detour and as a result acquired the Detour Mine. As a result, the Company is targeting

production for 2020 of 1,470,000-1,540,000 ounces. Kirkland Lake Gold's solid base of quality assets is complemented by district scale exploration potential, supported by a strong financial position with extensive management expertise.

Kirkland Lake Gold is dedicated to continued growth in high-margin, low-cost production and mine life through the ongoing conversion of mineral resources to mineral reserves and the identification of new mineral resources through a strong commitment to exploration, while at the same time generating high levels of profitability and free cash flow. The Company also strives to enhance shareholder value through the direct return of capital to its shareholders, through its quarterly dividend, as well as through common share repurchases, when appropriate. Kirkland Lake Gold pursues its business plans through a disciplined approach focused on profitable operations, while also maintaining the high standards that the Company's core values represent.

For further information about Kirkland Lake Gold, refer to its filings with the Canadian Securities Authorities which may be obtained through SEDAR at [www.sedar.com](http://www.sedar.com), its filings with the SEC which are available on EDGAR at [www.sec.gov](http://www.sec.gov) and on the Company's website at [www.klgold.com](http://www.klgold.com).

### Recent Developments

On March 22, 2020, in light of the evolving COVID 19 virus, the Company announced a variety of initiatives including the Company's global COVID 19 response plan; a temporary reduction in operations at the Detour Lake Mine until April 30, 2020; the suspension of non-essential work at all operations, including the suspension of all exploration activities across the Company; and a termination of the Company's automatic share purchase plan ("ASPP") effective March 23, 2020.

On March 18, 2020, the Company announced a quarterly dividend of US\$0.125 per Common Share to be paid on April 13, 2020 to shareholders of record as of March 31, 2020.

In March 2020, the Company announced locally that it would be suspending all test mining at the Cosmo Mine and test processing at the Union Reefs Mill effective March 31, 2020. Advanced exploration activities had commenced in October 2019 and as a result of such activities it was determined that the Company would not proceed to resume commercial operations at the Northern Territory project.

On February 24, 2020, the Company announced the appointment of Ingrid Hibbard and Peter Grosskopf to the board of directors of the Company (the "**Board**").

On February 20, 2020, the Company announced its Q4 2019 and full year 2019 operating and financial results. In addition, the Company announced its mineral reserves and mineral resources estimates as at December 31, 2019 and provided details with respect to its planned value enhancement program which involves the purchase of 20 million Common Shares over the next 12-24 months for cancellation pursuant to its 2019 NCIB (as defined below) and renewed normal course issuer bids in the future. The Company also announced an increase to its quarterly dividend from \$0.06 per quarter to \$0.125 per quarter, commencing for Q1 2020. The Company declared that the Q1 2020 dividend would be paid on April 13, 2020 to shareholders of record as of March 31, 2020. In addition, the Company announced an amendment to its 2019 NCIB pursuant to which it implemented an ASPP to acquire up to 7,000,000 shares until the expiry of the 2019 NCIB.

On January 31, 2020, the Company announced it had completed the Detour Arrangement pursuant to which, among other things, the Company acquired all of the issued and outstanding Detour Shares. As a result of the Detour Arrangement, the Company issued 77,127,129 Common Shares to former holders of Detour Shares. Upon closing of the Detour Arrangement, existing Kirkland Lake Gold shareholders and former Detour shareholders held 73% and 27% of the issued and outstanding Common Shares, respectively. As a result of the Detour Arrangement, Detour became a wholly-owned subsidiary of the Company and the Detour Shares were de-listed from the TSX on February 3, 2020. The Company also announced that, effective as of January 31, 2020, Pamela Klessig and Raymond Threlkeld had retired as members of the Board.



On January 28, 2020, the Company announced that its shareholders had overwhelmingly voted in favour of the resolution approving the issuance of Common Shares in connection with the Detour Arrangement at the Company special meeting of shareholders held that day. 155,221,082 Common Shares, representing over 74% of the Company's issued and outstanding Common Shares, were voted at the meeting, with approximately 98.9% of the votes cast in favour of the resolution.

On January 16, 2020, the Company announced that both independent proxy advisory firms ISS and Glass Lewis had recommended that Kirkland Lake Gold shareholders vote in favour of the Detour Arrangement.

On January 9, 2020, the Company announced record quarterly and full year production totalling 279,742 ounces in the quarter and full year consolidated production of 974,615 ounces.

### **Three Year History**

#### ***Financial Year Ended December 31, 2019***

On December 18, 2019, the Company announced its full-year guidance for 2020, with consolidated production targeted at 950,000-1,000,000 ounces and operating cash costs per ounce sold and AISC per ounce sold expected to average US\$300-US\$330 and US\$570-US\$630, respectively. The Company also announced three-year production guidance for the Macassa Mine and the Fosterville Mine (each as defined below).

On December 17, 2019, the Company announced a quarterly dividend of US\$0.06 per Common Share to be paid on January 13, 2020 to shareholders of record as of December 31, 2019.

On November 25, 2019 the Company announced it had entered into an arrangement agreement with Detour, pursuant to which, among other things, it would acquire all of the issued and outstanding Detour Shares pursuant to a court-approved plan of arrangement under the CBCA. Under the terms of the Detour Arrangement, all of the Detour Shares would be acquired by the Company at an exchange ratio of 0.4343 of a Common Share for each Detour Share outstanding at the effective time of the Detour Arrangement.

On November 6, 2019, the Company announced an increase to its quarterly dividend from US\$0.04 per Common Share to US\$0.06 per Common Share effective Q4 2019.

On October 9, 2019, the Company announced its preliminary production results for the third quarter ended September 30, 2019, including record production at the Fosterville Mine. In particular, it was noted that the Company produced 248,400 ounces for the three-month period and 694,873 ounces for the first nine months of 2019.

On September 26, 2019, the Company announced the appointment of Ms. Elizabeth Lewis-Gray to the Board.

On September 11, 2019, the Company announced a quarterly dividend of US\$0.04 per Common Share to be paid on October 11, 2019 to shareholders of record as of September 30, 2019. In addition, the Company announced that it was being added to the S&P/TSX 60 Index effective prior to the open of trading on September 23, 2019.

On August 22, 2019, the Company announced it had acquired 2,000,000 units of Bonterra Resources Inc. ("**Bonterra**") by way of private placement and private share purchase agreement. Each unit was comprised of one common share of Bonterra and one-half of one common share purchase warrant, with each full warrant entitling the Company to acquire one common share of Bonterra at a price of C\$3.10 until August 20, 2021. Upon completion of the transaction, the Company held approximately 11.32% of the issued and outstanding common shares of Bonterra on a non-diluted basis and approximately 12.48% on a partially-diluted basis.

On July 19, 2019, the Company filed an amended and restated technical report for the Macassa Mine entitled, "Macassa Property, Ontario Canada, Updated 43-101 Technical Report". The Macassa Technical Report addressed comments raised by the Ontario Securities Commission to include after-tax LOM cash flow and net present value ("**NPV**") of the Macassa Mine related to the #4 Shaft project at the Macassa Mine.

On July 10, 2019, the Company announced its preliminary production results for the second quarter ended June 30, 2019. In particular, it was noted that the Company produced 214,593 ounces for the three-month period and 446,472 ounces for the first half of 2019.

On May 27, 2019, the Company announced that it had received acceptance from the TSX to renew its normal course issuer bid (“**2019 NCIB**”). Under the 2019 NCIB, the Company may purchase for cancellation up to 20,989,692 Common Shares (representing 10% of the issued and outstanding Common Shares in the public float as of May 22, 2019) over a 12-month period. Under the renewed 2019 NCIB, the maximum number of securities that the Company may purchase on a daily basis, other than block purchase exemptions, is 206,743 Common Shares. During the financial year ended December 31, 2019, the Company purchased 727,200 Common Shares for cancellation under the 2019 NCIB.

On May 9, 2019, the Company announced the appointment of Mr. Jeffrey Parr as the Chairman of the Board.

On May 7, 2019, the Company announced an increase to the quarterly dividend from C\$0.04 per Common Share in Q1 2019 to US\$0.04 per Common Share in Q2 2019.

On April 5, 2019, the Company announced its preliminary production results for Q1 2019. In particular, it was noted that the Company produced 231,879 ounces during Q1 2019.

On April 1, 2019, the Company filed an updated technical report prepared in accordance with NI 43-101, for each of the Macassa Mine, entitled “Macassa Property, Ontario, Canada, Updated NI 43-101 Technical Report” and the Fosterville Mine, entitled “Report on the Mineral Resources and Mineral Reserves of the Fosterville Gold Mine, Victoria, Australia” both with an effective date of December 31, 2018 and an issue date of April 1, 2019. In addition, the Company announced that it had been granted an extension to its mining licence at the Fosterville Mine, increasing the total area of mining from 17 km<sup>2</sup> to 28.5 km<sup>2</sup>.

On March 25, 2019, the Company announced the retirement of Eric Sprott as Chairman and a member of the Board, effective immediately following the Company’s 2019 annual general meeting of shareholders, to be held on May 7, 2019. The Company further announced that following Mr. Sprott’s retirement, Mr. Jeff Parr would assume the role of interim Chairman of the Board, pending his re-election to the Board at the annual general meeting.

On March 15, 2019, the Company declared its Q1 2019 dividend payment of C\$0.04 per Common Share to be paid on April 12, 2019 to shareholders of record as of March 29, 2019.

On February 21, 2019, the Company provided updated three-year production guidance and announced its mineral reserve and mineral resource estimates as at December 31, 2018. On a consolidated basis, the Company reported an increase in mineral reserves of 1,100,000 ounces or 24%, to 5,750,000 ounces at 15.8 g/t.

On January 8, 2019, the Company announced record annual and quarterly production for the full year and three months ended December 31, 2018 with consolidated full year 2018 gold production of 723,477 ounces.

#### ***Financial Year Ended December 31, 2018***

On December 11, 2018, the Company announced full-year 2019 guidance, as well as its three-year production guidance. The Company also announced an increase to its quarterly dividend payment from C\$0.03 per Common Share to C\$0.04 per Common Share to be paid on January 11, 2019 to shareholders of record on December 31, 2018.

On November 18, 2018, the Company announced the appointment of David Soares as Chief Financial Officer and Eric Kallio as Senior Vice President, Exploration. In addition, the Company announced that Mr. Duncan King had been promoted to Vice President Mining, Kirkland Lake and that effective January 1, 2019, Mr. John Landmark, the VP Exploration, Australian Operations would assume the role of VP Human Resources. It was also announced that Ms. Tina Ouellette would retire as Executive Vice President, Human Resources in 2019 and that Mr. Doug Cater, Vice President, Canadian Operations would retire effective January 1, 2019.

On October 30, 2018, the Company announced an increase to its consolidated production guidance from 635,000 ounces to a range of 655,000 to 675,000 ounces for full-year 2018.

On October 9, 2018, the Company announced quarterly gold production of 180,155 ounces for Q3 2018.

On September 28, 2018, the Company announced that, as a result of the completion of a plan of arrangement involving Bonterra and Metanor Resources Inc. (“**Metanor**”), and pursuant to which, among other things, Bonterra acquired all of the issued and outstanding common shares of Metanor, on completion of the arrangement, the Company held in aggregate 37,540,290 common shares of Bonterra and 6,136,072 common share purchase warrants of Bonterra, exercisable to acquire an additional 9,841,646 common shares of Bonterra. Upon completion of the transaction, the Company held approximately 9.44% of the issued and outstanding common shares of Bonterra on a non-diluted basis and approximately 11.63% on a partially-diluted basis.

On September 18, 2018, the Company announced that it had acquired 14,705,882 common shares of Osisko Mining Inc. (“**Osisko**”) by way of a private placement financing at a price of C\$1.70 per share for total consideration of approximately C\$25 million. The Company had previously acquired 17,921,750 common shares of Osisko. Upon completion of the private placement financing, the Company held 32,627,632 common shares of Osisko, representing 13.61% of the issued and outstanding common shares of Osisko as of the date of closing.

On September 17, 2018, the Company announced its Q3 2018 dividend payment of C\$0.03 per Common Share to be paid on October 12, 2018 to shareholders of record as of September 28, 2018.

On August 1, 2018, the Company reported improved full-year 2018 production guidance from 620,000 ounces to over 635,000 ounces on a consolidated basis.

On July 10, 2018, the Company announced that Phil Yee, Executive Vice President and Chief Financial Officer would depart the Company following the release of the Company’s Q2 2018 financial results. In addition, the Company announced that gold production for Q2 2018 exceeded target levels for the quarter.

On June 18, 2018, the Company announced its Q2 2018 dividend payment of C\$0.03 per Common Share to be paid on July 13, 2018 to shareholders of record as of June 29, 2018.

On May 30, 2018, the Company announced that it had acquired 4,000,000 common shares of Novo Resources Corp. (“**Novo**”) from Artemis Resources Limited a price of C\$5.00 per common share (each, a “**Novo Share**”) for total consideration of C\$20.1 million. Upon completion of the acquisition, the Company held 29,830,268 Novo Shares representing 18.8% of the issued and outstanding Nova Shares on an undiluted basis and 25.4% on a partially diluted basis as of the date of closing.

On May 17, 2018 the Company renewed its normal course issuer bid (the “**2018 NCIB**”) pursuant to which the Company could purchase up to 16,456,561 Common Shares for cancellation from May 22, 2018 to May 21, 2019. Pursuant to the 2018 NCIB, the Company purchased 1,970,400 Common Shares for cancellation.

On May 1, 2018, the Company reported its Q1 2018 earnings and announced an increase to its quarterly dividend payment from C\$0.02 per Common Share to C\$0.03 per Common Share, such increase commencing with the Q2 2018 quarterly dividend payable in July 2018.

On April 6, 2018, the Company reported its quarterly production for Q1 2018, noting that Q1 2018 production exceeded target levels for the quarter.

On April 2, 2018, the Company filed an updated technical report that was prepared in accordance with NI 43-101 for the Fosterville Mine for the year ended December 31, 2017.

On March 22, 2018, the Company announced a quarterly dividend payment of C\$0.02 per Common Share to be paid on April 13, 2018 to shareholders of record as of March 29, 2018.

On February 21, 2018, the Company reported its Q4 2017 and year end 2017 operating results, noting record production for both Q4 2017 and year end 2017.

On February 20, 2018, the Company announced updated mineral reserve and mineral resources estimates effective as at December 31, 2017. Consolidated mineral reserves increased by 1,220,000 ounces or 36% to 4,640,000 ounces at 11.1 g/t. Mineral reserves at the Fosterville Mine increased by 1,210,000 ounces to 1,700,000 ounces at 23.1 g/t, representing a 65% increase in mineral reserve ounces from the June 30, 2017 mineral reserve estimate. In particular mineral reserves at the Fosterville Mine Swan Zone more than doubled from the mid-year 2017 update to 1,160,000 ounces at 61.2 g/t. After depleting 190,000 ounces at the Macassa Mine, the Company also announced 2,030,000 ounces of mineral reserves at the Macassa Mine at 21.0 g/t.

On January 17, 2018, the Company announced full-year 2018 guidance, which included increased production, improved unit costs and higher levels of capital and exploration expenditures in support of the Company's growth objectives. The Company also announced the new shaft project at the Macassa Mine.

On January 11, 2018, the Company announced record annual and quarterly production for the year and three months ended December 31, 2017 with consolidated full-year 2017 gold production of 596,405 ounces.

### ***Financial Year Ended December 31, 2017***

On December 31, 2017, the C\$61.9 million principal amount of the Company's 7.5% convertible unsecured subordinated debentures (the "7.5% Debentures") matured. In connection therewith, the Company issued an aggregate of 4,505,393 Common Shares at a conversion price of C\$13.70 per Common Share, repaid C\$324,116 of principal in cash with respect to the outstanding 7.5% Debentures that were not converted, and paid an aggregate of C\$2,139,968 in interest to the former holders of the 7.5% Debentures.

On December 15, 2017, the Company announced an increase to its quarterly dividend payment from C\$0.01 per Common Share to C\$0.02 per Common Share to be paid on January 15, 2018 to shareholders of record as of December 29, 2017.

On December 11, 2017, the Company announced that it had entered into a share sale agreement with Arete, pursuant to which Arete would acquire all of the issued and outstanding common shares of Leviathan Resources Pty Ltd. and Stawell Gold Mines Pty Ltd., which held the Stawell Gold Mine. In accordance with the terms of the agreement, the Company would receive US\$6.25 million in cash consideration and retain a 2.5% NSR on the property. The transaction closed on December 22, 2017.

On November 30, 2017 the Company completed a secondary listing as a foreign exempt issuer and quotation of its Common Shares on the ASX under the symbol "KLA".

On November 2, 2017, the Company reported improved full-year 2017 production guidance of 580,000-595,000 ounces and reported that its mineral reserves more than doubled at the Fosterville Mine.

On September 12, 2017, the Company announced its second quarterly dividend payment of C\$0.01 per Common Share to be paid on October 16, 2017 to shareholders of record as of September 29, 2017.

On September 11, 2017, the Company filed an updated NI 43-101 technical report on the Fosterville Mine entitled "Report on the Mineral Resources & Mineral Reserves of the Fosterville Mine in the State of Victoria, Australia" effective June 30, 2017 in support of the updated mineral resource and mineral reserve estimates contained in the Company's press release dated July 27, 2017.

On September 6, 2017, the Company announced that it had acquired 14,000,000 units of Novo by way of a private placement financing at a price of C\$4.00 per unit for a total purchase price of C\$56,000,000. Each unit was comprised of one Novo Share and one common share purchase warrant of Novo, entitling the Company to acquire a Novo Share at a price of C\$6.00 until September 6, 2020. The Company retained an anti-dilution right and a right to appoint a

nominee to the board of directors of Novo. Upon completion of the offering, the Company held approximately 18.19% of the issued and outstanding Novo Shares on a non-diluted basis and approximately 25.3% on a partially-diluted basis.

On August 31, 2017, the Company acquired 11,830,268 Novo Shares from a third party, representing approximately 9.9% of the issued and outstanding Novo Shares on a non-diluted basis.

On August 16, 2017, the Company completed a secondary listing on the NYSE and the Common Shares began trading under the symbol “KL”. Effective on the day of listing, the Common Shares ceased trading on the OTC Market under the symbol “KLGDF”.

On July 27, 2017, the Company announced results of its mid-year 2017 mineral reserves and mineral resources update for the Fosterville Mine which included a 110% increase in underground mineral reserves to 1,030,000 ounces of gold after depletion of 130,584 ounces of gold in the first six months of 2017. In addition, the Company announced an 83% increase in the underground mineral reserve grade from 9.8 g/t (in the prior mineral reserve and mineral resource estimate effective December 31, 2016) to 17.9 g/t. It was noted that the increase in reserves was supported by down-plunge extensions of high-grade mineralization within the Lower Phoenix gold system, including 532,000 ounces of mineral reserves at an average grade of 58.8 g/t in the Swan Zone.

On July 9, 2017, the Company announced gold production in Q2 2017 of 160,156 ounces, including production at the Fosterville Mine of 77,069 ounces and production at the Macassa Mine of 45,699 ounces.

On June 21, 2017, the Company announced that the approximately C\$56.8 million principal amount of its 6% unsecured convertible debentures (the “**6% Debentures**” and together with the 7.5% Debentures, the “**Debentures**”) would mature on June 30, 2017 and would be repaid in cash on the maturity date. In addition to the approximately C\$56.8 million to be paid to the holders of the 6% Debentures as principal, the Company would pay a total of C\$1,705,101 to holders of the 6% Debentures with respect to the accrued unpaid interest up to, but excluding, the maturity date. The repayment of the 6% Debentures was completed on June 30, 2017.

On June 19, 2017, the Company announced the appointment of certain key executive officer positions to its management team, including the promotion of Pierre Rocque from VP, Technical Services to the position of VP, Canadian Operations, the appointment of Ian Holland as VP, Australian Operations, the appointment of Mark Utting as VP, Investor Relations and the appointment of Brian Hagan as VP, Health, Safety and the Environment.

On May 23, 2017, the Company announced the departure of Darren Hall as the Chief Operating Officer of the Company and the resignation of Ryan King as VP, Investor Relations. The Company also announced the appointment of Darin Smith as Director, Corporate Development of the Company.

On May 15, 2017, the Company announced the commencement of a normal course issuer bid (the “**2017 NCIB**”) effective May 17, 2017 to purchase up to 15,186,571 Common Shares until May 16, 2018. Pursuant to the 2017 NCIB, the Company purchased 5,512,800 Common Shares for cancellation.

On May 5, 2017, the Company announced its shareholders approved the adoption of the Company’s long term incentive plan, deferred share unit plan and amendments to its stock option plan at the annual general and special meeting of shareholders of the Company held on May 4, 2017.

On April 24, 2017, the Company announced its acquisition of 10,357,143 units of Metanor at a price of C\$0.70 per unit, for a total purchase price of C\$7,250,000 pursuant to a private placement financing. Each unit consisted of one common share of Metanor and one-half of one common share purchase warrant of Metanor, with each full warrant entitling the Company to acquire one common share of Metanor at a price of C\$0.90 until April 21, 2019. Upon completion of the financing, the Company held approximately 13.7% of the issued and outstanding common shares of Metanor on an undiluted basis and 19.3% on a partially diluted basis.

On April 12, 2017, the Company announced gold production in Q1 2017 of 130,425 ounces.

On March 30, 2017, the Company filed updated technical reports for each of the Macassa Mine, the Fosterville Mine, the Holt-Holloway property, the Hislop property and the Northern Territory operations, which includes the Cosmo Mine and the Taylor Mine, each having an effective date of December 31, 2016.

On March 29, 2017, the Company announced that the Board approved a dividend policy recommending the payment of a quarterly dividend of C\$0.01 per Common Share (C\$0.04 per Common Share annually), with the inaugural quarterly dividend of C\$0.01 per Common Share to be paid on July 14, 2017 to shareholders of record as of June 30, 2017.

On January 19, 2017, the Company announced a change in its stock symbol on the OTC Markets to “KLGDF” (OTCQX:KLGDF) and announced that the Company had changed its auditors from PricewaterhouseCoopers LLP to KPMG LLP. KPMG LLP were the auditors of Old Kirkland Lake Gold.

On January 9, 2017, the Company announced that it exceeded its 2016 production guidance with 2016 *pro forma* gold production of 542,751 ounces.

On January 3, 2017, the Company announced certain executive management appointments, including the appointment of Darren Hall as the Chief Operating Officer, Alasdair Federico as the Executive Vice President, Corporate Affairs and CSR, Jason Gregg as Vice President, Human Resources, Ryan King as Vice President, Investor Relations and John Landmark as Vice President, Exploration, Australia.

### **DESCRIPTION OF THE BUSINESS**

Kirkland Lake Gold is a senior gold mining, development and exploration company with a diversified portfolio of assets located in the stable mining jurisdictions of Canada and Australia with a significant pipeline of high-quality exploration projects.

#### **Principal Markets and Distribution Methods**

The gold doré produced at the Company’s operations is refined to market delivery standards by refineries in Australia and Canada. The Company markets its gold bullion through direct sales to gold bullion industry participants, including Asahi Refining Canada Ltd., ABC Refining (Australia) Pty Ltd, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Auramet Trading LLC.

#### **Purchasers**

All of the Company’s gold sales are to arm’s length parties.

#### **Production and Services**

Mining methods used by the Company vary from long-hole, mechanized cut-and-fill mining to conventional cut-and-fill mining (both overhand and underhand), open pit mining and other equally labour intensive mining methods.

#### **Specialized Skill and Knowledge**

Many aspects of the Company’s business require specialized skills and knowledge, including but not limited to areas of geology, mining, engineering, milling and production, mechanical, electrical, and pipefitting installation and repair. Personnel with the requisite skills and knowledge are readily available to the Company to meet its current needs in the current labour market, with the exception of skilled conventional miners. See “Risk Factors – Labour and Employment Matters”.

#### **Competitive Conditions**

The precious metal mineral exploration and mining business is competitive in all phases of exploration, development and production. Competition in the mineral exploration and production industry can be significant at times. The

Company competes with a number of other companies that have resources significantly in excess of those of the Company, in the search for and the acquisition of attractive precious metal mineral properties, qualified service providers, labour, equipment and suppliers. The Company also competes with other mining companies for production from, mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants. The ability of the Company to acquire precious metal mineral properties in the future will depend on its ability to operate and develop its present properties and on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration in the future. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company. See “Risk Factors”.

### **Raw Materials (Components)**

The Company uses critical components such as water, electrical power, explosives, diesel and propane in its business, all of which are readily available.

### **Business Cycle & Seasonality**

The Company’s business is not cyclical or seasonal.

### **Economic Dependence**

The Company’s business is not substantially dependent on any single commercial contract or group of contracts either from suppliers or contractors. However, the Company is increasingly more reliant on its battery supplier for its electric powered underground equipment.

### **Renegotiation or Termination of Contracts**

It is not expected that the Company’s business will be materially affected in the current financial year by the renegotiation or termination of any contracts or sub-contracts.

### **Environment, Community and Sustainability**

The Company’s mining, exploration and development activities are subject to various levels of federal, provincial, state and local laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

All phases of the Company’s operations are subject to environmental regulation in the various jurisdictions in which it operates. To the best of management’s knowledge, the Company’s activities in 2019 were, and continue to be, in compliance in all material respects with such environmental regulations applicable to its mining operations, development, and exploration activities. The Company has implemented an environmental policy, a corporate social responsibility policy, and a health and safety policy in which it accepts its corporate responsibility to practice environmental stewardship, community engagement and development, and provide a safe and healthy workplace for our employees. The Company is also committed to complying with all relevant industry standards, legislation and regulations in the countries where it carries on business and have begun implementation of the best practice under the Toward Sustainable Mining program set out by the Mining Association of Canada at all the Company’s operations.

During 2019, reviews of the environmental and social performance of all of the Company’s operations were led by the Company’s Corporate Social Responsibility and Environment and Sustainability departments. The reviews included inspections of the Company’s mine sites and surrounding areas with key operations personnel, review of monitoring programs and operating procedures and evaluation of the principal environmental and social issues related to each of these operations. The key observations and recommendations from the reviews are reported to the Board and its Health, Safety, Environment and CSR Committee (the “**HSE and CSR Committee**”). In addition to the periodic reviews, detailed environmental audits are completed at each mine at least once a year. These audits review environmental

compliance and implementation of best practice procedures and management systems. During 2019, audits were undertaken at the Macassa Mine, Holt Complex, Fosterville Mine and the Northern Territory operations and no material issues were identified. No material social concerns were identified at the Company's mine sites in 2019.

The Company completed its comprehensive Sustainability Report for 2018 in accordance with the Global Reporting Initiative G4 guidelines and improved its disclosure and report quality. The report includes detailed information on the Company's environmental, social, economic, and health and safety performance. The complete Sustainability Report is available on the Company's website at [www.klgold.com](http://www.klgold.com).

As at December 31, 2019, the Company's environmental rehabilitation provision was US\$71,121,000. This provision is reviewed for all sites quarterly and goes through a thorough annual review at year end. The Company provides for the estimated future cost of rehabilitating mine sites and related production facilities on a discounted basis as such activity that creates the rehabilitation obligation occurs. The rehabilitation provision represents the present value of estimated future rehabilitation costs. These provisions are based on the Company's internal estimates, with consideration of closure plans and rehabilitation requirements established by relevant regulatory bodies.

### **Employees**

As at December 31, 2019, the Company had approximately 1,981 employees and 602 contractors.

### **Foreign Operations**

The Company's mines and material mineral projects are located in Canada and Australia. Any changes in regulations or shifts in political attitudes in these jurisdictions, or other jurisdictions in which the Company has projects from time to time, are beyond the control of the Company and may adversely affect its business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, government initiatives enacted in response to the COVID 19 pandemic export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. In addition, prior to the acquisition of the Detour Lake Mine, for the year ended December 31, 2019, the Company produced a total of 974,615 ounces, of which a total of 619,366 ounces were attributable to the Fosterville Mine in Australia. The effect of these factors cannot be accurately predicted. See "Risk Factors".

### **Social and Environmental Policies**

Protecting the environment and maintaining a social licence with the communities where the Company operates is integral to the success of the Company. The Company's approach to social and environmental policies is guided by both the legal guidelines in the jurisdictions in which the Company operates, as well as by a combination of Company-specific policies and standards with a commitment to best practice management.

The Company's current production activities, as well as any future operation or development projects, are subject to environmental laws and regulations in the jurisdictions in which it operates. There are environmental laws in both Canada and Australia that apply to the Company's operations, exploration, development projects, land holdings and closure. These laws address such matters as protection of the natural environment, employee health and safety, waste disposal, remediation of environmental sites, reclamation, mine safety, control of toxic substances, air and water quality and emissions standards. See "Risk Factors". Kirkland Lake Gold's operating mine sites seek to adopt leading practice environmental programs to manage environmental matters and ensure compliance with local and international legislation.

The Company maintains and implements its Environmental Policy, which sets forth the following key commitments of the Company to: (a) meet or exceed all applicable laws and regulations; (b) develop and maintain a comprehensive and effective Environmental Management System; (c) integrate environmental, social, cultural and economic considerations; (d) foster mutually beneficial environmental partnerships with its communities; (e) conduct business in a manner that minimizes potential environmental impacts; (f) instill a behaviour of environmental performance



responsibility; (g) seek continuous improvement in the management and use of records in environmentally sustainable exploration, mining, processing, waste management and rehabilitation; (h) to communicate openly and honestly with respect to the Company's performance in a timely manner; (i) maintain appropriate and effective communication with stakeholders; and (j) provide for the reclamation and rehabilitation of areas affected by its operations. To fulfil this commitment to environmental matters, the Company continuously reviews its environmental objectives and targets and measures and reports its performance transparently against such objectives and targets, evaluates environmental risks, takes appropriate action to mitigate such risks and effectively communicates its Environmental Policy to its employees, contractors, suppliers and stakeholders.

The Company has also developed a Social Responsibility Policy, which sets forth the following key commitments of the Company to: (a) meet or exceed all applicable laws, regulations and Company standards; (b) acknowledge all cultural and other human rights relevant to its operations and ensuring that all levels of the workforce understand and respect these rights; (c) integrate social responsibility into its decisions and activities; (d) act ethically and respectfully regarding Indigenous rights, cultural beliefs and aspirations; (e) understand, encourage and promote cross-cultural awareness; (f) engage stakeholders with respect to their concerns and values regarding development, operational and closure aspects of mineral projects; (g) communicate openly and honestly with respect to the Company's performance in a timely manner; and (h) maintain ongoing dialogue based on transparency, respect and good faith. To fulfil this commitment to social responsibility matters, the Company continuously reviews its social responsibility objectives and targets, measures and reports its performance against such objectives and targets, engages with employees and stakeholders to find improvements that benefit both local economic development and shareholders, identifies and manages significant social impacts, risks and opportunities, and communicates the Social Responsibility Policy to employees, contractors, suppliers and visitors while also making such policy available to the public.

### **RISK FACTORS**

The operations of the Company are subject to significant uncertainty due to the high-risk nature of its business, which is the acquisition, financing, exploration, development and operation of mining properties. The following risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. The risks and uncertainties described below are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

#### ***Price of Gold***

The Company's profitability and long-term viability depend, in large part, upon the market price of gold. Market price fluctuations of gold could adversely affect the profitability of the Company's operations and lead to impairments and write downs of mineral properties. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including: global and regional supply and demand for industrial products containing metals generally; changes in global or regional investment or consumption patterns; increased production due to new mine developments and improved mining and production methods; decreased production due to mine closures; interest rates and interest rate expectation; expectations with respect to the rate of inflation or deflation; currency rate fluctuations; availability and costs of metal substitutes; global or regional political or economic conditions; and sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of the Company's existing mines and projects as well as its ability to finance the exploration and development of additional properties, which would have a material adverse effect on the Company's results of operations, cash flows and financial position. A decline in metal prices may require the Company to write-down mineral reserve and mineral resource estimates, which could result in material write-downs of investments in mining properties. Further, if revenue from metal sales declines, the Company may experience liquidity difficulties. Its cash flow from mining operations may be insufficient to meet its operating needs, and as a result the Company could be forced to discontinue production and could lose its interest in, or be forced to sell, some or all of its properties.

In addition to adversely affecting mineral reserve and mineral resource estimates and the Company's results of operations, cash flows and financial position, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on the Company's results of operations, cash flows and financial position.

### ***Infectious Diseases and COVID-19***

Outbreaks or the threat of outbreaks of viruses or other infectious diseases or similar health threats, including the novel coronavirus (COVID-19) outbreak, could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labour shortages and shutdowns, decreased demand or the inability to sell precious metals, declines in the price of precious metals, capital markets volatility, or other unknown but potentially significant impacts. At this time the Company cannot accurately predict what effects these conditions will have on mining operations or financial results, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could result in a material adverse effect on commodity prices, demand for metals, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Common Shares. Accordingly, any outbreak or threat of an outbreak of an epidemic disease or similar public health emergency could have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Exploration, Development and Operating Risks***

Mining operations are inherently dangerous and generally involve a high degree of risk. Kirkland Lake Gold's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of precious and base metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life and damage to tailings dams, property, and environmental damage, all of which may result in possible legal liability. Although the Company expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Company's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects. Further, the Company may be subject to liability or sustain losses in relation to certain risks and hazards against which it cannot insure or for which it may elect not to insure. The occurrence of operational risks and/or a shortfall or lack of insurance coverage could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Kirkland Lake Gold will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices that are highly cyclical, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, exploration licences, mining licences, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Kirkland Lake Gold not receiving an adequate return on invested

capital. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production can often occur.

Mineral exploration is highly speculative in nature. There can be no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves.

The Company's ability to meet development and production schedules and cost estimates for its development and expansion projects cannot be assured. Without limiting the generality of the foregoing, Kirkland Lake Gold is in the process of undertaking permitting efforts with respect to the #4 Shaft at the Macassa Mine, permitting with respect to its new tailings facility at the Macassa Mine, rehabilitation of the current tailings facility at the Macassa Mine, increased production throughput at the Taylor Mine, refinery upgrade and the granting of certain exploration licences for the Fosterville Mine. Technical considerations, delays in obtaining government approvals and necessary permits, changes in scope and design, the inability to obtain financing and/or the unanticipated costs associated with the development and construction of such projects could lead to further delays and delays in current mining operations in developing certain properties. Such delays could materially affect the financial performance of the Company.

#### ***Health, Safety and Environmental Risks and Hazards***

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and Company assets. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. Personnel involved in the Company's operations are subject to many inherent risks, including but not limited to, rock bursts, cave-ins, flooding, fall of ground, electricity, slips and falls and moving equipment that could result in occupational illness, health issues and personal injuries. The Company strives to manage all such risks in compliance with local and international standards. The Company has implemented various health and safety measures designed to mitigate such risks, including the implementation of improved risk identification and reporting systems across the Company, effective management systems to identify and minimize health and safety risks, health and safety training and the promotion of enhanced employee commitment and accountability, including a fitness for work program which focuses on fatigue, stress, and alcohol and drug abuse. Such precautions, however, may not be sufficient to eliminate health and safety risks and employees, contractors and others may not adhere to the occupational health and safety programs that are in place. Any such occupational health and personal safety issues may adversely affect the business of the Company and its future operations.

All phases of the Company's operations are also subject to environmental and safety regulations in the jurisdictions in which it operates. These regulations mandate, among other things, water and air quality standards, noise, surface disturbance, the impact on flora and fauna and land reclamation, and regulate the generation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental, health and safety permits. In addition,

no assurances can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and operations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any non-compliance therewith may adversely affect the Company's business, financial condition and results of operations. Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties.

Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The costs associated with such instances and liabilities could be significant. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduced levels of production at producing properties or require abandonment or delays in development of its mining properties. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The Company may also be held financially responsible for remediation of contamination at current or former sites, or at third party sites. The Company could also be held responsible for exposure to hazardous substances.

In the context of environmental permits, including the approval of reclamation plans, Kirkland Lake Gold must comply with standards, laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the regulatory authority. The reclamation liability on any of Kirkland Lake Gold's properties will be calculated based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its exploration or operating mine sites. The Company may incur costs associated with reclamation activities, which may materially exceed the provisions established by the Company for the activities. In addition, possible additional future regulatory requirements may require additional reclamation requirements creating uncertainties related to future reclamation costs. Should the Company be unable to post required financial assurance related to an environmental remediation obligation, the Company might be prohibited from starting planned operations or required to suspend existing operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect. Furthermore, changes to the amount of financial assurance that the Company is required to post, as well as the nature of the collateral to be provided, could significantly increase the Company's costs, making the maintenance and development of existing and new mines less economically feasible.

#### ***Foreign Operations and Political Risk***

Kirkland Lake Gold conducts mining, development and exploration and other activities in Canada and Australia. Inherent risks with conducting foreign operations include, but are not limited to: renegotiation, cancellation or forced modification of existing contracts; expropriation or nationalization of property; changes in laws or policies or increasing legal and regulatory requirements of particular countries including those relating to taxation, royalties, imports, exports, duties, currency, or other claims by government entities, including retroactive claims and/or changes in the administration of laws, policies and practices; uncertain political and economic environments; war, terrorism, sabotage and civil disturbances; delays in obtaining or the inability to obtain or maintain necessary governmental permits or to operate in accordance with such permits or regulatory requirements; currency fluctuations; import and export regulations, including restrictions on the export of gold or other minerals; limitations on the repatriation of earnings; and increased financing costs.

These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, or result in the deprivation of contract rights or the

taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect the Company's financial position or results of operations.

#### ***Uncertainty in the Estimation of Mineral Reserves and Mineral Resources***

To extend the lives of its mines and projects, ensure the continued operation of the business and realize its growth strategy, it is essential that the Company continues to realize its existing identified mineral reserves, convert mineral resources into mineral reserves, increase its mineral resource base by adding new mineral resources from areas of identified mineralized potential, and/or undertake successful exploration or acquire new mineral resources.

The figures for mineral reserves and mineral resources contained in this Annual Information Form are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves will be mined or processed profitably. Actual mineral reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretations available at the time. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its mineral reserve estimates from time to time or may render the Company's mineral reserves uneconomic to exploit. Mineral reserve data is not indicative of future results of operations. If the Company's actual mineral reserves and mineral resources are less than current estimates or if the Company fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of mineral reserves and mineral resources occurs from time to time and estimates may change depending on further geological interpretation, drilling results and metal prices, which could have a negative effect on the Company's operations. The category of inferred mineral resource is often the least reliable mineral resource category and is subject to the most variability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven mineral reserves and probable mineral reserves as a result of continued exploration. The Company regularly evaluates its mineral resources and it often determines the merits of increasing the reliability of its overall mineral resources.

#### ***Replacement of Depleted Mineral Reserves***

Given that mines have limited lives based on proven and probable mineral reserves, the Company must continually replace and expand its mineral resources and mineral reserves at its gold mines and discover, develop, or acquire mineral reserves for production. The Company's ability to maintain or increase its annual production of gold will depend in significant part on its ability to bring new mines into production and to expand mineral reserves or extend the life of existing mines.

#### ***Uncertainty Relating to Mineral Resources***

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may be attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated mineral resources as a result of continued exploration.

#### ***Production Estimates***

Kirkland Lake Gold has prepared estimates of future gold production for its existing and future mines. The Company cannot give any assurance that such estimates will be achieved. Failure to achieve production estimates could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial conditions. The

realization of production estimates are dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions (including hydrology), the physical characteristics of ores, the presence or absence of particular metallurgical characteristics, and the accuracy of the estimated rates and costs of mining, ore haulage and processing. Actual production may vary from estimates for a variety of reasons, including the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore stopes from those planned; mine failures or slope failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment. Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of Kirkland Lake Gold or others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing Kirkland Lake Gold to cease production.

Mineral resources and mineral reserves are reported as general indicators of mine life, however, this should not be interpreted as assurances of mine life or of the profitability of current or future operations.

The Company is currently, and expects to continue to be, dependent on its producing mines for all of its commercial production. In particular, the Macassa Mine and the Fosterville Mine accounted for the majority of the Company's annual production in 2019 and, in addition to the Detour Mine, are expected to continue to account for a significant portion of its commercial production in the near term. Any adverse conditions affecting mining, processing conditions, expansion plans or ongoing permitting at either the Macassa Mine, the Fosterville Mine, or the Detour Mine, could have a material adverse effect on the Company's financial performance and results of operations.

### ***Cost Estimates***

Capital and operating cost estimates made in respect of Kirkland Lake Gold's mines and development projects may not prove accurate. Capital and operating cost estimates are based on the interpretation of geological data, feasibility studies, anticipated climatic conditions, market conditions for required products and services, and other factors and assumptions regarding foreign exchange currency rates. Any of the following events could affect the ultimate accuracy of such estimate: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals); and title claims.

Changes in the Company's production costs could have a major impact on its profitability. Its main production expenses are personnel and contractor costs, materials, and energy. Changes in costs of the Company's mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, a change in commodity prices, increased costs (including oil, steel and diesel) and scarcity of labour, and could result in changes in profitability or mineral reserve estimates. Many of these factors may be beyond the Company's control.

The Company prepares estimates of future cash costs, operating costs and/or capital costs for each operation and project. There can be no assurance that such estimates will be achieved and that actual costs will not exceed such estimates. Failure to achieve cost estimates and/or any material increases in costs not anticipated by the Company could have an adverse impact on future cash flows, profitability, results of operations and the financial condition of the Company.

### ***Obligations as a Public Company***

The Company's business is subject to evolving corporate governance and public disclosure regulations that may from time to time increase both the Company's compliance costs and the risk of non-compliance, which could adversely impact the price of the Common Shares.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including, but not limited to, the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board, the SEC, NYSE and the ASX. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Government of Canada proclaimed into force the Extractive Sector Transparency Measures Act on June 1, 2015, which mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments starting in 2017 for the year ended December 31, 2016 and provides for certain penalties in the event of non-compliance with such act. The Company's efforts to continue to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

The Company is also subject to corporate governance standards that apply to it as a foreign private issuer listed on the NYSE and registered with the SEC in the United States. Although it substantially complies with NYSE's corporate governance guidelines, it is exempt from certain NYSE requirements because it is subject to Canadian corporate governance requirements. It may from time to time seek other relief from corporate governance and exchange requirements and securities laws from the NYSE and other regulators. For the fiscal year ending December 31, 2019, the Company was required to document and test its internal control procedures to satisfy the requirements of section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires management to do an annual assessment of the Company's internal controls over financial reporting and its external auditors to conduct an independent assessment of the effectiveness of the Company's controls. Future annual assessments may find that internal controls over financial reporting may not be adequate, or the Company may not be able to maintain them as required by SOX. The Company may not be able to maintain effective internal controls over financial reporting on an ongoing basis, if standards are modified, supplemented or amended from time to time. If it does not satisfy the SOX requirements on an ongoing and timely basis, investors could lose confidence in the reliability of its financial statements, and this could harm its business and have a negative effect on the trading price or market value of securities of the Company.

If the Company does not implement new or improved controls, or experiences difficulties in implementing them, it could harm its operating results, or it may not be able to meet its reporting obligations. There is no assurance that the Company will be able to remediate material weaknesses, if any are identified in future periods, or maintain all of the necessary controls to ensure continued compliance. There is also no assurance that the Company will be able to retain personnel who have the necessary finance and accounting skills because of the increased demand for qualified personnel among publicly traded companies. Acquisitions can pose challenges in implementing the required processes, procedures and controls in the new operations. Companies that it acquires may not have disclosure controls and procedures or internal controls over financial reporting that are as thorough or effective as those required by the securities laws that currently apply to the Company. If any of its staff fail to disclose material information that is otherwise required to be reported, no evaluation can provide complete assurance that its internal controls over financial reporting will detect this. The effectiveness of its controls and procedures may also be limited by simple errors or faulty judgments. Continually enhancing its internal controls is important, especially as the Company expands, and the challenges involved in implementing appropriate internal controls over financial reporting will increase. Although the Company intends to devote substantial time to ongoing compliance with this, including incurring the necessary costs associated with therewith, it cannot be certain that it will be successful in complying with section 404 of SOX. The Company has documented and tested its internal controls procedure which it believes to be appropriately designed as at December 31, 2019.

### ***Government Regulation***

The Company's business, mining operations and exploration and development activities are subject to extensive federal, state, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, control of toxic substances, reporting and other matters. Although the Company believes

that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted, and existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. See also "Risk Factors – Foreign Operations and Political Risk".

The *Canadian Corruption of Foreign Public Officials Act* and the *U.S. Foreign Corrupt Practices Act* and anti-bribery laws in jurisdictions in which the Company does business, prohibit companies from making improper payments for commercial advantage or other business purposes. The Company's policies mandate compliance with these anti-bribery laws, which carry substantial penalties. While the Company does not operate in countries with experienced public and private sector corruption, violations of such laws, or allegations of such violation could have a material adverse effect on the Company's financial position and results of operations.

### ***Acquisitions, Integration and Dispositions***

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

As a result of its acquisitions, the Company has assumed liabilities and risks. While the Company conducts due diligence with respect to acquisitions of businesses and assets, there may be liabilities or risks, including liabilities related to the prior operation of the business acquired, that the Company failed, or was unable, to discover in the course of performing its due diligence investigations, which may be significant. Any such liabilities, individually or in the aggregate, could have a material adverse effect on the Company's business, financial condition and results of operations.

If the Company decides to sell certain assets or projects, it may encounter difficulty in finding buyers or executing alternative exit strategies on acceptable terms in a timely manner, which could delay the accomplishment of its strategic objectives. For example, delays in obtaining tax rulings and regulatory approvals or clearances, and disruptions or volatility in the capital markets may impact the Company's ability to complete proposed dispositions. Alternatively, the Company may dispose of a business at a price or on terms that are less than it had anticipated. After reaching an agreement with a buyer or seller for the disposition of a business, the Company may be subject to necessary regulatory and governmental approvals on acceptable terms as well as satisfaction of pre-closing conditions, which may prevent the Company from completing the transaction. Dispositions may impact the Company's production, mineral reserves and resources and its future growth and financial conditions. Despite the disposition of divested businesses, the Company may continue to be held responsible for actions taken while it controlled and operated the business. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside the Company's control could affect its future financial results.



### ***Australian Foreign Investment Law***

Pursuant to Australian law, a person acquiring control or direction, directly or indirectly, of 15% or more of the securities of the Company may be required to obtain prior approval from the Australian Foreign Investment Review Board. An investor who fails to obtain such approval may be subject to fines or may be forced to dispose of a portion of the investment. Investors should consult their own legal advisors prior to making any investment in securities of the Company.

### ***Additional Capital***

The exploration and development of the Company's properties, including continuing exploration and development projects, and the construction of mining facilities and commencement of mining operations, may require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of a property interest. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Market Price of Securities***

The Common Shares are listed on the TSX, NYSE and the ASX. Securities markets have had a high level of price and volume volatility, and the market price of securities of many resource companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Kirkland Lake Gold include macroeconomic developments locally and globally and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral prices will not occur.

As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the Company's long-term value. In response to periods of volatility in the market price of a company's securities, shareholders may institute class action securities litigation. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Kirkland Lake Gold.

### ***Dividend Policy***

The Company has a dividend policy providing for a dividend yield that is consistent with the yield of comparable companies' dividend rates and such policy is reviewed on a periodic basis and assessed in relation to the growth of the operating cash flows of the Company.

Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company's operating results, financial condition, comparability of the dividend yield to peer gold companies and current and anticipated cash needs. There can be no assurance that dividends will continue to be paid in the future or on the same terms as are currently paid by the Company.

### ***Investment Risk***

The Company's investments in securities of other public companies are subject to volatility in the share prices of such companies. Kirkland Lake Gold cannot provide any assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond the Company's control, including, quarterly variations in the subject companies' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of such companies and macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The lack of a liquid market could adversely affect the value that the Company could ultimately realize on such investments.

### ***Liquidity Risk***

The Company has in the past and may in the future seek to acquire additional funding by the sale of Common Shares, the sale of assets or through the assumption of additional debt. Movements in the price of the Common Shares have been volatile in the past and may be volatile in the future. Furthermore, liquidity of the Company's securities may be impacted by large shareholders.

### ***Community Relations***

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which Kirkland Lake Gold operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

### ***First Nations and Aboriginal Heritage***

First Nations title claims, and Aboriginal heritage issues may affect the ability of the Company to pursue exploration, development and mining on its properties. The resolution of First Nations and Aboriginal heritage issues is an integral part of exploration and mining operations in Canada and Australia and the Company is committed to managing any issues that may arise effectively. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise. For instance, there is an increasing level of public concern relating to the perceived effect of mining activities on communities impacted by such activities. The evolving expectations related to human rights, indigenous rights, and environmental protection may result in opposition to the Company's current and future operations or further development or new development of the Company's properties. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities, and may have a negative impact on the Company's reputation and operations.

### ***Non-Governmental Organizations***

Certain non-governmental organizations ("NGOs") that oppose globalization and resource development are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or other parties generally related to extractive industries or specifically to the Company's operations, could have an adverse effect on the Company's reputation, impact the Company's relationship with the communities in which it operates and ultimately have a material adverse effect on the Company's business, financial condition and results of operations.

NGOs may lobby governments for changes to laws, regulations and policies pertaining to mining and relevant to the Company's business activities, which, if made, could have a material adverse effect on the Company's business, financial condition and results of operations.

NGOs may organize protests, install road blockades, apply for injunctions for work stoppage, file lawsuits for damages and intervene and participate in lawsuits seeking to cancel the Company's rights, permits and licences. These actions can relate not only to current activities but also historic mining activities by prior owners and could have a material adverse effect on the Company's business and operations. NGO's may also file complaints with regulators in respect of the Company's, and its directors' and insiders', regulatory filings. Such complaints, regardless of whether they have any substance or basis in fact or law, may have the effect of undermining the confidence of the public or a regulator in the Company or such directors or insiders and may adversely affect the Company's prospects of obtaining the regulatory approvals necessary for advancement of some or all of its exploration and development plans or operations and the Company's business, financial condition and results of operations.

### ***Construction and Development of New Mines***

The success of construction projects and the development of new mines by the Company is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities, the conduct of mining operations (including environmental permits), and the successful completion and operation of ore passes, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements of new mines could delay or prevent the construction and start-up of new mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Company will be successful, that the Company will be able to obtain sufficient funds to finance construction and start-up activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects, that the Company will be able to obtain all necessary governmental approvals and permits or that the construction, start-up and ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Company. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Some of the Company's projects have no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. Thus, it is possible that actual costs may change significantly, and economic returns may differ materially from the Company's estimates.

Commercial viability of a new mine or development project is predicated on many factors. Mineral reserves and mineral resources projected by feasibility studies and technical assessments performed on the projects may not be realized, and the level of future metal prices needed to ensure commercial viability may not materialize. Consequently, there is a risk that start-up of new mine and development projects may be subject to write-down and/or closure as they may not be commercially viable.

### ***Availability and Costs of Infrastructure, Energy and Other Commodities***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Kirkland Lake Gold's operations, financial condition and results of operations.

The profitability of the Company's operations will be dependent upon the cost and availability of commodities which are consumed or otherwise used in connection with the Company's operations and projects, including, but not limited to, diesel, fuel, natural gas, electricity, steel and concrete. Commodity prices fluctuate widely and are affected by numerous factors beyond the control of the Company. If there is a significant and sustained increase in the cost of certain commodities, the Company may decide that it is not economically feasible to continue all of the Company's commercial production and development activities and this could have an adverse effect on profitability. Higher

worldwide demand for critical resources like input commodities, drilling equipment, mobile mining equipment, tires and skilled labour could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules.

Further, the Company relies on certain key third-party suppliers and contractors for services, equipment, raw materials used in, and the provision of services necessary for, the development, construction and continuing operation of its assets. As a result, the Company's activities at its mine sites are subject to a number of risks, some of which are outside its control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or a contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen event and failure of a supplier or contractor to perform under its agreement with the Company. The occurrences of one or more of these events could have a material effect on the business, results of operations and financial condition of the Company.

### *Nature and Climatic Conditions*

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's results of operations and financial position. At the Fosterville Mine, ore is processed by crushing and grinding followed by flotation, bacterial oxidation and CIL circuits. Downtime at the Fosterville BIOX® plant impacts bacterial activity and gold recovery in the BIOX® circuit, which could have a negative effect on the financial condition and results of operation of the mine.

Kirkland Lake Gold has properties located in the Northern Territory, Australia. Typically, the Northern Territory's tropical wet season is from the end of November to the end of March. During the wet season, the properties may be subject to unpredictable weather conditions such as cyclones, heavy rains, strong winds and flash flooding. Kirkland Lake Gold has undertaken several steps to minimize the effects of the wet season on its operations including sealing roads, accommodating the build-up of mined inventory and planning exploration and mining activities around the wet season. Nonetheless, no assurance can be given that the unpredictable weather conditions will not adversely affect mining and exploration activities. In particular, mining, drilling and exploration activities may be suspended due to poor ground conditions, ore haulage activities may be slowed or delayed as roads may be temporarily flooded, and deposits where the host rock is clayish in nature may have to be mined or processed at slower than anticipated rates and/or mixed with lower grade stockpile ore. Furthermore, the occurrence of physical climate change events may result in substantial costs to respond to the event and/or recover from the event, and to prevent recurrent damage, through either the modification of, or addition to, existing infrastructure at the Company's operations. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change. The Company can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result.

The Company's mining and processing operations are, in some instances, energy intensive. While the Company has initiated numerous processes to reduce its overall carbon footprint, such as the use of electric battery powered mining equipment, the Company acknowledges climate change as an international and community concern. Legislation and regulations relating to emission levels and energy efficiency are becoming more rigorous and may result in increased costs at its Canadian and Australian operations. In addition, as climate change is increasingly perceived as an international and community concern, stakeholders may increase demands for emissions reductions and call-upon

mining companies to better manage their consumption of climate-relevant resources. While the Company has taken measures to manage the use of energy, such regulatory requirements may have an adverse impact on the Company.

Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact the Company's decisions to pursue future opportunities, or maintain existing operations, which could have an adverse effect on its business and future operations.

The Company can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

### ***Information Technology***

The Company is reliant on the continuous and uninterrupted operations of its information technology ("IT") systems. User access and security of all IT systems are critical elements to the operations of the Company. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Social media and other web-based information sharing applications may result in negative publicity or have the effect of damaging the reputation of the Company, whether or not such publicity is in fact verified, truthful or correct. The Company places a great emphasis on ensuring the highest reputational standards, however, it may not have the ability to control how it is perceived by others. Reputational loss may result in challenges in developing and maintaining community and shareholder relations and decreased investor confidence.

### ***Permitting***

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of permits for the Company's existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property. Any of these factors could have a material adverse effect on the Company's results of operations and financial position.

### ***Insurance and Uninsured Risks***

Kirkland Lake Gold's business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; labour disputes; unusual or unexpected geological conditions; ground or slope failures; cave-ins; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Kirkland Lake Gold's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

The businesses and properties of Kirkland Lake Gold are insured against loss or damage, subject to a number of limitations and qualifications. Such insurance will not cover all the potential risks associated with a mining company's operations. Kirkland Lake Gold may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Kirkland Lake Gold or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that it may not be insured against or that Kirkland Lake Gold may elect not to insure against because of premium costs or other reasons. The Company may suffer a material adverse effect on its business, results of operations, cash flows and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

### ***Competition***

The mining industry is intensely competitive in all of its phases and Kirkland Lake Gold competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a global basis. Such competition may result in Kirkland Lake Gold being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Kirkland Lake Gold's prospects for mineral exploration and success in the future.

### ***Currency and Gold Price Fluctuations***

The Company does not have a foreign exchange hedging program in place. As such, currency fluctuations may affect the Company's capital costs and the costs that the Company incurs at its operations. Gold is sold throughout the world based principally on a United States dollar price, but most of the Company's operating and capital expenses are incurred in Australian dollars and Canadian dollars. The appreciation of these currencies against the United States dollar would increase the costs of gold production at such mining operations, which could materially and adversely affect Kirkland Lake Gold's profitability, results of operations and financial position. Furthermore, the Company does not hedge its future gold sales. As such, a decrease in the price of gold could materially and adversely affect Kirkland Lake Gold's profitability, results of operations and financial position.

### ***Tax Matters***

The Company's taxes are affected by several factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar "holidays" or benefits were to be challenged for any reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

### ***Foreign Mining Tax Regimes***

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and are subject to constant change. The Company's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Company's operations may be assessed, which could result in significant additional taxes, penalties and interest. In addition, proposed changes to mining tax regimes in foreign jurisdictions could result in significant additional taxes payable by the Company, which would have a negative impact on the financial results of Kirkland Lake Gold.

### ***Activist Shareholders***

In recent years, publicly-traded companies have been increasingly subject to demands from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders will not publicly advocate for the Company to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Company's reputation and divert the attention and resources of the Company's management and Board, which could have an adverse effect on its business and results of operations. Even if the Company does undertake such corporate governance changes or corporate actions, activist shareholders may continue to promote or attempt to effect further changes, and may attempt to acquire control of the Company to implement such changes. If shareholder activists seeking to increase short-term shareholder value are elected to the Board, this could adversely effect the Company's business and future operations. Additionally, shareholder activism could create uncertainty about the Company's future strategic direction, resulting in loss of future business opportunities, which could adversely effect the Company's business, future operations, profitability and its ability to attract and retain qualified personnel.

### ***Litigation***

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought in the future against Kirkland Lake Gold or one or more of its Subsidiaries or the Company or one or more of its Subsidiaries may be subject to another form of litigation. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. As of the date hereof, no material claims have been brought against the Company, nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, should a material claim be brought against the Company, the process of defending such claims could take away from the time and effort management of the Company would otherwise devote to its business operations and the resolution of any particular legal proceeding to which the Company or one or more of its Subsidiaries may become subject could have a material adverse effect on the Company's financial position and results of operations.

### ***Mineral Tenure***

In the countries in which the Company operates, the mineral rights, or certain portions of them, are owned by the relevant governments. In such countries, the Company must enter into contracts with the applicable governments, or obtain permits or concessions from them, that allow the Company to hold rights over mineral rights and rights (including ownership) over parcels of land and conduct its operations thereon. The availability of such rights and the scope of operations the Company may undertake are subject to the discretion of the applicable governments and may be subject to conditions. New laws and regulations, or amendments to laws and regulations relating to mineral tenure and land title and usage thereof, including expropriations and deprivations of contractual rights, if proposed and enacted, may affect the Company's rights to its properties.

In many instances, the Company can initially only obtain rights to conduct exploration activities on certain prescribed areas, but obtaining the rights to proceed with development, mining and production on such areas or to use them for other related purposes, such as waste storage or water management, is subject to further application, conditions or

licences, the granting of which are often at the discretion of the governments. In many instances, the Company's rights are restricted to fixed periods of time with limited renewal rights. Delays in the process for applying for such rights or renewals or expansions, or the nature of conditions imposed by government, could have a material adverse effect on the Company's business, including its existing developments and mines, and the Company's financial condition and results of operations.

The cost of holding these rights often escalates over time or as the scope of the Company's operating rights expands. There is no assurance that the mineral rights regimes under which the Company hold properties or which govern its operations thereon will not be changed, amended, or applied in a manner which could have a material adverse effect on the Company business, financial condition and results of operations, that the ongoing costs of obtaining or maintaining the Company's rights will remain economic and not result in uncompensated delays or that compliance with conditions imposed from time to time will be practicable. Any inability to obtain and retain rights to use lands for the Company's ongoing operations at all or on a timely basis could have a material adverse effect on the Company's business, financial condition and results of operations.

Certain of the Company's properties are subject to royalty and other payment obligations. Failure to meet its payment obligations under these agreements could result in the loss of the Company's rights.

There is no assurance that the Company will be able to hold or operate on its properties as currently held or operated or at all, or that the Company will be able to enforce its rights with respect to its holdings, which could have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Title to the Company's Mining Claims and Leases***

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. While the Company has carried out reviews of title to its mining claims and leases, this should not be construed as a guarantee that title to such interests will not be challenged or impugned. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure mine tenure may be severely constrained. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, royalty transfers or claims, including native land claims, other encumbrances and title may be affected by, among other things, undetected defects. The Company has had difficulty in registering ownership of certain titles in its own name due to the demise of the original vendors of such titles when owned by the Company's predecessors-in-title. If these challenges are successful, this could have an adverse effect on the development of the Company's properties as well as its results of operations, cash flows and financial position. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

### ***Dependence on Outside Parties***

Kirkland Lake Gold has relied upon consultants, engineers, contractors and other parties and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on Kirkland Lake Gold.

### ***Counterparty Risk***

The Company is exposed to various counterparty risks that could adversely impact the Company's planned growth, including, but not limited to: financial institutions that hold the Company's cash, companies that have payables to the Company, the Company's insurance providers, lenders and other banking counterparties, and companies that have received deposits from the Company for the future delivery of equipment. The Company seeks to limit counterparty risk by entering into business arrangements with high credit-quality counterparties, limiting the amount of exposure to each counterparty and monitoring the financial condition of counterparties.



### ***Dependence on Key Management Personnel***

The Company is dependent upon a number of key management personnel. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel. The loss of the services of one or more key employees or the failure to attract and retain new personnel could have a material adverse effect on the Company's ability to manage and expand the Company's business.

### ***Labour and Employment Matters***

Production at the Company's mining operations is dependent upon the efforts of its employees and the Company's operations would be adversely affected if it fails to maintain satisfactory labour relations. Factors such as work slowdowns or stoppages caused by the attempted unionization of operations and difficulties in recruiting qualified miners and hiring and training new miners could materially adversely affect the Company's business. This would have a negative effect on the Company's business and results of operations; which might result in the Company not meeting its business objectives.

In addition, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Furthermore, the Company is reliant on the good character of its employees and is subject to the risk that employee misconduct could occur. Although the Company takes precautions to prevent and detect employee misconduct, these precautions may not be effective and the Company could be exposed to unknown and unmanaged risks or losses, including regulatory sanctions and serious harm to its reputation. The existence of the Company's Code of Conduct and Ethics, among other governance and compliance policies and processes, may not prevent incidents of theft, dishonesty or other fraudulent behaviour nor can the Company guarantee compliance with legal and regulatory requirements. If material employee misconduct does occur, the Company's business, financial condition and results of operations could be adversely affected.

There is a collective bargaining agreement in place at the Fosterville Mine which currently covers approximately **[308]** employees primarily in mining, processing and maintenance. The agreement was entered into in July 2018 and received approval from the Fair Work Commission in March 2019. Accordingly, the collective bargaining agreement at the Fosterville Mine became effective on March 20, 2019 and will expire on June 30, 2021. Since commencing operations at the Fosterville Mine in 2005, no threats of industrial action or work stoppage have been made, nor are they expected to be made in future.

The Company has sufficient skilled miners to carry on operations. There are currently no material labour shortages with the Company operating near its budgeted manning levels. See "Employees".

### ***Conflicts of Interest***

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the Company's directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the OBCA and any other applicable law. In the event that the Company's directors and officers are subject to conflicts of interest, there may be a material adverse effect on its business.

### ***Disclosure and Internal Controls***

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required decisions. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company's failure to satisfy the requirements of applicable Canadian securities laws on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm its business and negatively impact the trading price of the common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations.

### ***Global Financial Conditions***

Global financial conditions continue to be characterized as volatile. In recent years, global markets have been adversely impacted by various credit crises and significant fluctuations in fuel and energy costs and metals prices. Many industries, including the mining industry, have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to future events, as government authorities may have limited resources to respond to future crises. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on commodity prices, demand for metals, including gold, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's securities.

### **MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES**

Set forth below under the heading "Material Properties - The Fosterville Mine - Mineral Resources and Mineral Reserves" are the mineral resource and mineral reserves estimates for the Fosterville Mine, effective December 31, 2019. Set forth below under the heading "Material Properties - The Macassa Mine - Mineral Resources and Mineral Reserves" are the mineral resource and mineral reserves estimates for the Macassa Mine, effective December 31, 2019. See "Interest of Experts".

### **MATERIAL PROPERTIES**

For the purposes of this Annual Information Form, Kirkland Lake Gold has identified its Fosterville Mine and Macassa Mine as its material properties as at December 31, 2019. Subsequent to the financial year ended December 31, 2019, on January 31, 2020, the Company completed the Detour Arrangement and became the owner and operator of the Detour Mine. The Detour Mine will be a material property of the Company for the year ended December 31, 2020. Full technical details concerning the Detour Mine and its related technical report are available under Detour's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The following is a description of Kirkland Lake Gold's material mineral properties as at December 31, 2019.

## The Fosterville Mine

The scientific and technical information included in the below summary has been derived, in part, from, and in some instances are extracts from, the technical report entitled “Updated NI 43-101 Technical Report, Fosterville Gold Mine in the State of Victoria, Australian, prepared for Kirkland Lake Gold Ltd.” (the “**Fosterville Technical Report**”) dated effective December 31, 2018 and prepared by Troy Fuller, MAIG, and Ion Hann, FAusIMM, each of whom is a “qualified person” pursuant to NI 43-101. All defined terms used in the following summary have the meanings ascribed to them in the Fosterville Technical Report. The below summary is subject to all the assumptions, qualifications and procedures set out in the Fosterville Technical Report. The Fosterville Technical Report was prepared in accordance with NI 43-101. For full technical details of the report, reference should be made to the complete text of the Fosterville Technical Report, which has been filed with the applicable regulatory authorities and is available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). The summary set forth below is qualified in its entirety by reference to the full text of the Fosterville Technical Report. The authors of the Fosterville Technical Report have reviewed and approved the scientific and technical disclosure contained in this Annual Information Form related to the Fosterville Mine, other than the information set forth above under the heading “Summary of Mineral Reserve and Mineral Resource Estimates”. See “Interest of Experts”.

### Project Description, Location and Access

The Fosterville Mine is located approximately 20km east of the city of Bendigo and 130km north of the city of Melbourne in the State of Victoria, Australia. The regional center of Bendigo (20km to the south-west) has a population of around 114,000 (Australian Bureau of Statistics, 2018), and provides a source of skilled labour. The Fosterville Mine has ready access via two separate sealed roads and a variety of all-weather un-sealed roads linking to regional highways.

The Fosterville Mine and all associated infrastructure, including the tailings dam and waste dumps, are located on Mining Licence 5404, which is 100% owned by Kirkland Lake Gold. Mining Licence 5404 has a total area of 17.16km<sup>2</sup> and is valid until August 24, 2035. Subsequent to the effective date of the Fosterville Technical Report, FGM (as defined below) was granted Mining Licence extensions to the north and south of Mining Licence 5404. These extensions increase the total area of the Mining Licence to 28.5km<sup>2</sup> and encompass potential resource extensions of the Harrier and Robbin’s Hill gold systems.

Kirkland Lake Gold also holds title, through its wholly owned subsidiary, Fosterville Gold Mine Pty Ltd. (“**FGM**”), to four surrounding Exploration Licences totalling 1,188km<sup>2</sup>. Subsequent to the effective date of the Fosterville Technical Report, on February 26, 2019, Exploration Licence 3539 (which encloses the current Mining Licence 5404) expired. The tenement was unable to be renewed under current state legislation and has been placed in moratorium (currently exempt from licence application).

Within Mining Licence 5404, there is a 2.5% gold royalty payable to New Holland Mining Ltd, now Nu Energy Capital Limited, for the areas in the northeastern and southeastern portions of the newly extended Mining Licence 5404. In addition, a 2% net smelter royalty is held by AMARC. AMARC was originally a wholly-owned subsidiary of AMI. AMI was acquired by Centerra Gold Inc. (“Centerra”) in January 2018 and AMARC, which holds the royalty, was subsequently sold to Triple Flag Mining Finance Bermuda Ltd.

Subsequent to the effective date of the Fosterville Technical Report, the State of Victoria, Australia imposed a royalty in the amount of 2.75% of the gold produced under a mineral licence, including Mining Licence 5404, which came into effect on January 1, 2020.

The rehabilitation bond liability was assessed in June 2019 by the Department of Jobs, Precincts and Regions and is proposed to be increased from A\$8.27 million to A\$9.42M. Consultation with the local community in Bendigo by the regulator was conducted in 2019 prior to final formal acceptance of the review. As of the date hereof, the final acceptance has not been received. Rehabilitation is undertaken progressively at the Fosterville Mine as per the mining Licence conditions and the bond may be reduced on establishment that the land has been rehabilitated in accordance with the *Mineral Resources (Sustainable Development) Act 1990* (Victoria). The Fosterville Mine is located near areas of

moderate environmental significance (Mt Sugarloaf Nature Conservation Reserve), established productive farmland and is adjacent to the locally significant Campaspe River.

The Fosterville Mine is operating under a Risk Based Work Plan approved in March 2019 under the *Mineral Resources (Sustainable Development) Act 1990* (Victoria). The newly approved Risk Based Work Plan consolidated the previously approved 2004 Work Plan and all subsequent Work Plan Variations into one Risk Based Work Plan.

Mining Licence 5404 and Mining Licence 4456 were granted prior to enactment of the *Native Title Act 1993* (Commonwealth) and as such are not subject to any native title compensation claim, now or after any future renewals. Exploration Licences EL4937, EL6502, EL6503 & EL6504 are subject to an Indigenous Land Use Activity Agreement.

## History

Gold was first discovered in the Fosterville area in 1894 with mining activity continuing until 1903 for a total of 28koz of production. Mining in this era was confined to the near-surface oxide material. Aside from a minor tailings retreatment in the 1930s, activity resumed in 1988 with a further tailings retreatment program conducted by Bendigo Gold Associates Pty Ltd, which ceased in 1989. Mining recommenced in 1991 when Brunswick Mining NL and then Perseverance Corporation Ltd. (“**Perseverance**”) (from 1992) commenced heap-leaching operations from shallow oxide open pits. Between 1988, and the cessation of oxide mining in 2001, a total of 240koz of gold were produced (Roberts et al, 2003).

A feasibility study into a sulfide mining operation was completed by Perseverance in 2003. Work on the plant and open pit mining commenced in early 2004. Commercial sulfide hosted gold production began in April 2005 and up to the end of December 2006 a total of 136,882oz of gold had been produced. Underground development commenced in March 2006 with first production recorded in September 2006. In October 2007, Perseverance announced that it had entered into an agreement with Northgate Minerals Corporation (“**Northgate**”) pursuant to which Northgate would acquire Perseverance with full control of Perseverance passing to Northgate in February 2008.

Significant open pit production had ceased at the end of 2007; however, minor production from open pits contributed in 2011 and 2012. The 500,000th ounce milestone of sulfide gold production was achieved in April 2011. In August 2011, Northgate entered into a merger agreement with AuRico Gold Inc. (“**AGI**”) who assumed control of Northgate in October 2011. In March 2012, AGI and Crocodile Gold jointly announced that Crocodile Gold would acquire the Fosterville Mine and the Stawell Gold Mine. Crocodile Gold’s ownership of the Fosterville Mine was achieved on May 4, 2012. In July 2015, Old Newmarket merged with Crocodile Gold to form Newmarket Gold Inc.

On November 30, 2016, Old Kirkland Lake Gold combined with Newmarket Gold Inc. to form a new mid-tier gold company which was renamed “Kirkland Lake Gold Ltd.”. Kirkland Lake Gold has since rapidly increased the output of the Fosterville Mine operation based on its exploration success, in particular, the development of the high grade Eagle and Swan mineralized zones. Gold production has grown year over year, facilitated by increasing grade profiles at depth, with annual mine output expanding from 151,755oz at 7.55g/t Au in 2016 to 619,366oz at 39.6g/t Au in 2019. By June 2019, the Fosterville Mine had produced its 2.0 millionth ounce and as of December 31, 2019, it has achieved total production of 2,392,035 ounces since the construction of the sulfide plant in April 2005.

## Geological Setting, Mineralization and Deposit Types

The Fosterville goldfield is located within the eastern Bendigo Zone, which is bound by the Avoca Fault to the west and the Heathcote Fault Zone to the east. The Bendigo Zone contains Ordovician turbidite sequences of sub-greenschist to greenschist metamorphic grade. Gold mineralization is associated with two main events across the western Lachlan Orogen at ~445Ma and ~380-370Ma, with a possibly another minor event at ~410-400Ma (Phillips et al, 2012). The ~445Ma event is thought to have involved crustal thickening and the circulation of metamorphic fluids through the crust (Vandenberg et al, 2000) and formed gold deposits at Bendigo, Castlemaine, Maldon and Daylesford. The ~380-370Ma event is restricted largely to the Melbourne and eastern Bendigo Zones and is believed to be responsible for some of the emplacement of late gold-in-veins at the Fosterville Mine (Bierlein & Maher, 2001).

The Fosterville goldfield is hosted by Lower Ordovician Lancefieldian (486–488 Ma) turbidites within the Ordovician Castlemaine Group rocks. The turbiditic sequence comprises This sequence has been weakly metamorphosed to sub-greenschist facies and folded into a set of upright, north-northwest trending and shallowly south plunging open to closed folds. The folding resulted in the formation of a series of bedding parallel laminated quartz (“LQ”) veins and bedding parallel thrust faults.

Gold and associated sulfide mineralization at the Fosterville Mine is controlled by late brittle faulting and fracturing. These brittle faults are generally steeply west-dipping, reverse faults with a series of moderately west-dipping, reverse splay faults formed in the footwall of the main faults. There are also less abundant, moderately southeast and southwest-dipping faults which govern high grade visible gold mineralization along the Eagle and Swan zones. Two main styles of gold mineralization occur at the Fosterville Mine; a sediment-hosted sub-micron refractory style where gold is locked in disseminated arsenopyrite and pyrite crystals which form selvages to quartz–carbonate vein stockworks throughout the 9km long fault system, and a gold-in-vein mineralization style where visible gold is hosted in quartz-carbonate veins that show laminated and stylolitic vein textures as well as brecciation. Gold mineralization is structurally controlled with high-grade zones localized by the geometric relationship between bedding-parallel and oblique faults. Mineralized shoots are typically 4-15m thick and show down-dip and down-plunge dimensions of 50-150m and 300-2,000m+, respectively.

Antimony mineralization, mainly in the form of stibnite, occurs with quartz and varies from replacement and infill of earlier quartz-carbonate stockwork veins, to massive stibnite-only veins up to 0.5m in width. The late stibnite-quartz mineralization occurs in favourable structural locations, such as the Phoenix, Eagle and Swan vein and fault structures and therefore shows a spatial association with visible gold. The occurrence of visible gold has become increasingly significant at the Fosterville Mine and is observed more frequently at greater depth within the Lower Phoenix System. Throughout 2016 to 2019, visible gold was also observed with notably increased frequency, in deeper parts of the Harrier System and also within the nearby Robbin’s Hill exploration target. Visible gold particles are predominantly specks ( $\leq 3$  mm), however more rarely they can be  $> 5$  mm. The width of quartz-carbonate veining that contain visible gold is variable, with widths ranging from a few millimeters to several metres (true thickness). The veins usually have incomplete infill with druse quartz within those voids. Visible gold can be found as specks in narrow linear trends as well as isolated specks without a clear trend.

## Exploration

Regional exploration programs and further integration of datasets to date have been successful in providing support and definition for several targets across the tenement package. Subsequent to exploration work detailed in the Fosterville Technical Report, over 6,900 soil geochemical samples have been collected including 3,500 mobile metal ion samples where geology cover obscured target host rocks. An airborne gravity gradiometry survey was also completed across Exploration Licence 6502, and the northern portions of Exploration Licence 6503 and Mineral Licence 5404 providing significant guidance for regional exploration. An airborne electromagnetic (“EM”) survey has also been completed on Exploration Licence 6502 and Exploration Licence 6504 providing tenement wide datasets with processing underway to integrate into gravity inversions. An additional high resolution ground gravity survey was completed over the main target area of interest at Thunder Swamp in Exploration Licence 6502.

Exploration Licence 3539 was required to be relinquished in late February 2019. While all other tenements remain active, Exploration Licences 6694 and 6695 were amalgamated into Exploration Licence 6503 effective November 29, 2019 and due to statutory reductions the newly amalgamated Exploration Licence 6503 now comprises 355.6km<sup>2</sup>. Late in 2019, a high resolution 3D seismic reflection survey was completed by HiSeis Ltd, across the northern exposed extent of the Fosterville trend and the Robbins Hill mineralisation within Mineral Licence 5404. An area covering 2.5km x 2.5km for a 6km<sup>2</sup> block and 179 line kilometres was completed. A total of 18,747 receiver points recording 14,550 vibrator source point sweeps. The survey was collected with geophones at 12.5m spacing’s and vibrator source point sweeps from 6.25m to 12.5m spacing on up to 25m spaced lines. Brute stacks of the unprocessed data show strong reflectors in the top 3km with reflection response data still being seen from 6 - 8km depths. Processing of this data is currently underway in Perth, West Australia by HiSeis and Southern Geoscience Consultants (“HiSeis”). The first preliminary interpretation of the complete dataset is due at the end of March 2020. This data will be peer reviewed by Southern Geoscience Consultants, FGM and HiSeis prior to a final geological interpretation in late April/May.

Preliminary assessment of refraction tomography of the first 300m depth, a by product of the reflection survey, shows high promise for fold and fault architecture detail. It is anticipated that potentially, fault offsets of less than 10 vertical metres will be able to be identified from this data. Preliminary reflection data which is the primary data collected from the survey, is promising showing fold resolution and closures of less than 30m width. The data is also providing fault information and fault - fold relationships and offsets critical in understanding the distribution of mineralisation at Fosterville. The complete dataset will provide a targeting and interpretation tool for use in 2020 to depths in excess of 3km at the Robbin's Hill deposit area and strike extents to target with greater drill efficiency in the northern portion of Mineral Licence 5404.

## **Drilling**

Exploration drilling activities undertaken in 2019, were focused on Near-Mine targets within Mining Licence 5404 and on prospective regional targets throughout the expansive Exploration Licence holdings. The intent of the exploration was to replace and increase the mineralized resource at the Fosterville Mine by extending presently known ore shoots and to locate anomalous gold mineralization for further exploration investigation, then subsequent resource evaluation.

Diamond drilling is the primary drilling technique utilized at Fosterville with up to nine underground and six surface diamond rigs in operation over 2019. In addition, a reverse circulation drill rig was employed to test geochemical and geophysical anomalies throughout the property.

Throughout the period from 2016 to 2019, development mapping and continued drilling confirmed the existence of multiple mineralized structures, of various size and continuity in the footwall of the main west-dipping Lower Phoenix (Benu) Fault, which present significant resource growth opportunity. Improved geological understanding of the Lower Phoenix System has highlighted the significance of these favourable settings for mineralization, including: (i) the East-dipping to SSE dipping mineralized structures, namely the Eagle Fault and East Dipping Faults, which commonly contain quartz-stibnite vein assemblages and substantial concentrations of visible gold which are typically enveloped by haloes of disseminated sulfide; (ii) the Low-angled Lower Phoenix Footwall west-dipping structures which typically consist of large laminated quartz veins up to several metres width, indicating a series of multiple mineralizing events, including a later stage quartz-stibnite phase with visible gold; and (iii) the south westerly dipping Swan Fault which is characterized by a one to three metre thick quartz vein, containing visible gold and stibnite and exhibiting various textures and typically enveloped by disseminated sulphide mineralization.

The Swan Fault exists as an oblique structure cross-cutting the eastern limb of the anticline and is bounded by the Eagle Fault down-dip and the Kestrel Syncline at its upper margin. Swan is the highest grade mineralized zone defined at Fosterville to date and contributes 1,560,000oz at an average grade of 38.6g/t Au (1,260,000 tonnes) to the updated December 31, 2019 mineral reserve estimate making up 74.2% of the total Fosterville mineral reserves. Extremely high grades in Swan are coincident with the intersection of the Eagle and Swan Splay Faults.

Continued drill definition of Lower Phoenix structures over 2019, in combination with ore development and production exposure and reconciliation performance has reaffirmed the significance of footwall structures to the Lower Phoenix (Benu) Fault. Furthermore, mineralization on these structures is open down-plunge, providing encouraging future mineral resource and mineral reserve growth potential for the Fosterville operation.

Drilling into the Harrier System during 2016 identified high-grade mineralization containing occurrences of visible gold at depth, primarily associated with the Harrier Base structure. The Harrier Base structure exhibits reverse thrust movement of approximately 60m. Visible gold is hosted within a laminated quartz-carbonate vein assemblage, which may contain minor amounts of stibnite. In the strongest mineralized zones, a broad halo of sulfide mineralization surrounds quartz structures bearing visible gold. The high-grade visible gold mineralization was first recognized at approximately the 4480mRL, a comparable elevation to where visible gold occurrences in the Lower Phoenix System became more prominent. Drilling into the Harrier Anticline zone began in 2019, the down dip target considered to be particularly prospective where the Harrier Base Fault intersects and offsets an anticline hinge. The Harrier Base Anticline mineralization is open to the north and south, up and down dip.

During 2019, up to six surface diamond drills operated in the Robbin's Hill area, primarily targeting gold mineralization along the west-dipping Curie Fault, one of the controlling structures for mineralization at Robbins's Hill. Programs have included infill drilling within the existing mineral resource, and also extension and step out drilling along the Robbin's Hill mineralization trend. Major sulfide mineralization is concentrated within structures exhibiting significant dilation (veins and faults). Sulfide mineralization is dominated by pyrite and arsenopyrite but can include trace occurrences of stibnite, galena, sphalerite and chalcopyrite. Visible gold occurs at depth with observations thus far hosted by quartz in the Curie Fault, including several specks <2 mm in diameter. Veins in the Curie Fault containing visible gold are dominated by quartz with minor calcite, chlorite, albite, and epidote. Other minerals present that appear to be spatially associated with visible gold mineralization include stibnite and disseminated arsenopyrite-pyrite mineralization in the surrounding host rock. Visible gold is typically associated with laminated textures within the quartz vein.

Regional drilling has focused on emerging gravity targets in Exploration Licence 6502 obscured by Murray Basin sediments. Early results at Thunder Swamp have identified low level gold anomalism associated regionally significant gravity anomalies confirming presence of a gold fertile minerals system. Drilling efforts closer to Fosterville have returned very encouraging results from the Goornong South prospect which remain open and significant gold results at Russell's Reef which require follow up drilling.

### **Sampling, Analysis and Data Verification**

During 2019, RC drilling samples were collected from a trailer mounted cyclone providing an approximate 2kg two-metre composite sample and one metre sub-samples retained for quality assurance, quality control ("QA/QC") checks. Where gold mineralization intervals were identified in assays, the corresponding one meter sub-samples were dispatched for multi-element analysis to improve the resolution around the areas of interest. The RC samples collected during 2019 are stored at a FGM-owned sample-handling facility.

In the diamond drill core, all visible sulfide mineralization, quartz vein stockwork and LQ veins plus at least three metres of apparent waste either side is sampled. Samples are cut to geological boundaries and within a length range of 0.05m to 1.3m, with a preferred length of one metre. Infill diamond holes (spaced at 25m or less) can be full-core sampled; the entire core sample is broken with a hammer in the tray and moved directly into the sample bag. All other core is halved using a diamond saw and the upper half of the core dispatched for analysis and the lower half returned to the core tray in its original orientation. PQ core was sampled by cutting a sliver equivalent in volume to half NQ2 core from the top of the core. Recovery of diamond drill core is acceptable where it is determined that over 90% recovery for a run has been achieved. If recovery is proven to be less due to core loss or because of poor ground, the samples may not be used for mineral resource estimation.

All diamond drill core is stored on site within the fenced and gated core handling facility or within the mine compound on the backfilled Falcon Pit storage area. Assay sample pulps are also returned from the laboratory and stored at the core handling facility. All exploration pulps are stored indefinitely whereas resource infill drilling are kept for a period of two years.

In underground sampling, an attempt is made to sample every round (3 to 4m nominal advance) in the ore drives where safe to do so. Sample intervals are chosen based on structure, mineralization and lithology, and are a minimum of 0.1m and a maximum of 1.5m in length. Mapping data that was collected at the same time as the samples are used to validate the sample results.

Work undertaken by employees of the Fosterville Mine is limited to core logging and the mark-up, cutting and bagging of samples. All other sample preparation and analysis was conducted off-site at the commercial laboratories. The Fosterville Mine uses independent assay laboratories, which provide assay data in digital form.

Since 2005, On Site Laboratory Services ("OSLS"), a commercial laboratory based in Bendigo, has been the primary provider of analytical services to the operation. The OSLS Bendigo laboratory gained ISO 9001 accreditation in October 2008 with registration ISO9001:2008 (CERT-C33510). National Association of Testing Authorities ("NATA") accreditation is pending a final audit, due early 2019.

OSLS use a combined crusher and mill to pulverize the entire sample to a nominal 90% passing 75µm. A 25g sub-sample is analyzed for gold by fire assay with an AAS finish. Au results greater than 80g/t are diluted to 1:10 and tested using the AAS. A 0.5g sub-sample of the pulp is digested in a HNO<sub>3</sub>/HCl digest and then analyzed for Ag, As, Bi, Ca, Cu, Fe, K, Sb and S by ICP-AES. A full program of repeats, standards and inter-laboratory check sampling was conducted on the gold analyses.

Gekko Analytical Laboratories (“GAL”) were contracted to provide analytical services for diamond core and underground face samples between April 2015 and April 2016. Analytical techniques include fire assay for gold, titration and atomic absorption spectrometry for antimony, combustion analysis and infrared detection for both sulfur and non-organic carbon. GAL gained NATA, Australia accreditation in October 2015 with accreditation number, 19561.

All samples are dried at approximately 105°C. GAL uses a jaw crusher to crush the sample material to 8mm. The sample is then placed within a Boyd crusher and rotary splitter combination to enable further crushing to 3mm and optional splitting of the sample if it weighs in excess 3kg. Pulverization takes place with up to 3kg of sample to achieve 90% passing 75µm. Sizing is reported with Au assays at 1:20 frequency. Approximately 120g of pulverized sample is scooped into a wire and cardboard pulp packet. Two pulp packets are created as a laboratory duplicate at a frequency of 1:10. A 25g scoop of sample is taken from the pulp packet and smelted with 180g flux. A 10g scoop from the pulp is re-fired for comparison if the initial grade was determined at >50g/t. Antimony is analyzed by using an aqua regia digestion with an AAS finish. If the result is over 1% Sb, the sample is then analyzed by an acid digestion and titration. Total sulfur is analyzed using combustion analysis followed by Infrared detection. Non-Carbonate carbon is analyzed by weak acid digest and combustion analysis followed by infrared detection (LECO). During this time the laboratory was audited by Fosterville Mine personnel to assess the preparation and sample handling processes.

With increased sample loads in the second half of 2018, Bureau Veritas Minerals (Adelaide) (“BVM”) provided analytical services of resource definition and exploration samples. Analytical techniques include fire assay for gold. This laboratory is ISO 9001 accredited as well as NATA, Australia accreditation with accreditation number, 1526.

At BVM all samples as received, are dried at approximately 105° C. The sample is then crushed to 3mm in a jaw crusher (with optional splitting of the sample if it weighs in excess 3kg). Pulverization takes place with up to 3kg of sample to achieve 85% passing 75µm. Approximately 200g of pulverized sample is scooped into a cardboard pulp packet. Two pulp packets (lab duplicates) are created as a laboratory duplicate at a frequency of 2:50 (or 2 per fire). A 40g sub-sample is analyzed for gold by fire assay with an AAS finish. Au results greater than 5g/t are diluted at a dilution ratio of 1:10 and analyzed using the AAS.

QA/QC procedures are completed on samples after being imported into the database. Assays not passing the QA/QC tolerances on blanks, standards, duplicates and repeats are retained in the database but are not available for viewing for resource work within MinePlan™. Where it is determined the sample itself is compromised, rather than the analysis, then the sample is demoted and its assays are not reported in MinePlan™ or other applications.

Any values falling beyond defined quality parameters are investigated according to laboratory and company procedures. Sufficient proof or suspicion of error requires re-assays on the affected portion of a job, where the original assays are rejected, and the results from the subsequent batch (provided these pass QA/QC processes) are used instead.

In 2018, there were a number of improvements to the process around sample security. Samples are bagged and numbered either on site at the drill rig or at the Fosterville Mine core handling facility. Before samples are sent to laboratories, they are placed in labelled plastic bags in lots of about five and transported using the laboratory’s pick-up vehicles. On arrival at the laboratory, the list of samples sent is matched to the actual samples received and confirmation is sent by either fax or email using a sample consignment system. Since late 2018, these plastic bags are now tied off with tamper tags before transport and chain of custody documentation is completed upon pickup by the analytical laboratory contractor.

Data security is ensured through the use of an ‘acquire™/SQL Server’ database of all company exploration drilling information. This database includes all assays, geological and geotechnical information. As well as data interrogation, the database allows automated error checking as new data is entered. The database is backed up in full daily, and



incrementally eight times a day. Additionally, a full image of the virtual machine environment hosting SQL Server is backed up once daily. Access to the database is controlled by user login permissions.

The drilling carried out by previous owners at Fosterville routinely included QA/QC checks. In addition, sampling QA/QC consultants, SMP Consultants, reviewed the sampling, analytical and data storage procedures used in drilling programs to May 2002 (Cruse, 2002). Data system reviews of the exploration database were also undertaken by IO Digital Systems in 2004 and 2006 (Kelemen, 2004; McConville, 2006). The database includes numerous automated data validation methods. The database structure and the use of primary key fields prevent certain types of invalid data (e.g. overlapping sample intervals) from being stored in the database. Also, numerous checks are performed on the data when it is imported (e.g. assay QA/QC performance gates, variation in down-hole surveys from previous survey).

The Qualified Persons preparing the mineral resource estimate for the Fosterville Mine have further validated the data upon extraction from the database prior to resource interpolation. This verification used MinePlan™ drill views as the primary tool to identify data problems. When coupled with the more mechanical check processes ensuring high quality data is entering the database in the first place, these checks were effective in allowing the Qualified Persons to be confident that the data was geologically coherent and of appropriate quality and adequate for use in resource estimations and reserve studies.

### **Mineral Processing and Metallurgical Testing**

Metallurgical test work is ongoing with particular focus on maximizing gravity recoverable gold and also understand and prepare for any future ore that will challenge existing gold recovery methods.

Several newly discovered geological structures at depth, such as Eagle, East Dipping and Swan Faults, have gold in the form of coarse visible gold that frequently occurs with low sulfide mineralization. In 2015, a series of plant trials and mineralogy surveys indicated that the visible gold is being recovered in the flotation concentrates (primarily Flash flotation concentrate) and is recoverable from this concentrate by gravity methods. A gravity gold circuit was commissioned in April 2016. The gravity circuit consists of a Knelson concentrator and Gemeni tables recovering gold from the recirculating load of the concentrate regrind mill. In August 2018, a second Knelson concentrator was commissioned in the SAG mill recirculating load. The SAG mill and regrind mill gravity concentrates are separately tabled, calcined and poured for accounting purposes. Project plans are in place to install an additional, redundant, 30" KC-XD Knelson concentrator in the SAG Mill circuit to ensure primary gravity circuit availability.

In the opinion of the Fosterville Technical Report authors, all deleterious elements are effectively managed and it is considered that their presence does not have a significant impact on economic extraction. No identified processing factors have a significant impact on economic extraction.

### **Mineral Resource and Mineral Reserves**

The mineral resources reported are contained within Mining Licence 5404. Mineral reserves reported are fully contained within Mining Licence 5404. The mineral resource areas of Central, Southern, Harrier and Robbin's Hill are historically defined resource areas, which were established at different times in the evolution of the project. The Central Area contains multiple mineral resource models, primarily for reasons of data handling.

Previously, all mineral reserves were contained within the Central and Harrier mineral resource areas. Currently, in addition to these, a mineral reserve has been defined within the Robbin's Hill area. Mineral reserves contained within the Central mineral resource area have been subdivided into Central and Phoenix mineral reserves.

The updated mineral reserves and mineral resources (reported exclusive of mineral reserves) estimates for Fosterville and Robbin's Hill, as of December 31, 2019, are presented below.

**Summarized Mineral Reserves and Mineral Resources (Exclusive of Mineral Reserves) for Fosterville as at December 31, 2019**

Fosterville		December 31, 2019		
		Tonnes (000's)	Grade (g/t)	Gold Ounces (000's)
<b>Mineral Reserves</b>				
	Proven	695	31.9	714
	Probable	2,300	18.8	1,390
	<b>Proven + Probable</b>	<b>3,000</b>	<b>21.8</b>	<b>2,100</b>
<b>Mineral Resources</b>		<b>Exclusive of Mineral Reserves</b>		
	Measured	2,000	3.7	240
	Indicated	10,300	5.6	1,840
	<b>Measured + Indicated</b>	<b>12,300</b>	<b>5.3</b>	<b>2,080</b>
	<b>Inferred</b>	<b>8,450</b>	<b>6.4</b>	<b>1,740</b>

**Summarized Mineral Reserves and Mineral Resources (Exclusive of Mineral Reserves) for Robbin's Hill as at December 31, 2019**

Robbin's Hill <sup>(1)</sup>		December 31, 2019		
		Tonnes (000's)	Grade (g/t)	Gold Ounces (000's)
<b>Mineral Reserves</b>				
	Proven	-	-	-
	Probable	1,240	5.5	218
	<b>Proven + Probable</b>	<b>1,240</b>	<b>5.5</b>	<b>218</b>
<b>Mineral Resources</b>		<b>Exclusive of Mineral Reserves</b>		
	Measured	-	-	-
	Indicated	3,460	3.5	386
	<b>Measured + Indicated</b>	<b>3,460</b>	<b>3.5</b>	<b>386</b>
	<b>Inferred</b>	<b>2,670</b>	<b>4.5</b>	<b>383</b>

(1) The Robbin's Hill mineral reserve and mineral resource estimates are reported separately from the Fosterville Mine as it is anticipated that Robbin's Hill will be a new and separate mining operation feeding the Fosterville Mill.

**Mineral Resource Notes:**

1. CIM Standards (2014) were followed in the estimation of mineral resource.
2. Mineral resources are estimated using a long-term gold price of US\$1,300/oz (A\$1,765/oz).

3. Mineral resources are reported exclusive of mineral reserves.
4. Mineral resources 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 resource estimates were prepared under the supervision of Troy Fuller, MAIG, who is a qualified person as defined under NI 43-101.
6. Totals may not add up due to rounding.

**Mineral Reserves Notes:**

1. CIM Standards (2014) were followed in the estimation of mineral reserves.
2. Mineral reserves were estimated using a long-term gold price of US\$1,300/oz (A\$1,765/oz).
3. Cut-off grades were calculated for each mining block and included the costs of: mining, milling, general and administration, royalties and capital expenditures and other modifying factors (e.g. dilution, mining extraction, mill recovery).
4. Dilution estimates vary by mining methods and ranges from 5% to 50%.
5. Extraction estimates vary by mining methods and range from 50% to 100%.
6. Mineral reserves estimates were prepared under the supervision of Ion Hann, FAusIMM, who is a qualified person as defined under NI 43-101.

7. Mineral reserves are stated at a mill feed reference point.
8. Totals may not add up due to rounding.

The Company is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing and political or other relevant factors that would materially affect either the mineral resource estimate or the mineral reserve estimate for the Fosterville Mine.

### **Mining Methods**

Since the completion of the Harrier Open Cut Mine in early December 2007, the sole source of ore had been the underground operations until the second quarter of 2011 when ore feed became available from a series of open pit cut backs on the Harrier Pit, John's Pit and O'Dwyer's South Pit. Following the completion of O'Dwyer's South cut in the fourth quarter of 2012, the sole source of ore has been from the underground operations. The current Life of Mine ("LOM") plan contains ore sourced from underground operations only.

The underground mine commenced declining in March 2006 with production first recorded in September 2006. Development and stoping have been conducted in the Phoenix, Falcon, Ellesmere, Kink, Vulture, Raven, Robin and Harrier ore bodies since that time. As at January 1, 2019 works are planned to continue in the Phoenix (including Swan, Eagle, et al), Central and Harrier ore bodies.

Access to the underground workings is via two portals, located in the Ellesmere and Falcon open pits, and connected declines that run at an average gradient of 1 in 7 down. Nominal decline dimensions are 5.5m wide by 5.8m high with other access development varying in size but can generally be considered at least 5.5m wide by 5.0m high.

The Phoenix to 4240mRL, Harrier below 4500mRL, Central and Robin ore bodies are accessed from a footwall decline position while the Phoenix below 4240mRL and Harrier ore body above 4500mRL are accessed from the hangingwall. All areas are planned to be extracted using open stoping techniques, primarily in a top down sequence, with the application of Cemented Rock Fill or Paste Fill where applicable and practical. Selection of the specific mining method and extraction sequence within the open stoping regime is based upon previous experience at the Fosterville Mine and expectations of ore zone geometry and geotechnical conditions. A standard level interval of 20 vertical metres can be applied across all mining areas however, this can be and is varied as is required to maximize the extraction of the economic material.

Underground mining is conducted using a conventional fleet of trackless diesel equipment including development jumbos, production drills, loaders, trucks and ancillary equipment. Current operations are undertaken predominately as owner miner, with mining activity undertaken on a continuous roster of 12 hour shifts, 7 days per week.

The December 2018 LOM model, which is based solely on the December 2018 mineral reserve estimate has an expected mine life of six years. Production rates within the Phoenix and Harrier orebodies are expected to increase over the coming years as ventilation upgrades take effect and both areas open up through previous development and sequencing. Peak production output within the plan is >600,000 tonnes and mined ounces per annum. The LOM production schedule assumes some rock and cemented rock fill mainly performed within the high grade Phoenix orebody. The commencement of paste fill in early 2020 will become the predominant backfill medium and will be supplemented by rock and Cemented Rock Fill thereafter. The current LOM plan does not include backfill in the Harrier orebody.

### **Processing and Recovery Operations**

The process plant incorporates the following unit operations:

- Single stage crushing with a primary jaw crusher;
- Open stockpile with reclaim tunnel;
- 20ft diameter by 20ft length SAG mill;

- A gravity circuit to recover coarse gold from the grinding circuit recirculating load;
- Flotation circuit to produce a gold bearing sulfide mineral concentrate and a barren residue;
- 8ft diameter by 13ft length flotation concentrate regrind mill;
- A gravity circuit to recover coarse gold from the flotation concentrate with gravity circuit concentrate being direct smelted;
- A bacterial oxidation circuit consisting of BIOX® reactors to oxidize the flotation concentrate, releasing gold from the sulfide mineral matrix;
- A three-stage counter current decantation circuit to separate the gold bearing oxidized solid residue from the solubilized acid oxidation products;
- A liquor neutralization circuit to neutralize acid and precipitate arsenic as stable basic ferric arsenate and sulfate as calcium sulfate (gypsum) using both ground limestone and lime slurries;
- A limestone grinding facility comprising a single wet ball mill operated in closed circuit with a hydro-cyclone to produce a ground limestone slurry for pH control in the BIOX® tanks and neutralization of sulfuric and arsenic acids produced from oxidation of gold bearing sulfide minerals;
- CIL circuit, with a pH adjustment tank at the head of the circuit, to leach gold from oxidized material and load the cyanide soluble gold onto activated carbon;
- Heated leach circuit to combat preg-robbing capabilities of the non-carbonaceous carbon always present in the Fosterville orebody; a specialized in-house technology developed by Fosterville and currently marketed as HiTECC™ by Outotec;
- Pressure Zadra elution circuit to remove gold from carbon, followed by electro-winning recovery and smelting to doré;
- A paste plant facility utilizing combined flotation and neutralization tailings to backfill mining stopes; and
- A mine water treatment plant to treat excess mine water to a water quality acceptable for reuse through the processing plant.

In the opinion of the authors of the Fosterville Technical Report, there are no processing factors or deleterious elements that could have a significant effect on potential economic extraction at the Fosterville Mine.

### **Infrastructure, Permitting and Compliance Activities**

#### Infrastructure

The process plant is laid out on either side of a central rack in order to facilitate the distribution of reagents, services and inter-area piping. Individual plant areas are separately banded to isolate and contain spillage. Storm water and abnormal spillage events report to an existing drainage channel, to the west of the plant area, which discharges to an existing containment dam to the north.

Power is supplied to the site via a terminal station that was constructed by Perseverance in 2005. The terminal station is owned by FGM, operated by SP Ausnet and maintained by Powercor. This station is connected to the 220kV transmission line that runs from Bendigo to Shepparton and traverses the southern end of Ming Licence 5404, approximately 2km south of the processing plant. Power consumption in the processing plant is approximately 7,000kW

at a power factor of 0.98. A 22kV PowerCor supply runs through the northern part of the mining lease which provides 415V power to operate the tailings dam electrical infrastructure for site water management.

The Fosterville Mine is a non-discharge site with provisions to introduce recycled Class B water from the Bendigo water reclamation plant operated by Coliban Water. A recycled water pipeline was commissioned in April 2005 that has the capacity to supply approximately 2,000ML annually. This supply has the ability to supplement some elements of the processing facility. The current arrangement for the provision of water to the Fosterville Mine is secured through a ten-year contract with the North Central Catchment Management Authority, Coliban Water until 2026. A further ten-year contract renewal is available upon written request on expiry.

All other site infrastructure is in place and approved under a Risk Based Work Plan in October 2017 under the *Mineral Resources (Sustainable Development) Act 1990* (Victoria).

### Permitting

The Fosterville Mine currently operates under the Mining Licence 5404. The Licence was renewed in October 2018 and now has an expiry date in August 2035.

A submission for a variation to extend the Mining Licence 5404 boundary was approved in March 2019, extending the licence area to 2847.72Ha. A Mining Lease application MIN006267, which is adjacent to the south-western border of Mining Licence 5404, was submitted for approval in 2016. Kirkland Lake Gold and the Dja Dja Wurrung Clans Corporation are currently in negotiation regarding the Native Title Agreement.

A Work Plan was approved for the project in February 2, 2004. There have been a number of Work Plan Variations that have been prepared for the project which form addendums to the 2004 Work Plan. An amendment to the *Mineral Resources (Sustainable Development) Act 1990* (Victoria) in 2015 introduced the requirement for holders of a Mining Licence to lodge a risk based work plan prior to any further work plan variation approvals. FGM lodged a consolidated risk based work plan in April 2017 and is currently working under PLN-00932 approved in March 2019.

A work plan variation was submitted in July 2019 for approval to extend the existing McCormick's Waste Rock Dump facility, along with an application to clear areas of native vegetation for a number of capital projects (i.e., car park extension, security gatehouse, southern haul road extension and stores expansion). This work plan variation is still pending approval by the regulators.

In addition to the above, the following projects were approved by means of administrative changes to the Fosterville Mine's approved work plan in 2019:

- ASTER Plant
- Elution Circuit Upgrade and Gold Room expansion
- Harrier 4490 Exploration Drill Drive

There are a number of requirements relating to rehabilitation and closure both in the Mining Licence conditions and the approved Work Plan. All rehabilitation and closure requirements have been incorporated into the site Rehabilitation Management Plan.

### Environmental

The Fosterville Mine produces an excess of mine water from the dewatering of underground operations. Regulatory approval has been gained to treat excess mine water using a water treatment plant, which contains a Reverse Osmosis ("RO") plant and a precipitation and ion exchange plant. RO technology is a common solution for water treatment, readily available and understood. A by-product of the process is the generation of a concentrated saline solution called brine. The brine produced will be stored in a new evaporation pond, which will be able to withstand seasonal rainfalls without discharge. Construction of the mine water treatment plant commenced during 2018 and commissioning occurred throughout Q4 2019. The plant is now operational. Treated mine water is used within the process circuit, reducing the

amount of recycled water, which is delivered via pipeline from the Epsom Wastewater Treatment Plant. This assists in reducing the volume of water pumped into mine water storage, therefore improving the water management on site.

Fosterville Mine's operations generate noise from a variety of sources that have the potential to impact off site receptors. Noise-generating activities include, but are not limited to, heavy vehicle movements, ore processing, operation of fixed plant and ancillary infrastructure, surface and underground blasting, and exploration activities. Noise levels at sensitive receptors vary depending on a range of factors, such as the location and elevation of the receptor, any intervening topography or noise attenuation barriers, climatic conditions, the presence of other non-mine extraneous noise sources and the effectiveness of any additional noise attenuation controls installed by FGM.

During 2019, FGM completed works on the northern diversion drain to improve flow and reduce erosion by adding rip rap walls across the channel to slow water flow and an improved weir crest with rip rap, geotextile and a plunge pool. Works were also completed on the southern diversion drain, with rip rap walls added and the channel shaped to improve flow and reduce erosion.

Storm water dams have been maintained with the ability to contain mine affected runoff from a 1:100 year rainfall event with improved pumping capacity, dam size and diversion of upstream catchment. The operational management plan for storm water management of the catchment continues to be implemented.

During 2019, FGM (in collaboration with Coliban Water) continued to monitor and assess a field trial to assess the viability of using biosolids as a medium for improving soil structure and quality as part of the overall site rehabilitation strategy.

Biosolids are a solid by-product from the sewage treatment processes, which have been treated to make them safe for further use. Biosolids fertilizers have previously been incorporated into a number of soil plots and planted with native species. The trial area is located on a historical in-pit tailings storage facility, which was capped with oxide material and biosolids were then applied in 2018.

In accordance with the Environmental Protection Agency approved Environmental Improvement Plan, the Fosterville Mine is assessed on a quarterly basis to monitor groundcover, species diversity and health rating. Soil health is also monitored on an annual basis. Monitoring to-date has found the incorporation of biosolids has improved the soil quality, where the plots were initially classified as class D soils; they have improved to class C soils. Biosolids plots also have increased species diversity, groundcover percentage and revegetation success at varying concentrations. FGM will continue quarterly monitoring throughout 2020 to assess the success of the biosolids trial.

Flotation and neutralization tails have been stored in the following facilities: TSF1, Hunts and Fosterville In-Pit Facilities, O'Dwyer's South In-Pit Facility and TSF4. During 2019, FGM had been depositing flotation and neutralization tails into TSF1, Hunts In-Pit Facility, O'Dwyer's South In-Pit Facility and TSF4. The Fosterville In-Pit Facility has been filled and capped. Capping performance is being monitored by the amount of rainfall infiltration through the cap, and is measured by two lysimeters installed within the cover profile.

All CIL tailings have been stored in plastic lined facilities within and adjacent to the old Fosterville Heapleach pads. The Fosterville CIL tailings precinct includes the following facilities: CIL TSF1, CILTSF2 and CILTSF3; CIL Hardstand 1 and 2; CIL Storm Pond 1 and 2; and CIL Storm Dam 1. Construction of CIL Hardstand 3 commenced in 2018, following work plan approval. Operation of this facility commenced in 2019.

Potentially acid forming materials excavated from open pits have been stored in: McCormick's Waste Dump, Johns Pit (taken from Johns Pit and Harrier Pit) and Flotation and Neutralization Tailings. The Waste Rock Management Plan was updated in 2019, after which FGM commissioned an external review of the waste rock monitoring results and the management plan. The review supported the waste rock geochemical characterisation work completed to-date, which suggests Fosterville Mine's waste rock was non-acid-forming and contained a significant inherent Acid Neutralizing Capacity that was available to offset any isolated acid formation.

The review confirmed that the existing management controls identified in the management plan were appropriate. Kinetic column leach testing of the main waste rock lithologies continues to further the understanding of long term

leaching characteristics. Additional ongoing characterization has begun, with weekly waste rock samples being collected from the Ellesmere saddle for testing of chemical composition and acid-forming potential.

Paste Fill is the use of mine tailings or imported aggregate material to backfill excavated zones created by underground mining operations. The backfill material is prepared on the surface in a dedicated paste plant facility. Thickened mine tailings are mixed with a binder, usually cement, and then pumped underground via bores to fill stopes/voids and help support the underground workings. In preliminary feasibility studies (Outotec, 2017) FGM identified paste fill technology as the preferred option to environmentally and efficiently improve underground stope stability and mining practices. The paste plant project was submitted for approval in November 2018 and a conditioned Work Plan approval was received in March 2019. Construction began during Q2 2019 and acknowledgment that the Work Plan Variation conditions were met was received in October 2019. The paste plant began commissioning in October 2019 and first paste was delivered underground at the Fosterville Mine on 24 January 2020.

### Social and Community

Community engagement and consultation on all aspects of the operation continues as an integral part of FGM's business model. There are a range of forums and consultation methods undertaken, including quarterly Environmental Review Committee meetings, an annual open day, newsletters, information updates, letters and an active Facebook page. Project and/or activity-specific public meetings are also held, where future activities and plans are communicated to community. FGM considers the feedback from these sessions during planning and execution of future projects.

Community engagement activities are undertaken in accordance with the site Community Engagement Plan. FGM prepares an annual sustainability report that is made available to all members of the community and is uploaded to the Kirkland Lake Gold website.

Throughout 2019, FGM held four open town hall meetings in the towns of Axedale and Goornong, located north and south of the operation. These meetings provided the community with information on FGM's operational activities within Mining Licence 5404 and the exploration programs occurring within FGM's exploration licences. These engagement events were supported by additional landholder meetings and direct communications to address specific enquiries or requests for information.

### Mine Closure (Remediation and Reclamation) Requirements and Costs

The Rehabilitation Bond Liability was assessed in June 2019 by the Department of Jobs, Precincts and Regions (DJPR) and is proposed to be increased from \$8,274,000 to \$9,423,000. Consultation with the community by the regulator was conducted throughout 2019 prior to final formal acceptance of the review. The final acceptance has not been received to date.

All closure requirements are included in the Fosterville Mine Rehabilitation Management Plan.

### **Capital and Operating Costs**

#### Capital Costs

Sustaining Capital expenditure over the period 2020-2021 is maintained at levels similar to 2019 with the intention to maintain two main declines/production fronts (Lower Phoenix South and Harrier South). This reflects the development required (decline, level accesses, ventilation raises) to access the subsequent year of production, plant and equipment and required resource definition drilling. The quantities of development used to estimate this cost are derived from 3D computer modelling and design. The sustaining capital cost estimate declines in 2022 as mineral reserves are depleted.

Growth Capital expenditure declines from 2019 - 2021 as major projects are completed. Growth Capital for major projects through this period include a Mine Water Treatment Plant, Ventilation Upgrade, Paste Fill Plant, Refinery Upgrade, Transformer Upgrade, Thiocyanate Removal Plant, Surface Chiller Plant and Drill Drive Development.



The table below is an excerpt from the Fosterville Technical Report and shows the LOM estimated capital expenditures in Australian dollars, as of December 31, 2018. In 2019, capital costs for the Fosterville Mine were A\$232.0 million.

**LOM CAPITAL COST ESTIMATES FROM THE DECEMBER 2018 LOM PLAN**

<b>Capital Costs (AUD 000's)</b>	<b>Total (A\$ 000's)</b>
Sustaining	408,000
Growth	108,000
Total	516,000

**Opex**

Annual LOM operating costs per tonne for the Fosterville Mine are estimated to range from A\$264 per tonne to A\$287 per tonne, averaging A\$274 per tonnes over the LOM. The table below is an excerpt from the Fosterville Technical Report and shows the LOM estimated operating expenditures in Australian dollars, as of December 31, 2018. In 2019, operating costs (inclusive of royalties) for the Fosterville Mine were A\$132.6 million.

**LOM OPERATING COST ESTIMATES FROM THE DECEMBER 2018 LOM PLAN**

<b>Operating Costs (AUD 000's)</b>	<b>Total (A\$ 000's)</b>
Operating Expenditure	658,000
Mine	361,000
Mill	177,000
Administration	120,000
Royalties	89,100
Total	747,100

**Exploration, Development and Production**

The Fosterville Mine has a demonstrated solid production history over a 13 year plus period since the beginning of commercial sulfide gold production in April 2005, and it is the view of the authors of the Fosterville Technical Report that the risk of not achieving projected economic outcomes is low given the operational experience gained over this time period.

The authors of the Fosterville Technical Report recommend that further growth exploration activities within the Mining Licence be pursued. Given the strong understanding of geological controls on mineralization, this has high potential to yield additional mineral resources and mineral reserves. Particular areas that are recommended to focus upon are the down-plunge extensions of the Lower Phoenix system, down plunge and down dip extensions of the Harrier system and the Robbin's Hill system which is positioned approximately 4km to the north-east of current mine workings.

Exploration of the Lower Phoenix system is technically challenging from surface due to target depths and as such, Kirkland Lake Gold has established a dedicated underground drill platform (Harrier Exploration Drill Drive) to undertake this drilling. The Harrier Drill Drive connected with the Lower Phoenix capital infrastructure in 2019 and has provided a platform to explore extensions of the Phoenix and Lower Phoenix mineral resources. Drilling over 2019 demonstrated that the Lower Phoenix mineralized system extends and is continuous for at least 950m down plunge from the bottom of the Swan Zone, which represents an extremely large exploration target for future drilling. Drilling targeting extensions of the Lower Phoenix and Phoenix systems in 2020 is estimated to cost A\$3.6M.

Continued exploration of the Harrier mineralized system should be pursued. The system is open both down dip and down plunge and the anticline offset position presents an attractive resource growth target with analogies to the high grade Lower Phoenix system. Geological models continue to evolve in this area with incoming data and drilling should target favourable structural settings for high grade visible gold mineralization and extensions of sulfide mineralization. Drilling planned in the Harrier system for 2020 is estimated to cost A\$4.5M. Development totalling 531m for an estimated cost of A\$6.1M have also been planned for 2020 in Harrier to provide exploration drilling platforms.

Subsequent to the effective date of the Fosterville Technical Report, FGM has been granted mining licence extensions to the north and south of Mining Licence 5404. These extensions increase the total area of the mining licence to 28.5km<sup>2</sup> and encompass potential resource extensions of the Harrier and Robbin's Hill Gold systems. Given the potential of near mine exploration targets, it is recommended that growth drill programs are implemented in pursuit of defining potential mineral resources independent from current mining centers. Growth drill programs planned to be undertaken within the mining lease during 2020 include;

- Cygnet Drilling program, which will explore for gold mineralization located in the footwall of the Swan Fault,
- Geophysical target program, which will drill test targets generated by interpretation of geophysical datasets, and
- Robbin's Hill programs which will continue to build an understanding of the potential beneath the Robbin's Hill pits.

A total cost of A\$17.2M is budgeted in 2020 to execute the above programs.

A maiden mineral reserve has been established at Robbins Hill in 2019 and the Company has commenced development towards this deposit from existing underground infrastructure. The development will serve as an underground exploration drilling platform to not only explore the strike extent of known mineralized structures at Robbin's Hill but explore other mineralized trends between the Fosterville and Robbin's Hill lines of mineralization. A total of 1,937m of development has been planned for 2020 at an estimated cost of A\$19.2M.

Exploration Licence 3539 (which encloses the current Mining Licence 5404) expired on February 26, 2019. The tenement was unable to be renewed under current state legislation and has been placed in moratorium (currently exempt from licence application). The tenement area holds substantial exploration potential along multiple identified lines of mineralization. Fosterville has proven exploration, mining and processing capabilities and is in a good position to maximize the potential of any mineral resources identified in the exploration licence area. The Victorian Government placed 4 ground release areas (block sizes range from 327 to 512 km<sup>2</sup>) out to tender in October 2019, one of which covers the area of the previously held EL3539 area. FGM is participating in the tender process with respect to such ground release areas and if successful would have exclusive rights to exploration licence applications. With exemplar status in areas of environment and community engagement, Fosterville is well positioned to retain exploration rights to this prospective ground.

With numerous prospective targets generated from exploration works undertaken to date within the surrounding exploration leases it is recommended to advance the pipeline of regional targets. The regional exploration project termed Large Ore Deposit Exploration ("LODE") aims to integrate and interpret all available geoscientific data, rapidly cover the current exploration holdings with reconnaissance exploration techniques such as soil sampling, airborne electromagnetic, gravity and seismic surveys and advance development of prospective targets with various drilling techniques. A total of A\$11.9M has been estimated to undertake Fosterville LODE work during 2020.

Growth Capital diamond drilling, for a total cost of approximately A\$17.3M, is proposed for the systematic expansion of indicated mineral resources. The proposed drilling will target inferred mineral resources, with the objective to increase resource confidence to an indicated mineral resource classification to allow for mineral reserve evaluation. The drilling will not only provide increased confidence in mineral resources which could lead to expansion of mineral reserves, but additional geological and geotechnical information ahead of mining, essential for optimizing the placement of supporting infrastructure and the effective extraction of the resource. A total of 882m of development at an estimated cost of A\$9.5M has been planned to support Growth Capital drilling programs in the Lower Phoenix and Harrier areas in 2020.

## The Macassa Mine

The scientific and technical information included in the below summary has been derived, in part, from, and in some instances are extracts from, the amended and restated technical report entitled “Macassa Property, Ontario, Canada Updated NI 43-101 Technical Report” (the “**Macassa Technical Report**”) dated effective December 31, 2018 and prepared by Mariana Pinheiro Harvey, P. Eng., Robert Glover, P. Geo., William Tai, P. Eng. and Ben Harwood, P. Geo., each of whom is a “qualified person” pursuant to NI 43-101. All defined terms used in the following summary have the meanings ascribed to them in the Macassa Technical Report. The below summary is subject to all the assumptions, qualifications and procedures set out in the Macassa Technical Report. The Macassa Technical Report was prepared in accordance with NI 43-101. For full technical details of the report, reference should be made to the complete text of the Macassa Technical Report, which has been filed with the applicable regulatory authorities and is available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). The summary set forth below is qualified in its entirety with reference to the full text of the Macassa Technical Report. The authors of the Macassa Technical Report have reviewed and approved the scientific and technical disclosure contained in this Annual Information Form related to the Macassa Mine, other than the information set forth above under the heading “Summary of Mineral Reserve and Mineral Resource Estimates”. See “Interest of Experts”.

### Project Description, Location and Access

The Macassa Mine is located in the Municipality of Kirkland Lake, within Teck Township, District of Timiskaming, Ontario, Canada, approximately 600km north of Toronto. The Macassa Mine is at the west end of the community of Kirkland Lake, which has approximately 8,000 inhabitants. Kirkland Lake has been a mining community since the Tough-Oakes Burnside Mine (later called the Toburn) started in 1914 and, as a result, an experienced mining work force, as well as mining services, equipment and infrastructure are readily available. The Macassa Mine is adjacent to Highway 66 just east of Highway 11. The area is serviced by railway and bus. Although there is a small airport in Kirkland Lake there are no scheduled commercial flights from southern Ontario.

Kirkland Lake Gold holds title to 258 mining claims in Teck and Lebel Townships that cover 3,724 ha. There are 188 patented claims, 11 crown leases and 59 staked claims. All of the claims are located in eastern Teck Township and western Lebel Township. They cover the properties of the Macassa Mine including the Tegren property at the west end of the mine strip. To the east of the Macassa Mine, the properties cover the past producing mines of Kirkland Minerals, Tech-Hughes, Lake Shore and Wright-Hargreaves. Of note, the Lebel claims are not contiguous with the main property.

There are 102 patented claims covering 1,369 ha that include mineral rights and surface rights. There are 61 patented claims covering 923 ha that hold the mineral rights only. These claims are surveyed and do not require assessment work to be done each year. There are 11 crown leases covering 306 ha that hold the mining rights only. These leases are surveyed and do not require assessment work each year. Taxes have to be paid on both the patented claims and the crown leases. In addition, there are 25 patented claims that hold only the surface rights and taxes are paid on them. There are 59 staked claims, which are not surveyed and require minimum assessment work to be completed each year. In the second and all subsequent years, a minimum of \$400 of assessment work per 16 ha claim unit per year is to be reported until a lease is applied for. The work does not have to be done on each claim, it can be spread over adjacent claims and excess work in a year can be used for later years. Some claims will require the assessment work between 2018 and 2020. There are enough excess work credits to keep the claims in good standing for approximately another 10 years.

Many of the claims have royalties due to the previous owners. These royalties are usually based on production or the NSR from the sale of the metal production. They apply to one or more claims and vary depending on the agreement reached when purchasing the claims. On October 31, 2013, the Company and Franco-Nevada Corporation (“**Franco-Nevada**”) completed a royalty transaction. Franco-Nevada paid US\$50 million for a 2.5% NSR on the production from all of Kirkland Lake Gold’s properties. This royalty is in addition to any existing royalties. Kirkland Lake Gold bought back 1% of the NSR at the end of 2016 for US\$36 million. The obligation to Franco-Nevada currently stands at 1.5% NSR. Kirkland Lake Gold has also entered into a 0.5% NSR royalty agreement with certain First Nation communities that are part of an impact benefit agreement.

All environmental permits and approvals for the Macassa Mine are in good standing with the appropriate regulatory bodies. Amendments are performed in compliance with appropriate legislation. In the opinion of the authors of the Macassa Technical Report, there are no significant factors or risks that may affect access, title or the right or ability of the Company to perform work on the Macassa property.

## History

The Kirkland Lake mining camp has been a prolific gold producer since mining started in 1914. The Macassa Mine and the four former producers that the Company now owns have produced approximately 23 million ounces of gold since 1917. The production from these five mines accounts for about 90% of the total camp production.

The Macassa Mine started in 1933. The first shaft was sunk in the Main Break zone in the late 1920's to a depth of 152m; however, sufficient gold was not located and operations were halted. In 1931, the Macassa property was entered via underground access at the east end of the property from the adjacent Kirkland Minerals Mine from the 2475 Level. This entry was successful in finding gold and in October 1933 the first mill on the property began processing the ore at a rate of 181 short tons per day ("stpd"). The milling rate was increased to 386 stpd in 1949 and to 476 stpd in 1956. In August 1988, a new mill was built that could process up to 544 stpd of ore and 680 stpd of tailings (reclaimed). By 1996, modifications had increased mill capacity to 816 stpd of ore and 907 stpd of tailings. When mining was suspended in 1999, mill capacity was near 1,361 stpd of ore.

Starting in 1988 and until October 1999, the tailings from the Lake Shore Mine were processed at the Macassa Mine. These tailings were recovered by either dry mining or by dredging.

Operations were suspended in 1999 due to the declining price of gold, with the workings allowed to flood in 2000.

Macassa Mines Ltd. was incorporated in 1926 and evolved through a succession of mergers to become Lac Minerals Ltd. ("**Lac Minerals**") in 1982. The merger consolidated the properties of the Little Long Lac group into one entity and the Macassa Mine and the other Kirkland Lake properties were included. Lac Minerals was acquired by Barrick Gold Corporation ("**Barrick**") in August 1994 and Barrick offered a number of Lac Minerals' mineral properties for sale. After a short period of operation by Barrick the property was sold to Kinross Gold Corporation ("**Kinross**") in May 1995. Foxpoint Resources ("**Foxpoint**") purchased the Kirkland Lake properties from Kinross in December 2001 for C\$5 million and the assumption of C\$2 million in reclamation bond obligations related to the closure plan for the properties. Foxpoint changed its name to Kirkland Lake Gold Inc. in October 2002. Following the business combination of Old Kirkland Lake Gold with Newmarket Gold Inc. in 2016, the Company changed its name to Kirkland Lake Gold Ltd.

Upon purchasing the assets in 2001, initial exploration efforts concentrated on surface drilling on the former Wright Hargreaves, Lakeshore, Teck Hughes and Kirkland Minerals properties. As the Macassa #3 Shaft was de-watered, underground exploration at Macassa was phased in, beginning in 2002. This culminated in the discovery of the South Mine Complex ("**SMC**") in 2005. From that point to 2010, all exploration drilling was underground at the Macassa Mine. In 2010, surface exploration programs were re-implemented in conjunction with underground exploration at Macassa and continued through 2017. Exploration drilling programs in 2018 were focused underground at Macassa while a camp-wide initiative to compile and interpret current and historical data was being carried out to aid in the generation of regional exploration targets. Underground development at Macassa to facilitate exploration includes drifting and drill bay excavations on various levels. The focus in 2018 was from 5300 Level to explore the eastward and westward extent of the SMC.

From 1933 to 2018, Macassa produced approximately 5.2 million ounces of gold from 11.7 million short tons of ore at an average head grade of 0.45 opt.

## Geological Setting, Mineralization and Deposit Type

The Kirkland Lake mining camp is located in the west portion of the Archean Abitibi greenstone belt of the Abitibi Sub-province that forms part of the Superior Province in the Precambrian Shield. In the Kirkland Lake area, the Abitibi

Subprovince is composed of komatiitic, tholeiitic and calc-alkaline volcanic rocks, turbidite-dominated sedimentary lithologies, locally distributed alkaline metavolcanics rocks and associated fluvial sedimentary formations. These successions have been intruded by tonalite, trondhjemite and granodiorite batholiths.

The Macassa deposit is hosted within the Timiskaming Group of rocks, which is approximately 3.2km wide and stretches from Kenogami Lake (Ontario) to the Quebec border. In the Kirkland Lake area, host rocks are predominantly conglomerates and sandstones, trachytic lava flows and pyroclastic tuffs trending N65°E and dipping steeply to the south in the Kirkland Lake area. Immediately east of Kirkland Lake, the formations are warped to an east-southeast direction, then return to an east-northeast direction at Larder Lake, and continue this way to the Quebec border.

Gold mineralization occurs preferentially in the syenites. The Kirkland Lake-Larder Lake Break, and its associated splay faults and fracture system, form a complex, major structural feature that can be traced from Matachewan (west of Kirkland Lake) to Louvicourt (Quebec). It passes through, or near, current and historical mining areas, such as: Larder Lake, Rouyn-Noranda, Cadillac, Malartic, Val d'Or and Louvicourt.

The Macassa Mine is hosted within a fault system located north of the main Kirkland Lake-Larder Lake Break, as individual fracture filled quartz veins from several centimetres to a few metres in thickness. Historical workings at Macassa indicate that gold was often associated with 1% to 3% pyrite and, sometimes, molybdenite or tellurides. Silver is found amalgamated with the gold and in tellurides. Pyrite and silicification does not always guarantee the presence of gold, but higher grade ore is almost always accompanied by increased percentages of pyrite and silica.

The Kirkland Lake Gold deposit occurs in, and peripheral to a composite, multi-phase syenite stock that intrudes east-northeast trending clastic sedimentary rocks and alkaline tuff of the Timiskaming assemblage. Gold mineralization is associated with the Kirkland Lake Fault System, a probable early synmetamorphic, northeast-trending, and steeply southeast dipping reverse fault network that includes the '04, Main, North, and South breaks, and which is localized along the northeast-trending syenite complex hosting the deposit. Gold mineralization in the SMC area occurs in a complex interconnected network of narrow, east to northeast trending, moderate southeast to south dipping mineralized shear zones and auriferous alteration.

## **Exploration**

Kirkland Lake Gold has carried out extensive surface and underground exploration programs throughout their holdings in the Kirkland Lake Area.

The current exploration programs are focused on extending known zones of mineralization and testing for new discoveries in order to increase the level of mineral resources and mineral reserves in support of future organic growth. Widely spaced surface drilling in 2017 east of the Macassa property was carried out to test the extension of the SMC. The surface program produced a number of intercepts, for which follow up drilling was completed from underground in 2018. The drill holes in the underground program generally have shorter hole lengths as compared to surface, allowing higher precision required for mineral resource definition.

The exploration program was successful finding the "D" Zone and the south zones that are now referred to as the SMC. These zones are now part of the mineral resource and mineral reserve estimates. The Company has also explored for near surface mineralized zones associated with the Amalgamated Break Trend. A lower grade resource has been identified within 300m below surface, for which near surface mining opportunities are currently being explored. Kirkland Lake Gold is committed to continual exploration on its land holdings. Recent successful drilling results are encouraging for further expansion of the mineral resources and mineral reserves by continuing exploration.

Macassa's exploration program is directed at expanding the potential of the SMC zones along strike (to the eastern and western boundary of the property) and dip, and continue to explore the Amalgamated Break Trend. Underground exploration plans for 2020 entail the utilization of ten to twelve diamond drills for both exploration and definition drilling. Two drills are planned for surface exploration.

## **Drilling**

Kirkland Lake Gold contracts out all diamond drilling on surface and underground. The diamond drilling provides whole core recovery generally in NQ diameter for surface drilling and AQ or BQ diameter for underground drilling programs. AQ diameter core is utilized in definition drilling only. The core is boxed by the contractor and carried to the shaft by the drill contractor or Macassa personnel. The drill core is transported by personnel to the Macassa core shack for logging and sampling.

In 2018, a total of eight diamond drills were used on the Macassa property. Three drills were used for underground exploration, the remainder for underground definition. Underground drilling plans for 2019 entailed the utilization of seven to eight diamond drills for both exploration and definition drilling. The 2019 underground exploration budget included 90,000m of diamond drilling utilizing three drills. The programs are primarily designed to test the east and west extension of the SMC as well as the SMC at depth with additional targets on the '04/Main and Amalgamated Breaks. Surface exploration plans in 2019 included 4,000m of diamond drilling utilizing one drill to test regional target areas.

All underground drillhole collars and lines are digitally surveyed before and after to accurately locate the holes. Surveys are completed down the holes near the collar and at 30m increments to track any changes. There are minimal variations to the movement of the drillhole trace, but factors such as rock quality and fabric may affect the direction.

Underground drillholes are planned with an expected target depth in mind. After the target is reached, the drillhole planner also adds an extra buffer zone to increase the confidence in intercepting the zone. When the end of the hole depth is reached, the drilling contractor ends the hole and moves on to the next usually without confirmation from the Geology department. On surface, drillholes are confirmed by the geologist before stopping to commence a new hole.

## **Sample, Analysis and Data Verification**

### Sampling Methods

Diamond drill core samples, chip samples and muck samples are all used at Macassa for grade control. Only the core samples and the chip samples are used for resource determination. Diamond drilling is used to explore the extensions of the zones, to find new zones from underground and to provide sample data between the mine levels for resource determinations. The recovered drill core is logged and sampled by a geologist employed by the Company in Macassa's facility at the mine site. The core is oriented and marked for sampling by the geologist. Individual samples are between 0.3m to 1.0m in length. For all exploration core, the intervals selected for sampling are tagged and cut in half using a diamond saw, by a designated core splitter employed by the Company. One half of the split core is retained in the core box and stored in a designated area on site for further consideration. The other half is placed in properly marked sample bags with the identifying tag for shipment to an outside assaying facility. For all definition core, the intervals selected for sampling are whole bagged and sent to either the Macassa laboratory or an outside assaying facility. The collars of all diamond drill holes are surveyed and the holes are downhole surveyed using by north-seeking gyros.

The chip samples are obtained underground by a geologist or by a trained sampler. Each new exposure of the zones on the walls or face is sampled in all of the workings. Sample intervals are marked across the face and walls in channels recording the length, rock type and features of the sample. The sample intervals are set so that the individual veins and the waste sections within the veins are sampled separately. The wall rocks at the sides of the veins are sampled separately from the veins. The sample length for chips samples range between 0.3m and 1.0m in length. The samples are tagged and placed in appropriately marked bags and transported to the Macassa laboratory. The samples are marked and located using the survey markers for control. After the ore is blasted, the mining crew and occasionally the mine geologists will obtain muck samples. It is practice at Macassa Mine to take one random grab sample from the muck for every 10 short tons of muck (ore or potential ore). Muck and chip sampling of both development and stope ore is carried out for mining control and reconciliation purposes.

All chip and muck samples are tagged and placed in appropriately marked sample bags and then transported to the Macassa laboratory. At the lab, they are reduced in size by riffing before being treated by the standard assay procedures.

### Macassa Assay Method

The Macassa Mine has an assay laboratory associated with the milling complex. This laboratory assays all of the mill samples, bullion and mine samples (which include chips, mucks and definition drill core). Due to a large amount of samples produced, a small portion of definition drill core was sent to Polymet Labs in Cobalt, Ontario. The exploration samples from the drilling programs are sent to the Swastika Laboratory in Swastika, Ontario for analysis.

At the Macassa laboratory, the prepping procedure for samples is as follows:

- Sample is crushed to 70-75% passing 10 mesh;
- Riffle split to a 200-250g sample;
- Pulverized with 85% passing 200 mesh screens.
- The pulverizer and crusher are cleaned by compressed air after each sample.
- Waste core is run through the crusher after every high grade sample.
- Silica sand is pulverized after every high grade sample

The Macassa laboratory follows industry standard protocols for sample preparation and assaying. Normal fire assay procedures are employed, using 1 assay ton for core or ½ assay ton for the other mine samples.

Polymet Labs is accredited to the ISO 9001:2015 by the Standards Council of Canada. Their prepping procedure for samples is as follows:

- Sample is crushed with >80% passing 10 mesh (1680 µm).
- Riffle split to a 200g sample.
- Pulverized with >90% passing 150 mesh (105 µm) screens.
- The pulverizer and crusher are cleaned by compressed air after each sample.
- Waste core is run through the crusher after every high grade sample.
- Silica sand is pulverized after every high grade sample.
- All Au assays are analyzed by lead fusion fire assay with gravimetric finish performed on 29.16g sample.

Swastika Laboratories is accredited to ISO/IEC 17025:2005 by Canadian Association for Laboratory Accreditation Inc. Their prepping procedure for samples is as follows:

- Drying of samples is done at 80°C in a forced air circulation system.
- Sample is dry crushed with >80% passing 10 mesh (1700 µm) using low chrome steel jaw plates.
- Riffle split to a 300g sample.
- Pulverized with >90% passing 150 mesh (107 µm) screens using low chrome steel bowl sets.
- The pulverizer and crusher are cleaned by compressed air after each sample.
- Waste core is run through the crusher after every high grade sample.
- Silica sand is pulverized after every high grade sample.
- Au is analyzed by lead fusion fire assay followed by Microwave Plasma-Atomic Emission Spectrometer (“MP-AES”) finish on 29.17g sample. Au assays > 8.57 g/t are also analyzed by lead fusion fire assay with gravimetric finish performed on 29.17g sample.

In the opinion of the authors of the Macassa Technical Report, the procedures, policies and protocols for the sampling, sample preparation, analytical/assaying techniques and security systems are proper and adequate at the Macassa Mine.

Assay results are reported to the database analyst who verifies the data ensuring all quality control protocols are in compliance with expectations before entering the data into the database.

### Quality Assurance and Quality Control

Kirkland Lake Gold engages in industry standard practices to re-test mineralized pulps at a second commercial lab for a check on the quality of the primary assay results. Approximately 5% of the mineralized exploration samples that go directly to a commercial lab are sent to another commercial lab for verification.

Samples were selected from the 2018 drilling campaign by considering pulps that grade above 6.86 g/t. Check assays were chosen from all laboratories used during the 2018 drill program and were sent to either Swastika Laboratories or Polymet Labs. Ideally, values returned by the umpire laboratory would be equivalent to the primary laboratory. The check assay duplicates show adequate accuracy for the three major labs used in 2018. Swastika had 83% of the pairs reporting within 25% of each other, Macassa had 78% of the pairs reporting within 25% of each other and Polymet had the best accuracy with 97% of the pairs reporting within 25% of each other.

Certified Reference Materials are inserted into the sample stream to measure the trueness or accuracy of the analytical method used by the laboratory. Swastika Laboratories performed well throughout the year with 100% of the measured values falling within the accepted three standard deviations of the expected value. There is a very slight tendency to underestimate, but not enough to raise concern. The control charts produced for Swastika are overall consistent and show no reason for concern. The data obtained from Macassa's laboratory display values broadly, but evenly dispersed, with adequate accuracies of 90% of their measured values falling within three standard deviations of their true value. The Polymet laboratory showed a tendency to slightly overestimate reference materials over the analysis period, but not enough to raise concern. Polymet showed adequate accuracies of 96% of their measured values falling within three standard deviations of their true value.

Blank material is used to monitor contamination caused when sample preparation equipment is not cleaned properly after a mineralized sample. Macassa blanks consists of drill core of matching size composed of unmineralized basic syenite from previously drilled holes in the area. One blank material is inserted after a sample with the potential for moderate to high grade gold. Blank materials inserted into the sample stream did not suggest any contamination during sample preparation or analyses.

### Data Verification

Drillhole data is verified by professional geologists and consists of a wide variety of checks based upon the survey and pick-up of drillhole collars, downhole surveys using north seeking gyro tools during the drilling of the holes. The drillhole trace is continually monitored by the geologists to ensure that the hole remains on track to intercept the target.

Drillhole data is checked by the database analyst and the senior resource geologist prior to generating the mineral resource estimate. Errors or suspect data are checked and corrected, or else excluded from the mineral resource estimate. A list of excluded holes is kept on file and includes reasons for exclusion and whether specific mineralized zones or the entire hole should be excluded.

In the opinion of the authors of the Macassa Technical Report, the procedures, policies and protocols for data verification are proper and appropriate at the Macassa Mine. The sampling, handling and assaying methods used at Macassa are consistent with good exploration and operational practices.

### **Mineral Processing and Metallurgical Testing**

It should be noted that the apparent increased telluride content that was observed in the SMC zones indicated that modifications to the processing may be required to keep the high gold recovery that has traditionally been experienced at Macassa; to that effect, cyanidation is taking place at the grinding stage. Assumptions used for mill recovery are based on a grade-recovery curve that has been developed over the years; this grade-recovery curve is updated yearly.

In the opinion of the authors of the Macassa Technical Report, there are no processing factors or deleterious elements that could have a significant effect on potential economic extraction.



## Mineral Resource and Mineral Reserve Estimate

The updated mineral reserves and mineral resources (exclusive of mineral reserves) estimates for the Macassa Mine and Macassa Near Surface, as of December 31, 2019, are presented below.

### Macassa Mineral Reserves and Mineral Resources (Exclusive of Reserves), Effective As At December 31, 2019

Macassa		December 31, 2019		
		Tonnes (000's)	Grade (g/t)	Gold Ounces (000's)
<b>Mineral Reserves</b>				
	Proven	383	20.3	250
	Probable	2,930	22.4	2,110
	<b>Proven + Probable</b>	<b>3,320</b>	<b>22.1</b>	<b>2,360</b>
<b>Mineral Resources</b>		<b>Exclusive of Mineral Reserves</b>		
	Measured	311	16.0	160
	Indicated	1,305	13.3	558
	<b>Measured + Indicated</b>	<b>1,616</b>	<b>13.8</b>	<b>717</b>
	<b>Inferred</b>	<b>1,039</b>	<b>16.7</b>	<b>557</b>

### Macassa Near Surface Mineral Reserves and Mineral Resources (Exclusive Of Reserves), Effective As At December 31, 2019

Macassa Near Surface		December 31, 2019		
		Tonnes (000's)	Grade (g/t)	Gold Ounces (000's)
<b>Mineral Reserves</b>				
	Proven	-	-	-
	Probable	273	10.7	93
	<b>Proven + Probable</b>	<b>273</b>	<b>10.7</b>	<b>93</b>
<b>Mineral Resources</b>		<b>Exclusive of Mineral Reserves</b>		
	Measured	-	-	-
	Indicated	47	7.8	12
	<b>Measured + Indicated</b>	<b>47</b>	<b>7.8</b>	<b>12</b>
	<b>Inferred</b>	<b>146</b>	<b>11.5</b>	<b>54</b>

#### Mineral Resource Notes:

1. CIM Standards (2014) were followed in the estimation of mineral resources.
2. Mineral resources are reported exclusive of mineral reserves. Mineral resources were calculated according to Kirkland Lake Gold's mineral resource estimation guidelines.
3. Mineral resource estimates were prepared under the supervision of Eric Kallio, P. Geo. Senior Vice President, Exploration of the Company, who is a qualified person as defined under NI

43-101.

4. Mineral resources are estimated using a long-term gold price of US \$1,300/oz (C\$1,700/oz).
5. Mineral resources were estimated using a range of 3.4g/t to 8.6 g/t cut-off grades for the Macassa Mine.
6. Totals may not add up due to rounding.

**Mineral Reserves Notes:**

1. CIM Standards (2014) were followed in the estimation of mineral reserves.
2. Mineral reserves were estimated using a long-term gold price of US\$1,300/oz (C\$1,700/oz).
3. Cut-off grades were calculated for each stope and included the costs of: mining, milling, general and administration, royalties and capital expenditures and other modifying factors (e.g. dilution, mining extraction, mill recovery).
4. Dilution estimates vary by mining methods and ranges from 5% to 50%.
5. Extraction estimates vary by mining methods and range from 50% to 100%.
6. Mineral reserves estimates were prepared under the supervision of N.Vaz, P. Eng, Vice President, Technical Services of the Company, who is a qualified person as defined under NI 43-101.
7. Mineral reserves are stated at a mill feed reference point.
8. Totals may not add up due to rounding.

The Company is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing and political or other relevant factors that would materially affect either the mineral resource estimate or the mineral reserve estimate for the Macassa Mine.

The mineral reserve estimate is based on the Macassa Mine's measured and indicated mineral resources. For these, mining plans were developed, in which specific mining methods were applied and required development was planned.

To develop the mineral reserves, the economic feasibility of each stope was determined, inclusive of all mining, milling, general administration, royalties and sustaining capital expenditures. Appropriate modifying factors were applied, such as dilution and recovery (mining extraction), based on the mining method. The economic viability of the measured and indicated resources converted into mineral reserves was determined by Macassa Mine's engineering department. Areas of uncertainty that may impact the mineral reserve estimate includes the price of gold and exchange rate assumptions used, geological complexity and unforeseen geomechanical constraints.

### **Mining Operations**

There are currently three active mining areas in Macassa Mine: Main Break (MB), Lower North (LN) and New South (NS). The areas LN and NS are both part of the SMC. Access to the mining areas is through the #3 Shaft and connecting lateral development within the MB and SMC zones. The main mining methods at Macassa Mine include Underhand Cut and Fill, Longhole stoping and Mechanized Overhand Cut and Fill. The selection of mining method depends on several factors including ore geometry, grade and the need for locations to deposit waste fill. There are also several geomechanical considerations, such as structure and stresses, which impact the mining method selection.

Paste fill is the main material used to backfill stopes, although unconsolidated rockfill is also used where possible. Material hoisted to surface via #3 Shaft, which has an average capacity of 2,200 tpd.

Once the ore is hoisted to surface, it is then trucked to the crushing facilities. After crushing and grinding (95% passing, 45 microns), the ore is processed by conventional cyanide leaching with a carbon-in-pulp recovery system, as described below under "Processing and Recovery Operations".

Macassa Mine has been on the forefront in the use of Battery Electric Vehicles ("BEVs") and was the first mine in Ontario to implement BEVs as the standard for the LHD and truck fleet. Kirkland Lake Gold has partnerships with battery equipment manufacturers to develop and design BEVs, as opposed to retrofitting diesel powered equipment. Macassa Mine will continue to replace its fleet of underground diesel equipment with BEVs as required.

### **Processing and Recovery Operations**

Currently, ore is delivered to the plant using dump trucks. The ore is crushed down to 11mm at a maximum throughput rate of 80 tph and then ground to 40-45 microns; cyanide is added at the grinding stage. It is then delivered to two pre-oxidation tanks before being pumped to the thickener. The overflow reports to the carbon columns (where over 75% of the gold is recovered) and the underflow to the leach circuit. Leaching takes place in seven tanks with a retention time of 100 hours. The carbon-in-pulp circuit consists of six tanks. Following electrowinning, the concentrate is melted in an induction furnace to produce doré grading 85% to 88% gold and 8% to 10% silver. The capacity of the plant is 2,000 tpd.

In the opinion of the authors of the Macassa Technical Report, there are no processing factors or deleterious elements that could have a significant effect on potential economic extraction at the Macassa Mine.

### **Infrastructure, Permitting and Compliance Activities**

It is the opinion of the authors of the Macassa Technical Report that the surface rights, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas and processing plant site are sufficient to continue the operations of the Macassa Mine.

### Project Infrastructure

Macassa has two shafts from surface that provide access to the mine, #2 and #3 Shafts. A third shaft, #1 Shaft, has been decommissioned, but is still used to exhaust air from the mine. A fourth shaft (Elliott Shaft) has been sealed, as per the filed closure plan. The office and dry complex, surface maintenance facilities and warehousing are located by #3 Shaft. The mill, refinery and assay lab are located in close proximity to #1 Shaft.

Power to the site is supplied by HydroOne via the K4 115kV and G3K 44 kV transmission lines. The power is stepped down on site to 5kV for distribution via three 10 MVA transformers (one located at the mill complex and two located at the #3 Shaft mine complex). Power is distributed underground via three 500 MCM 5kV feeder cables going down #3 Shaft, one 4/0 15kV feeder cable going down #3 Shaft and one 500 MCM 5kV feeder cable going down #2 Shaft. In the event of power loss, a 2 MVA diesel powered generator onsite provides power to operate the #3 Shaft service hoist and power to the surface compressors to provide limited compressed air underground.

Process water for mining activity comes primarily from the abandoned eastern workings of the historic mines, controlled via a bulkhead located on 4250 Level. Water for the underground operational needs is supplied by a series of water boxes which control the water pressure and distribute the water underground from pump stations at 4250 Level #3 Shaft and 3000 Level #3 Shaft.

Dewatering the mine is accomplished by a series of pumping lift stations located at: 1275, 3000, and 4250 Levels. The water reports to the 4250 pumping station from the bulkhead at the east of 4250 Level and the #3 Shaft bottom pump which is pumped up the shaft from a lift station at 5725 Level.

The underground operation is fed by two surface compressed air plants. The main plant located at 3 shaft is capable of delivering 16,000 cfm to the underground workings via a 10 inch airline in the shaft. The auxiliary plant located at #2 shaft is capable of delivering 3,500 cfm to the underground workings via a 6 inch airline in the shaft. The compressed air plant capacity is sufficient to meet operational demands, however on occasion, during peak flows in lower regions of the SMC zone ramps, the pressure drop resulting from friction losses in the distribution network can result in operational challenges. To address this issue work is ongoing to increase the distribution capacity (via a secondary path) to ensure stable pressure independent of flow rates during peak demand periods.

### Future Infrastructure

In 2018, the Company announced plans for the development of a new shaft, #4 Shaft, at the Macassa complex. The project is planned to be completed in two phases, with the Phase 1 project cost estimated as US\$240 million and the Phase 2 cost estimated as US\$80 million. Phase 1 involves sinking to the 5700 Level, with development of a loading pocket at 5450 Level. The new shaft is expected to be operational by the end of the second quarter of 2022. Phase 2 is planned to start after the completion of Phase 1, and will include the sinking of an additional 1,300ft and installation of a loading pocket on 6900 Level. Phase 2 completion is estimated at the end of 2023. The new shaft is an essential component in achieving Macassa Mine's LOM plan. The new shaft allows mine operations to be streamlined and upgraded, including better personnel and material/supply movement and an increase in ventilation airflows. #4 Shaft will be circular, concrete lined and 21.5ft in diameter. The shaft will have a main service cage, an auxiliary cage and two skips.

The construction of a new tailings facility was completed in 2019. The design of the North Tailings Storage Facility ("NTSF") incorporates the construction of one large and several smaller dams; the project schedule was laid out in two phases. Phase 1 was completed in 2018, in which two dams were constructed to an elevation of 328m. Phase 2 was finalized in 2019, and entails bringing both the 2018 dams and four others to an elevation of 332m.

The development of twin ventilation raises are planned to surface and will connect from 5450 Level in the SMC. They are planned to be 3.7m in diameter and will be driven by raise bores. These raises are currently planned to be used to exhaust air from Macassa, in order to accommodate higher airflow through the mine, necessary for increased production. The raises will be driven in two stages, using 3400 Level as an intermediate level. The piloting of these raises is

scheduled to commence April 2020, and their completion is scheduled in conjunction with the implementation of #4 Shaft in 2022.

Existing plans after the commissioning of #4 Shaft include a material expansion of current production. The #4 Shaft Project will be funded internally, and the investment was chosen based on both objective financial analysis parameters as well as the subjectively derived operational needs focused on risk reduction. The primary reasoning for the #4 Shaft Project is as follows:

- The new shaft is expected to support a higher level of production and lower unit costs.
- The NPV of the project is expected to increase due to both the lower LOM operating costs as well as higher revenues gained earlier on in the project life.
- The new shaft will de-risk the operation, which currently relies on #3 Shaft for the hoisting of material to surface. #3 Shaft was developed in an unfavourable orientation in regards to principle stresses and has previously been exposed to damaging seismicity primarily due to the stope mining sequence nearby. Though the risk is being effectively managed through sound ground control practices, the addition of a new shaft in a favourable location and orientation will eliminate the risk of lost production and mine access from the possibility of #3 Shaft being damaged from seismic activity.
- Current ventilation inflow underground is constrained by the area of the existing #3 Shaft. The commissioning of the new shaft will allow for substantially higher inflow of air underground, improving the ventilation and general working conditions in the mine.
- The new shaft will support more effective exploration towards the east of the South Mine Complex.

#### Waste and Tailings Disposal, Site Monitoring and Water Management

The Macassa NTSF has replaced the Macassa TSF, which had been in operation for approximately the past 70 years. The existing TSF was shut down in October 2019. We are in the early stages of taking this facility to closure.

Currently, the slurry material that leaves the mill is deposited into the Macassa NTSF, which is approximately 54 hectares and consists of one Basin. As part of the water management strategy at the Macassa Mine, the solids settle in a thickened tails thickener and high density tails are deposited in the NTSF. The thickener overflow (supernatant) is pumped back to the Existing Conditioning Pond, where it is held. Conditioning Pond effluent has two main destinations: it is either reclaimed and pumped to the Mill and used for processing, or it is treated through an effluent treatment plant where it is discharged into a series of four settling ponds and ultimately is released through the Final Discharge location into the receiving water body, Amikougami Creek.

There are various monitoring and inspection programs that occur both on and off-site to support and improve the tailings and water management strategies. Compliance monitoring includes surface and ground water characterization monitoring, air quality monitoring (metals and fugitive dust), storm water drainage monitoring, freeboard inspections, as well as visual inspections of the TSF and NTSF done by multiple departments. A third party Dam Safety Inspection (“DSI”) is completed annually at all KLG TSF’s, as well as at the Kirkland Minerals TSF, which is an inactive facility which the Company is responsible for maintaining. Dam Safety Reviews (“DSR”) are completed on all KLG tailings facilities every 5 years.

Upon closure, the Macassa TSF will be in its final closure configuration as per the filed Closure Plan Amendment (as defined below). The facility will be in active closure, therefore inspections and monitoring will still be ongoing. Water quality monitoring and treatment is expected to occur for the first two to three years post-closure while steady state conditions are being reached.

#### Permitting

The significant permit applications and amendments have been submitted to support the NTSF project. For the new shaft project, the main focus for permitting has been to acquire any required permits for construction only. The focus

will shift to the longer-lead operational permits in 2019 to support full-scale operations. A closure plan amendment was submitted in 2018 to support both the NTSF as well as the shaft project, and to include smaller material changes at the operations level (the “**Closure Plan Amendment**”).

Outside of the Closure Plan Amendment, the Macassa Mine has all of its required permits and applications for operations.

### Social and Community Impact

With the mining complex located on the edge of the Town of Kirkland Lake, it is a part of the community landscape, and operational and environmental considerations are of vital importance. The Company is committed to supporting the community, not just through its operational standards and performance, but also socially and culturally. Kirkland Lake Gold is an active member of the community and contributor to community events, and maintains an open dialogue with community leadership. Kirkland Lake Gold does not anticipate opposition from the local communities to continued operation of the Macassa Mine.

The Company has an agreement with First Nations who have treaty and aboriginal rights which they assert within the operations area of the Macassa Mine. The agreement provides a framework for strengthened collaboration in the development and operations of the mine and outlines tangible benefits for the First Nations, including direct financial support, skills training and employment, opportunities for business development and contracting, and a framework for issues resolution, regulatory permitting and the Company’s future financial contributions. In addition, Kirkland Lake Gold engages with Aboriginal communities in connection with permitting applications and ongoing projects. The Company also maintains an open and transparent relationship with the local community and members of the public.

### **Capital and Operating Costs**

#### Capital Costs

Capital cost estimates are based on historical costs at the Macassa Mine and costs included in the 2019 budget or budgetary quotations from suppliers in the industry.

Over the LOM, annual capital expenditures for the Macassa Mine are estimated to average C\$68M per year, excluding #4 Shaft costs. The sustaining capital portion averages \$54M per year, while the growth capital averages C\$14M per year, excluding #4 Shaft costs.

The table below is an excerpt from the Macassa Technical Report and shows the LOM estimated capital expenditures, in Canadian dollars, as of December 31, 2018. In 2019, capital costs at Macassa were C\$258 million.

#### **LOM CAPITAL COST ESTIMATES FROM THE DECEMBER 2018 LOM PLAN**

<b>Capital Costs</b>	<b>Total (C\$ 000's)</b>
Sustaining	379,000
Growth	97,000
Growth - #4	341,000
Total	817,000

LOM sustaining capital costs total C\$379M and include costs for development, infrastructure, pastefill, construction, equipment purchases/rebuilds and allocation of indirect costs required to support ongoing mining. Sustaining capital costs include C\$168M for development and C\$18M for twin ventilation raises to surface.

LOM growth capital costs total C\$438M and include C\$14M for a thickened tails facility, C\$18M for a new crushing facility, C\$21M for a new pastefill plant, C\$27M for the expansion and reinforcement of the tailings dams and additional lifts, and C\$341M #4 Shaft costs between the years 2019 to 2023 for Phases 1 and 2.

Exploration spending was estimated using the 2019 budget numbers. A total of C\$154M has been allocated for growth exploration costs over the LOM.

### Operating Costs

The operating costs were developed based on the yearly budget and previous historical operating costs at Macassa Mine. For the LOM period from 2019 to 2021, before the commissioning of #4 Shaft, costs remain relatively constant. Once commissioned, #4 Shaft will contribute to lowering the unit costs, while production is anticipated to double over the same period.

Annual LOM operating costs for the Macassa Mine are estimated to average C\$388/t before the completion of #4 Shaft, and is estimated to range between C\$242/t to C\$312/t after #4 Shaft is commissioned. The Mine unit costs before #4 Shaft commissioning average C\$302/t, and range between C\$183/t to C\$207/t after commissioning, with the Mill unit costs ranging from C\$35/t to C\$52/t over the LOM.

Mine operating expenditures include direct and indirect operating costs related to Macassa Mine. Allocated mining costs include mining, engineering, and geology. General and administrative costs include surface/plant, administration, environmental, and shared services. Mine operating costs also include the allocation of closure costs over the LOM.

The table below is an excerpt from the Macassa Technical Report and shows the LOM estimated operating expenditures in Canadian dollars, as of December 31, 2018. In 2019, operating costs at Macassa were C\$131 million.

#### **LOM OPERATING COST ESTIMATES FROM THE DECEMBER 2018 LOM PLAN**

<b>Operating Costs (Millions)</b>	<b>Total (C\$ 000's)</b>
Operating Expenditure	1,489,000
Mine	1,163,000
Mill	196,000
Site Administration	130,000
Royalties	187,000
Total	1,676,000

### Economic Analysis

Macassa Mine is currently in production, but existing plans include a material expansion of current production after the commissioning of #4 Shaft in 2022. Existing plans after the commissioning of #4 Shaft include a material expansion of current production. The #4 Shaft Project will be funded internally, and the investment was chosen based on both objective financial analysis parameters as well as the subjectively derived operational needs focused on risk reduction.

The economic analysis was completed as follows:

- Using the mineral reserves as stated in the 2018 mineral reserve estimate (effective as of December 31, 2018) as well as re-evaluated measured and indicated resources that were determined to be economic with the estimates for improved unit costs post #4 Shaft completion. The converted mineral resources were also included.
- Using operating costs based on the Macassa Mine budget, which is based on actual costs as tracked throughout the working year, and historical costs.
- Using capital costs based on the Macassa Mine budget, which were based on historical costs and budgetary quotations from suppliers in the industry.

Each production area was evaluated to confirm that the gross revenue generated will support the operating and direct capital costs required. Annual cashflow projections were estimated over the LOM based on the estimated capital and operating expenditures and gold sales revenue.

The economic assumptions used for the 2019 year are as per the 2019 budget, as follows:

- Price of gold of US\$1,218.75 .
- Currency exchange rate of US\$1.00=C\$1.33.
- Production tonnes based on the 2019 budget, with an average #3 Shaft hoisting capacity 2,000 tonnes per day.

The economic assumptions for the remaining years of the LOM are as follows:

- Price of gold of US\$1,230.
- Currency exchange rate of US\$1.00=C\$1.33.
- Average #3 Shaft hoisting capacity 2,000 tonnes per day and average #4 Shaft hoisting capacity of 4,000 tonnes per day.
- No escalation of consumable unit costs was considered.

The mineral resource conversion factors used were 75% for measured and indicated mineral resources, and 50% for inferred mineral resources. These converted mineral resource estimates are used in the physicals from years 2025 to 2027 in the LOM inclusive of mineral resource conversion. The Company's profitability and long-term viability depend, in large part, upon the market price of gold. Market price fluctuations of gold could adversely affect the profitability of the Company's operations and lead to impairments and write downs of mineral properties. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including: global and regional supply and demand for industrial products containing metals generally; and global or regional political or economic conditions

The LOM after-tax cash flows total C\$1.6B (undiscounted) with a corresponding after-tax net present value ("NPV") of C\$1.2B at a 5% discount rate. The following highlights the LOM undiscounted after-tax cashflow. The Cash Costs per ounce sold (ounces mined are assumed to be the ounces sold) range from C\$345/oz to C\$700/oz (US\$260/oz to US\$525/oz) over the LOM, averaging C\$525/oz (US\$390). Over the 9-year LOM, the AISC ranges from C\$500/oz to C\$900/oz (US\$375/oz to US\$675/oz), averaging C\$715/oz (US\$540/oz).

A sensitivity analysis was performed on the financial model presented. The after-tax NPV was determined at discount rates of 0%, 5% and 10% against variations of +/-20% applied to the price of gold, grade, operating expenses and capital expenses. Results indicate that of the four variables assessed, the price of gold and grade have the greatest impact, with the operating costs and the capital costs having less fluctuation as the variation to the base is increased/decreased. All scenarios presented had a positive NPV despite variations, indicating a robust plan with a high after-tax profit margin.

The payback period was calculated including #4 Shaft capital expenses for both project phases. All calculations were evaluated on an after-tax basis, and the payback was calculated undiscounted. Payback calculations were completed from 2018 onwards. The analysis indicates that full project payback is expected mid 2025.

### **Exploration, Development and Production**

The authors of the Macassa Technical Report identified the following opportunities at the Macassa Mine:

- SMC mineralization remains open to the east, west and at depth. Diamond drilling continues to return high grade mineralization. In order to support the drilling requirements, the exploration drifts and associated drill bays must remain high priority development headings at the mine.
- Exploration development towards 3000 Level, east of #2 Shaft, that is designed to explore the '04 Break and Main Break could create the opportunity to reintroduce some of the historical mineral resources back into the global resource estimate



- The Amalgamated Break will be a high priority drill target in 2020 to expand the new resource that was delineated during the 2019 drill program. In order to support the drilling requirements, the exploration drifts and associated drill bays must remain high priority development headings at the mine.
- The shallow Amalgamated Break resource has opportunity for expansion to the east and west as well as up and down dip and development of the near surface ramp will provide underground platforms to drill areas that are not accessible from surface due to infrastructure.
- Exploration development from the 5150 Level west of the Amikougami cross fault will generate drill platforms for future testing of the '04 Break, Amalgamated Break and potential west extension of the SMC in this largely unexplored area.
- #4 Shaft is scheduled to be completed in the second quarter of 2022 (Phase 1) with a designed production (hoisting) rate of 4,400 short tons per day. Re-evaluating the mineral resource cut-off grade economics using lower operating costs after the commissioning of the new shaft will likely be favourable to increasing mineral resources.
- Improvements to the material handling process are likely to result in favourable impact on the mine operating costs.
- Upgrade of the ventilation system through either increased airflow or temperature reduction will have a favourable impact on the work environment temperature.
- Ongoing paste filling operations involve the delivery of paste using boreholes from surface to underground, into which cement trucks dump the paste in batches. Current plans are in progress to replace this process with continuous pouring directly from the pastefill plant, eliminating the need for cement trucks and speeding up cycle times underground.
- Extension of the life of tailings facilities will be possible through the commission of the thickened tails plant.
- In 2018, Macassa started to implement tele-remote mucking in selected areas, leading to a decrease in cycle times and added process efficiencies. Along with continuing to expand the teleremote implementation, Macassa Mine is also exploring further improvement opportunities by combining equipment automation (trucks) with tele-remote. When successfully implemented this process will enable material handling and movement in between shifts.

In addition, the authors of the Macassa Technical Report have made the following recommendations:

- Continue exploration drilling will to test for the easterly and westerly strike extension of the South Mine Complex and Amalgamated Break mineralization employing underground diamond drills on the 5300 Level and the 5600 and 5700 Level ramps.
- Continue to test near surface targets associated with the '04 Break and Amalgamated Break.
- Hiring of a post doctoral embedded researcher to complete a comprehensive study on the structural and geochemical controls on the ore at Macassa to aid in future exploration targeting and optimizing target selection.
- Optimization of the resource process at Macassa with a large focus on simplifying the resource modelling process.
- Assess mineral potential to the east and along the Main Break below the 5800 Level and to the east into Kirkland Minerals and Tech Hughes properties.
- Continue to work with historical data to assess potential of longer-term exploration targets.
- Complete technical studies to increase the airflow and reduce the work environment temperature and humidity.
- Technical work should be undertaken to assess infrastructure requirements for the continuous mining of the Macassa deposit.
- Related to the point above, interrogation of the newly created lithological model and the mine drillhole database as an exploration tool to assess future targeting opportunities.

- Look at a refinery expansion and addition of certain components in the process plant to accommodate the planned increase in throughput.
- There is an opportunity to improve the turnaround times for the assaying of underground samples through the establishment of a centralized assay lab.

### DIVIDENDS

There are no restrictions on the ability of the Company to declare and pay dividends on the Common Shares. During the year ended December 31, 2017, Kirkland Lake Gold paid a total of \$3,280,777 in dividends to its shareholders. During the year ended December 31, 2018, Kirkland Lake Gold paid a total of \$16,329,968 in dividends to its shareholders. During the year ended December 31, 2019, Kirkland Lake Gold paid a total of \$29,469,062 in dividends to its shareholders. Subsequent to the year ended December 31, 2019, Kirkland Lake Gold paid a total of \$12,577,469 in dividends on January 13, 2020 to shareholders of record as of December 31, 2019 and announced an increase of its quarterly dividend to \$0.125 per share. The declaration and payment of future dividends will be at the discretion of the Board and will be made based on the Company's financial position and other factors relevant at the time.

Each of these dividends was designated to be an eligible dividend for the purposes of the *Income Tax Act* (Canada).

### DESCRIPTION OF CAPITAL STRUCTURE

#### **Authorized Capital**

The Company is authorized to issue an unlimited number of Common Shares of which there were 277,198,258 Common Shares issued and outstanding as of March 27, 2020. The Company is also authorized to issue an unlimited number of preferred shares ("**Preferred Shares**") of which there were none outstanding as of March 27, 2020.

#### **Common Shares**

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, to attend and to cast one vote per Common Share at all such meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of Common Shares are entitled to receive on a *pro-rata* basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a *pro-rata* basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a *pro-rata* basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any cumulative voting, pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

#### **Preferred Shares**

The Company may issue Preferred Shares at any time or from time to time in one or more series. Before any shares of a series are issued, the Board shall fix the number of shares that will form such series and shall, subject to the limitations set out in the Company's articles, determine the designation, rights, privileges, restrictions and conditions to be attached to the Preferred Shares of such series. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to dividends and return of capital and shall be entitled to a preference over the Common Shares and over any other shares ranking junior to the Preferred Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs. Except as required by law or unless provision is made in the Company's articles, the holders of the Preferred Shares as a class shall not be entitled to receive notice of, to attend or to vote at any meeting of the shareholders of the Company. The rights, privileges, restrictions and conditions attached to the Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Preferred Shares.

## Constraints

There are no constraints imposed on the ownership of the Company's securities to ensure that it meets a required level of Canadian ownership.

## Ratings

During the financial year ended December 31, 2019, none of the Company's securities have received a rating from a rating organization.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX and NYSE under the symbol "KL" and on the ASX under the symbol "KLA". The following tables set forth information relating to the monthly trading of the Common Shares on the TSX, NYSE and ASX, respectively, for the financial year ended December 31, 2019.

#### TSX

Month	High (C\$)	Low (C\$)	Volume
January 2019	42.27	32.81	15,341,719
February 2019	48.30	40.84	17,380,900
March 2019	48.48	40.58	20,367,671
April 2019	44.51	38.80	16,680,428
May 2019	47.43	41.25	37,139,896
June 2019	57.99	46.84	27,798,322
July 2019	61.77	52.56	18,087,447
August 2019	67.87	53.60	18,369,291
September 2019	67.57	56.16	30,537,476
October 2019	64.19	56.53	18,400,761
November 2019	66.21	50.21	29,224,406
December 2019	58.15	53.01	22,329,704

#### NYSE

Month	High (USD\$)	Low (USD\$)	Volume
January 2019	32.17	24.69	21,339,738
February 2019	36.74	31.20	26,314,615
March 2019	36.6151	30.375	32,000,459
April 2019	33.37	29.15	24,949,690
May 2019	35.20	30.57	34,955,486
June 2019	44.04	34.7036	37,266,714
July 2019	47.21	40.05	30,677,721
August 2019	51.03	40.50	35,550,771
September 2019	51.08	42.29	33,685,886
October 2019	48.1732	43.15	23,665,610
November 2019	49.78	37.75	39,497,113
December 2019	44.81	39.94	29,163,240



ASX

Month	High (A\$)	Low (A\$)	Volume
January 2019	44.99	35.00	30,749
February 2019	52.49	43.99	553,242
March 2019	52.00	41.00	89,594
April 2019	48.50	41.07	105,098
May 2019	51.25	44.80	234,530
June 2019	66.00	49.49	46,693
July 2019	68.00	59.25	100,522
August 2019	75.21	61.32	160,842
September 2019	81.00	62.70	83,968
October 2019	71.10	63.00	131,544
November 2019	71.94	56.87	393,024
December 2019	64.00	59.00	39,764

**PRIOR SALES**

The following table sets forth information in respect of issuances of securities that are convertible or exchangeable into Common Shares during the financial year ended December 31, 2019.

Date Of Issuance	Price Per Share or Exercise Price Per Option	Number and Type of Securities	Reason for Issuance
January 1, 2019	N/A	119,384 RSUs <sup>(1)</sup>	Award grant
January 1, 2019	N/A	107,381 PSUs <sup>(2)</sup>	Award grant
January 1, 2019	N/A	19,973 DSUs <sup>(3)</sup>	Award grant
January 2, 2019	N/A	239,264 Common Shares <sup>(4)</sup>	Vesting of Kirkland RSUs and Kirkland PSUs
January 4, 2019	N/A	18,630 Common Shares <sup>(5)</sup>	Vesting of Kirkland RSUs and Kirkland PSUs
January 8, 2019	\$5.61	88,336 Common Shares	Exercise of Kirkland Options
January 18, 2019	\$6.82	10,000 Common Shares	Exercise of Kirkland Options
January 18, 2019	\$2.98	9,000 Common Shares	Exercise of Kirkland Options
February 4, 2019	\$6.82	999 Common Shares	Exercise of Kirkland Options
February 7, 2019	\$5.72	11,778 Common Shares	Exercise of Kirkland Options
February 28, 2019	\$4.18	2,835 Common Shares	Exercise of Kirkland Options
February 28, 2019	\$3.42	435 Common Shares	Exercise of Kirkland Options
March 12, 2019	\$4.18	45,421 Common Shares	Exercise of Kirkland Options
March 13, 2019	\$6.82	2,499 Common Shares	Exercise of Kirkland Options
March 29, 2019	\$3.42	1,113 Common Shares	Exercise of Kirkland Options
April 1, 2019	N/A	1351 RSUs <sup>(1)</sup>	Award grant
April 1, 2019	N/A	1351 PSUs <sup>(2)</sup>	Award grant
April 1, 2019	N/A	966 DSUs <sup>(3)</sup>	Award grant
April 17, 2019	\$6.82	998 Common Shares	Exercise of Kirkland Options

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April 22, 2019	N/A	2,677 PSUs <sup>(2)</sup>	Award grant
April 24, 2019	\$6.82	999 Common Shares	Exercise of Kirkland Options
May 13, 2019	\$4.18	6,341 Common Shares	Exercise of Kirkland Options
May 16, 2019	\$5.84	150,002 Common Shares	Exercise of Kirkland Options
May 29, 2019	\$6.82	499 Common Shares	Exercise of Kirkland Options
June 5, 2019	\$4.95	120,400 Common Shares	Exercise of Kirkland Options
June 5, 2019	\$6.82	249 Common Shares	Exercise of Kirkland Options
June 7, 2019	\$4.95	9,602 Common Shares	Exercise of Kirkland Options
June 18, 2019	\$3.42	4,341 Common Shares	Exercise of Kirkland Options
June 18, 2019	\$6.82	749 Common Shares	Exercise of Kirkland Options
June 18, 2019	\$4.95	40,000 Common Shares	Exercise of Kirkland Options
June 20, 2019	\$6.82	499 Common Shares	Exercise of Kirkland Options
July 1, 2019	N/A	278 DSUs <sup>(3)</sup>	Award grant
July 9, 2019	\$6.82	999 Common Shares	Exercise of Kirkland Options
September 16, 2019	\$6.82	999 Common Shares	Exercise of Kirkland Options
October 1, 2019	N/A	349 RSUs <sup>(1)</sup>	Award grant
October 1, 2019	N/A	349 PSUs <sup>(2)</sup>	Award grant
October 1, 2019	N/A	250 DSUs <sup>(3)</sup>	Award grant
October 17, 2019	\$4.95	100,000 Common Shares	Exercise of Kirkland Options
October 21, 2019	N/A	408 DSUs <sup>(3)</sup>	Award grant
October 22, 2019	\$4.95	50,002 Common Shares	Exercise of Kirkland Options
November 15, 2019	\$5.39	9,060 Common Shares	Exercise of Kirkland Options
November 15, 2019	\$6.82	499 Common Shares	Exercise of Kirkland Options
November 20, 2019	\$4.18	2,113 Common Shares	Exercise of Kirkland Options

Notes:

- (1) Awards granted will vest and be payable based on the five-day volume weighted average price of the Common Shares on the TSX prior to December 31, 2021 and may be satisfied through the issuance of cash, Common Shares or any combination thereof in accordance with the terms of the Company's long-term incentive plan.
- (2) Performance is measured based on the Company's total shareholder return compared to the S&P/TSX Global Gold Index with a payout factor ranging between Nil to 2.00 based on the Company's percentile ranking for the performance period.
- (3) Deferred share units are granted to non-executive directors on the date of separation from the Board based on the five-day volume weighted average share price of the Common Shares on the TSX prior to the date of separation and may be paid in cash, Common Shares or any combination thereof.
- (4) 239,264 Kirkland Shares were issued on January 2, 2019, following the vesting of 83,088 Kirkland restricted share units ("RSUs") and 156,176 Kirkland performance share units ("PSUs") on December 31, 2018.

**ESCROWED SECURITIES & SECURITIES SUBJECT TO  
CONTRACTUAL RESTRICTIONS ON TRANSFER**

To the Company's knowledge, as at December 31, 2019, no securities of the Company were held in escrow or are subject to contractual restrictions on transfer.

**DIRECTORS AND OFFICERS**

The following table sets forth the name, province or state and country of residence, the position held with the Company and period during which each director and the executive officer of the Company has served as a director and/or executive officer, the principal occupation, and the number and percentage of Common Shares beneficially owned by each director

and executive officer of the Company as of the date hereof. The statement as to the Common Shares beneficially owned, controlled or directed, directly or indirectly, by the directors and executive officers hereinafter named is in each instance based upon information furnished by the person concerned and is as at the date hereof. All directors of the Company hold office until the next annual meeting of shareholders of the Company or until their successors are elected or appointed. On February 24, 2020, the Company announced the appointments of Ms. Hibbard and Mr. Grosskopf to the Board effective immediately, with such appointments to be ratified by the shareholders at the Company's upcoming annual general meeting of shareholders which is expected to be held on May 5, 2020.

Name and Residence	Position with the Company and Period Served as a Director	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned <sup>(1)</sup>
<b>Directors</b>			
Jeffrey Parr <sup>(2)(4)(6)</sup> Ontario, Canada	Non-Executive Chairman and Director since November 30, 2016	Retired Mining Executive, Chartered Professional Accountant, Chartered Accountant. Previously, Chief Financial Officer of Centerra from 2008 to 2016; Vice President, Finance of Centerra from 2006 to 2008; director of Old Kirkland Lake Gold from 2014 to 2016.	19,790 (0.007%)
Anthony Makuch <sup>(5)(6)</sup> Ontario, Canada	President, Chief Executive Officer and Director since November 30, 2016	President and Chief Executive Officer and director of the Company since November 30, 2016. Previously, President, Chief Executive Officer and director of Old Kirkland Lake Gold from July 2016 to November 30, 2016; President, Chief Executive Officer and director of Lake Shore Gold Corp. from 2008 to 2016.	64,843 (0.023%)
Jonathan Gill <sup>(4)(5)(6)</sup> Ontario, Canada	Director since November 30, 2016	Retired Mining Executive and Professional Engineer. Previously, director of Lake Shore Gold from 2008 to 2016.	Nil (0.0%)
Arnold Klassen, <sup>(2)(3)(4)</sup> British Columbia, Canada	Director since November 30, 2016	Chartered Professional Accountant, Chartered Accountant and Certified Public Accountant. Currently, President of AKMJK Consulting Ltd. and Chief Financial Officer of LaSalle Exploration Corp. Previously, director of Lake Shore Gold from 2008 to 2016; director of Claude Resources Inc. from April 2015 to May 2016; and director of Northern Superior Resources from August 2008 to November 2016.	16,000 (0.006%)
Barry Olson <sup>(2)(5)(6)</sup> Arizona, United States	Director since November 30, 2016	Retired Mining Executive. Previously, Senior Vice President of Project Development at Gold Corp Inc. from October 2008 to October 2013; director of Old Kirkland Lake Gold from 2014 to 2016.	5,650 (0.002%)



<b>Name and Residence</b>	<b>Position with the Company and Period Served as a Director</b>	<b>Principal Occupation</b>	<b>Number and Percentage of Common Shares Beneficially Owned<sup>(1)</sup></b>
Elizabeth Lewis-Gray <sup>(5)(6)</sup> Victoria, Australia	Director since September 26, 2019	Co-founder, Chair and Managing Director of Gekko Systems. Founder and now Patron of CEEC (Coalition for Eco-Efficient Comminution) and founding Chair of the Australian Federal Government's Mining Equipment, Technology and Services (METS) Growth Centre.	Nil (0.0%)
Ingrid Hibbard Ontario, Canada	Director since February 24, 2020	President, Chief Executive Office and director of Pelangio Exploration Inc. Previously, President of Pelangio-Larder Mines Limited; director of Detour Gold until 2018; director of Lake Shore Gold Inc. from 2016 to 2018.	22,175 (0.008%)
Peter Grosskopf Ontario, Canada	Director since February 24, 2020	Chief Executive Officer and Director at Sprott Inc. Previously, President of Cormark Securities Inc.; co-founder of Newcrest Capital Inc.	Nil (0.0%)
<b>Executive Officers</b>			
David Soares Ontario, Canada	Chief Financial Officer	Chief Financial Officer of the Company since November 20, 2018. Previously, Chief Financial Officer of Baffinland Iron Mines Corporation from November 2017 to November 2018; Chief Financial Officer of the Pueblo Viejo Mine held by Barrick from 2015 to 2017.	Nil (0.0%)
Alasdair Federico Ontario, Canada	Executive Vice President, Corporate Affairs and CSR	Executive Vice President, Corporate Affairs and CSR of the Company since November 30, 2016. Previously, Executive Vice President, Corporate Affairs of Old Kirkland Lake Gold from September to November 30, 2016; Vice President, Legal Affairs of Lake Shore Gold Corp. from 2008 to 2016.	Nil (0.0%)
Eric Kallio Ontario, Canada	Senior Vice President, Exploration	Senior Vice President, Exploration of the Company. Previously, Vice President Exploration (Timmins) for Tahoe Resources from April 2016 to 2018; Vice President, Exploration for Lake Shore Gold Corp from 2008 to April 2016.	Nil (0.0%)
Duncan King Ontario, Canada	Vice President, Mining, Kirkland Lake	Vice President, Mining, Kirkland Lake. Previously the General Manager, Canadian Operations from 2017 to November 2018. Previously, Manager of the Bell Creek Mine for Lake Shore Gold Corp. from 2014 to 2016; General Superintendent of the Lakeshore Gold Corp. Timmins West Mine from 2008 to 2014.	Nil (0.0%)

<b>Name and Residence</b>	<b>Position with the Company and Period Served as a Director</b>	<b>Principal Occupation</b>	<b>Number and Percentage of Common Shares Beneficially Owned<sup>(1)</sup></b>
John Landmark Queensland, Australia	Vice President, Human Resources	Currently Vice President, Human Resources of the Company. Formerly Vice President, Exploration, Australian Operations of the Company since December 2016. Previously, Vice President, Exploration of Newmarket Gold during 2016; Regional Head of Exploration for Anglo American plc from 2011 to 2016.	Nil (0.0%)
Mark Utting Ontario, Canada	Vice President, Investor Relations	Vice President, Investor Relations of the Company since June 19, 2017. Previously, Vice President, Investor Relations for Tahoe Resources Inc. from April 2016 to June 2017; Vice President, Investor Relations at Lake Shore Gold from March 2008 to April 2016.	Nil (0.0%)
Jennifer Wagner Ontario, Canada	Vice President, Legal and Corporate Secretary	Vice President, Legal and Corporate Secretary of the Company since November 30, 2016. Previously, Corporate Legal Counsel and Corporate Secretary of Old Kirkland Lake Gold from July 2015 to November 30, 2016; in house counsel and corporate secretary to various TSX and TSXV listed mining companies from 2008 to 2015.	Nil (0.0%)
Raymond Yip Ontario, Canada	Vice President, Business Intelligence	Vice President, Business Intelligence of the Company since November 30, 2016. Previously, Vice President, Business Intelligence of Old Kirkland Lake Gold from September 2016 to November 30, 2016; Director, Information Systems for Lake Shore Gold from 2011 to 2016; IT consultant to various mining companies including QuadraFNX, DMC Mining and Torex Gold.	Nil (0.0%)
Darin Smith Ontario, Canada	Vice President, Corporate Development	Vice President, Corporate Development of the Company since May 2018 and former Director, Corporate Development of the Company from May 2017. Previously, involved in a Business Development role at Antofagasta Minerals from 2012 to 2017; Vice President in the Global Metals and Mining Group of BMO Capital Markets from 2008 to 2011.	500 (0.00%)
Brian Hagan Ontario, Canada	Vice President, Health, Safety and Environment	Vice President, Health, Safety and Environment of the Company since June 2017. Previously, Vice President, Health Safety and Environment of Lake Shore Gold Corp. from 2008 to 2011; Mine Manager of the McCreedy West Mine for FNX Mining Company from 2006 to 2008.	3,450 (0.001%)

Notes:

- (1) Based on 277,198,258 Common Shares outstanding as at March 27, 2020.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance and Nominating Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Health, Safety and Environment Committee.
- (6) Member of the Technical Committee.

As at the date hereof, the current directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control over, a total of 132,408 Common Shares, representing approximately 0.048% of the issued and outstanding Common Shares as at March 27, 2020.

The principal occupations, businesses or employments of each of the Company's directors and the senior executive officers within the past five years are disclosed in the brief biographies set out below.

**Jeffrey Parr – Chairman and Director.** Mr. Parr is a Chartered Professional Accountant (CPA, CA 1984) and holds a Masters of Business Administration from McMaster University and a Bachelor of Arts in Economics from the University of Western Ontario. Mr. Parr has over 30 years of executive management experience in the mining and service provider industries. He joined Centerra Gold in 2006 and was appointed Chief Financial Officer in 2008 where he served until his retirement in 2016. From 1997 to 2006 he worked for Acres International as Chief Financial Officer and from 1988 to 1997, held progressively senior financial positions at WMC International (a subsidiary of Western Mining Corporation responsible for operations and exploration in the Americas), ultimately serving as the Company's Executive Vice President. He is also a member of the Board and Chair of the Audit Committee of Discovery Metals Corp. Mr. Parr is a member of the Canadian Institute of Chartered Professional Accountants and has obtained the ICD.D designation from the Institute of Corporate Directors.

**Anthony Makuch – President, Chief Executive Officer and Director.** Mr. Makuch is a Professional Engineer (Ontario) with over 25 years of management, operations and technical experience in the mining industry, having managed numerous projects in Canada and the United States from advanced exploration through production. He has been a frequent recipient of mine safety performance awards. Mr. Makuch holds a Bachelor of Science Degree (Honours Applied Earth Sciences) from the University of Waterloo, both a Master of Science Degree in Engineering and a Master of Business Administration from Queen's University and has obtained the Institute of Corporate Directors ICD.D designation from the University of Toronto Rotman School of Business. Mr. Makuch was formerly the President and Chief Executive Officer of Old Kirkland Lake Gold from July to November 2016 and was previously the President and Chief Executive Officer of Lake Shore Gold Corp. ("**Lake Shore Gold**") from 2008 to 2016.

**Jonathan Gill – Director.** Mr. Gill is a Professional Engineer with more than 45 years of mining experience, much of it working in senior mine management roles for Inco Limited in its Ontario and Manitoba divisions and for PT Inco in Indonesia. Since retiring in 2003, Mr. Gill has worked on a number of project assignments for Inco, both in Canada and at the Goro project in New Caledonia; as well as for other companies involving reviews of such projects as FNX Mining Company's Sudbury operations, the Ambatovy nickel project in Madagascar and the Onca Puma project in Brazil. Mr. Gill was a director of Lake Shore Gold Inc. from 2008 to 2016. Mr. Gill is a member of the Association of Professional Engineers of Ontario and is a former Employer Chair of Ontario's Mining Legislative Review Committee. Mr. Gill has obtained the Institute of Corporate Directors ICD.D designation.

**Arnold Klassen - Director.** Mr. Klassen is a Chartered Professional Accountant, Chartered Accountant and Certified Public Accountant and has more than 40 years experience in accounting, audit and tax with over 35 years of experience in the Mining Industry. Mr. Klassen is currently President of AKMJK Consulting Ltd., a private consulting company, and Chief Financial Officer of LaSalle Exploration Corp., a mineral exploration company listed on TSX Venture Exchange. Prior to that Mr. Klassen was the Vice President of Finance for Dynatec Corporation from 1988 to 2007. Dynatec Corporation was a publicly traded TSX listed company from 1997 to 2007. He held a similar position with the Tonto Group of Companies from 1984 to 1998. Mr. Klassen holds a degree in Commerce from the University of British Columbia and spent seven years with KPMG prior to becoming Vice President of Finance with the Tonto Group of Companies. Mr. Klassen has obtained the Institute of Corporate Directors designation.

**Barry Olson – Director.** Mr. Olson has a Bachelor of Science degree in Metallurgical Engineering and Masters of Science degree in Mining Engineering from the University of Idaho. He most recently served as Senior Vice President of Project Development at Gold Corp Inc. and served as its Vice President of Project Development from October 2008 to October 2013. He has over 28 years of progressive mining experience in both South America and the United States and has extensive experience in design, construction, and managing mines in Mexico, Canada, US, Argentina, and Chile.

**Elizabeth Lewis-Gray - Director.** Ms. Lewis-Gray is co-founder, Chair and Managing Director of Gekko Systems, a technology leader in mineral processing with a focus on digital instrumentation, automation, mineral recovery and low-energy solutions. Founder and now Patron of CEEC (Coalition for Eco-Efficient Comminution), Ms. Lewis-Gray was visionary in the formation of this not-for-profit organization, which aims to accelerate knowledge transfer and change in the field of eco-efficient comminution for the mining industry. Ms Lewis-Gray has served as a member of the Australian Gold Council, the Australian Federal Government’s Innovation Australia Board and National Precincts Board and the Victorian Government’s Resources Advisory Council. She was the founding Chair of the Federal Government’s Mining Equipment, Technology and Services (METS) Growth Centre, METS Ignited and currently serves as Deputy Chair. In 2016, Federation University Australia honoured Ms. Lewis-Gray with an Honorary Doctorate in recognition of service and contributions to the mining sector, mineral processing, business leadership, and environmental management. She holds a Degree in Economics, a Master of Business Management and a Diploma in Financial Securities. Ms Lewis-Gray is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Academy of Technology, Science and Engineering and the Securities Institute of Australia.

**Ingrid Hibbard - Director.** Ms. Hibbard has over 30 years of experience spanning all facets of the mineral resources industry from early-stage exploration to mine development and production. Ms. Hibbard is currently the President, Chief Executive Office and director of Pelangio Exploration Inc., a Canadian exploration company with properties in Canada and Ghana. Ms. Hibbard played a founding role in advancing the Detour Lake mine property. She was President of Pelangio-Larder Mines, Limited, which in 1998, acquired the Detour Lake mine property from Placer Dome (CLA) Ltd. under a joint venture with Franco-Nevada Mining Company Limited. Pelangio subsequently sold the Detour Lake assets to Detour Gold Corporation in 2007. Ms. Hibbard remained a director of Detour Gold until 2018. Ms. Hibbard also served on the board of Lake Shore Gold Inc. from 2016 to 2018. Ms. Hibbard holds a BA and a LL.B. from the University of Western Ontario and is called to the Bar in both Ontario and Manitoba. Prior to her stewardship of public companies, Ms. Hibbard began her career in mining by practicing corporate and securities law with clients ranging from multi-national mining operators to mineral resource explorers and individual prospectors.

**Peter Grosskopf - Director.** Peter Grosskopf has more than 30 years of experience in the financial services industry. At Sprott Inc., he is responsible for strategy and managing the firm’s private resource investment businesses. His career includes a long tenure in investment banking, where he managed many strategic and underwriting transactions for companies in a variety of sectors. Prior to joining Sprott, Mr. Grosskopf was President of Cormark Securities Inc. He has a track record of building and growing successful businesses including Newcrest Capital Inc. (as one of its co-founders) which was acquired by the TD Bank Financial Group in 2000. Mr. Grosskopf is a CFA® charterholder and earned an Honours Degree in Business Administration and a Masters of Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

**David Soares – Chief Financial Officer.** Mr. Soares has over 15 years of finance and management experience reflecting progressively senior leadership roles with multinational mining companies, including Xstrata, Glencore and Barrick. Prior to joining Kirkland Lake Gold, Mr. Soares served as Chief Financial Officer of Baffinland Iron Mines Corporation, a joint venture between Arcelor Mittal and Nunavut Iron Ore. He has international governance experience having served as a director of national level organizations representing industry and the private sector. Mr. Soares holds a Chartered Professional Accountant designation (CPA, CA) from the Chartered Professional Accountants of Ontario, a Master of Business Administration from the Ivey Business School, and a Bachelor of Commerce from the University of Toronto.

**Alasdair Federico – Executive Vice President, Corporate Affairs and CSR.** Mr. Federico is an experienced lawyer and business executive with over a decade of experience in matters of corporate strategy and governance, including managing negotiations and relationships with investors, business partners, and other stakeholders. Prior to joining the Company, Mr. Federico was Vice-President, General Counsel and Corporate Secretary at Lake Shore Gold from 2008

until its acquisition by Tahoe Resources on April 1, 2016. Prior to joining Lake Shore Gold, Mr. Federico worked for a prominent Canadian law firm in Toronto. Mr. Federico holds a Bachelor of Commerce from the Rotman School of Management at the University of Toronto and a Bachelor of Law from the University of Western Ontario.

**Eric Kallio – Senior Vice President, Exploration.** Mr. Kallio is a geologist registered with the Association of Professional Geoscientists of Ontario (“APGO”). He has over 30 years of experience working on exploration and underground and open-pit mine planning, scoping and feasibility studies in Canada and abroad. Most recently, Mr. Kallio was Vice President, Exploration (Timmins) for Tahoe Resources Inc. since April 2016 and, prior to that, was Vice President, Exploration for Lake Shore Gold Corp. Among other corporate assignments, Mr. Kallio served in a variety of senior exploration and mine geology roles with Placer Dome, Kinross Gold, Patricia Mining Corporation, Centerra and Detour Gold. He has also worked on a consulting basis for a wide range of international mining companies and served as a director on the board of Holmer Gold Mines Limited until December 2004.

**Duncan King – Vice President, Mining, Kirkland Lake.** Mr. King has been Vice President, Mining, Kirkland Lake since November 2018. Prior to this, he was the General Manager Kirkland Lake Operations from September 2018 to November 2018. Previously, Mr. King acted as the Manager of the Bell Creek underground mine and mill at Lakeshore Gold Corp. from 2014 to 2016. From 2008 to 2014, Mr. King was the General Superintendent of the Timmins West Mine held by Lakeshore Gold Corp. since its inception and was integral in the completion of the 720 metre level shaft with all accompanying infrastructure. Prior to this Mr. King worked for several different companies in varying progressively demanding positions, including at FNX Mining at the McCreedy West and Podolsky mines.

**John Landmark – Vice President, Human Resources.** Mr. Landmark’s international career spans a diverse range of executive leadership, technical and advisory roles in exploration, mining operations, human resources, and safety risk management. Mr. Landmark was previously the Vice President, Exploration, Australian Operations of the Company since 2017. In January 2019, he was appointed as the Vice President, Human Resources of the Company. Mr. Landmark brings over 30 years of international mineral exploration and mining industry experience. Mr. Landmark joined Newmarket Gold in 2016 and led the company’s exploration activities while being the Group functional head for Geology. Prior to joining Newmarket Gold, he was a Regional Head of Exploration for Anglo American plc, where he managed exploration programs for copper-gold, iron ore and coal in Australia, Indonesia, Papua New Guinea and Mongolia. Prior to this role, he led Anglo American’s exploration activities in Brazil. His exploration and mining geology career started out in South Africa and Namibia, and he then moved on to Australia. Mr. Landmark holds a Master of Science in Exploration and Mining Geology from James Cook University in Australia and a Bachelor of Science (Hons) in Geology from Wits University in South Africa.

**Mark Utting – Vice President, Investor Relations.** Mark Utting is a Chartered Financial Analyst with over 25 years of experience in investor relations and corporate communications, mainly in the mining and financial services industries. Most recently, Mr. Utting served as the Vice President, Investor Relations for Tahoe Resources Inc. from April 2016 to June 2017. Prior to joining Tahoe, Mr. Utting served as the Vice President, Investor Relations of Lake Shore Gold Corp. from 2008 to 2016 and was previously the Director, Investor Relations of Extencare REIT; Director, Director of Communications and Investor Relations of Dynatec Corporation and Director, and Director of Investor Relations of Rio Algom Limited.

**Jennifer Wagner – Vice President, Legal and Corporate Secretary.** Ms. Wagner is a corporate securities lawyer with over 13 years of experience in the mining sector. Ms. Wagner has extensive experience advising companies on a variety of corporate commercial transactions, governance and compliance matters. She started her career at a prominent Canadian law firm in Toronto. Ms. Wagner received a Bachelor of Arts from McGill University and an LL.B. from the University of Windsor. Ms. Wagner was formerly the Corporate Legal Counsel and Corporate Secretary of Old Kirkland Lake Gold from July 2015 to November 2016. Prior to joining Kirkland Lake Gold, Ms. Wagner was legal counsel and corporate secretary for various TSX and TSXV listed mining companies.

**Raymond Yip – Vice President, Business Intelligence.** Raymond Yip is a computer engineer with over 15 years of experience in the IT industry, with 10 years in the mining sector. Most recently, he served as Director, Information Systems for Lake Shore Gold from 2011 to 2016. Prior to that, Mr. Yip provided IT consulting services to various mining companies including QuadraFNX, DMC Mining and Torex Gold. Having held progressively senior positions

at a major Canadian telecommunications company, Mr. Yip has diverse IT experience across various industries including financial, healthcare and automotive. Mr. Yip holds a Bachelor of Applied Science degree from Queen's University.

**Darin Smith – Vice President, Corporate Development.** Mr. Smith is a mining finance professional with over fifteen years of experience in financial analysis and corporate strategy within the mining sector. Prior to joining Kirkland Lake in May 2017, he served in a business development role at Antofagasta Minerals. Darin began his career as an investment banker at BMO Capital Markets where he spent 10 years in the Global Metals and Mining Group in both their Toronto and London offices. He holds a Bachelor of Applied Science in Mining Engineering and a Master of Management Analytics, both from Queen's University.

**Brian Hagan – Vice President, Health, Safety and Environment.** Brian Hagan brings over 35 years of experience implementing health, safety and environmental management systems in the North American mining industry. Mr. Hagan previously served as the Vice President, Health Safety and Environment for Lake Shore Gold Corp. from 2008 to 2011. Prior to this role, Mr. Hagan was the Mine Manager of the McCreedy West Mine for FNX Mining Company. Prior to his role at FNX, Mr. Hagan spent 12 years as the Director of Health and Safety for Dynatec Corporation. Mr. Hagan is a former Chairman of the Ontario Mine Contractors Safety Association and has served on the Ontario Mining Legislative Review Committee.

#### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director or executive officer of the Company, is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Newmarket Gold) that:

- (a) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including Newmarket Gold) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest between the Company and any directors or officers of the Company, except that certain of the directors and officers serve as directors and officers of other public or private companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies. See "Risk Factors" above.

The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required to disclose his interest and abstain from voting on such matter in accordance with the OBCA.

### **AUDIT COMMITTEE**

In accordance with applicable Canadian securities legislation and, in particular, National Instrument 52-110 – *Audit Committees* ("NI 52-110"), information with respect to the Company's Audit Committee is contained below. The full text of the Audit Committee Charter, as passed by the Board, is attached hereto as Appendix "A".

#### **Audit Committee Charter**

The Audit Committee has adopted a written charter setting out its purpose, which is to oversee all material aspects of the Company's financial reporting, control and audit functions. The Audit Committee is responsible for, among other things, (a) monitoring the performance and independence of the Company's external auditors, (b) reviewing certain public disclosure documents and (c) monitoring the Company's systems and procedures for financial reporting and internal control.

#### **Composition of the Audit Committee**

During the financial year ended December 31, 2019, the Audit Committee was comprised of three directors, all of whom were independent directors. The members of the Audit Committee during the financial year ended December 31, 2019 were: Messrs. Jeffrey Parr (Chair), Arnold Klassen and Raymond Threlkeld. Following the resignation of Mr. Threlkeld effective January 31, 2020, the current members of the Audit Committee are: Messrs. Jeffrey Parr (Chair), Arnold Klassen and Barry Olson, all of whom are independent directors.

In addition to being independent directors as described above, each member of the Company's Audit Committee is considered "independent" and "financially literate" pursuant to NI 52-110.

#### **Relevant Education and Experience**

See "Directors and Officers" above for a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

#### **Pre-Approval Policies and Procedures**

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors and requires the Audit Committee to pre-approve all permitted non-audit services to be provided by the Company's external auditors, in accordance with applicable law.

#### **External Auditor Service Fees**

The aggregate fees billed by the Company's external auditor during the years ended December 31, 2019 and December 31, 2018 are set out in the table below.

<b>Year Ended</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees</b>
December 31, 2018	C\$2,595,000	Nil	C\$5,200	Nil
December 31, 2019	C\$2,312,000	C\$7,100	Nil	Nil

Notes:

- (1) "Audit Fees" refers to the aggregate fees billed by the Company's external auditor for audit services, including fees incurred in relation to quarterly reviews, procedures in connection with securities filings, and statutory audits.
- (2) "Audit-Related Fees" refers to the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees. These reported fees related to compliance of a royalty program, including testing thereof.
- (3) "Tax Fees" refers to the aggregate fees billed for the professional services rendered during the year ended December 31, 2019 and 2018, respectively, by the Company's external auditor for tax compliance.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

To the best of Kirkland Lake Gold's knowledge, the Company is not and was not, during the financial year ended December 31, 2019, a party to any legal proceedings, nor is any of its property, nor was any of its property during the financial year ended December 31, 2019, the subject of any legal proceedings. As at the date hereof, no such legal proceedings are known to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by any securities regulatory authority during the financial year ended December 31, 2019, or any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor making an investment decision, and the Company has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2018.



## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed herein, none of the directors or executive officers of the Company, nor any person or company that beneficially owns, controls, or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of the Company, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

## **TRANSFER AGENTS AND REGISTRARS**

The transfer agent and registrar for the Common Shares of the Company is TSX Trust Company, at its principal offices in Toronto, Ontario.

## **MATERIAL CONTRACTS**

Other than contracts entered into in the ordinary course of business, there were no material contracts entered into during the financial year ended December 31, 2019 or prior thereto which remain in effect.

## **INTERESTS OF EXPERTS**

The following are the qualified persons involved in preparing the NI 43-101 technical reports or who certified a statement, report or valuation from which certain scientific and technical information relating to the Company's material mineral projects contained in this Annual Information Form has been derived, and in some instances extracted from.

- Mariana Pinheiro Harvey, P. Eng., Robert Glover, P. Geo, William Tai, P. Eng., and Ben Harwood, P. Geo. have acted as qualified persons in connection with the Macassa Technical Report and have reviewed and approved the information related to the Macassa Mine contained in this Annual Information Form, other than the mineral resources and mineral reserve estimates contained under the heading "Material Properties - The Macassa Mine - Mineral Resources and Mineral Reserves". Each of the aforementioned persons is an employee of the Company.
- Troy Fuller, MAIG and Ion Hann, FAusIMM have acted as qualified persons in connection with the Fosterville Technical Report and have reviewed and approved the information related to the Fosterville Mine contained in this Annual Information Form, other than, with regards to Mr. Hann, with respect to the mineral resources estimates contained under the heading "Material Properties - The Fosterville Mine - Mineral Resources and Mineral Reserves" and with regards to Mr. Fuller, with respect to the mineral reserves estimates contained under the heading "Material Properties - The Fosterville Mine - Mineral Resources and Mineral Reserves". Each of the aforementioned persons is an employee of the Company.
- Natasha Vaz, P.Eng., acted as qualified person responsible for the mineral reserve estimates for the Macassa Mine and has reviewed and approved the information related to the mineral reserve estimates for the Macassa Mine contained under the heading "Material Properties - The Macassa Mine - Mineral Resources and Mineral Reserves". Ms. Vaz is an employee of the Company.
- Eric Kallio, P. Geo., acted as qualified person responsible for the mineral resource estimates for the Macassa Mine and has reviewed and approved the information related to the mineral resource estimates for the Macassa Mine contained under the heading "Material Properties - The Macassa Mine - Mineral Resources and Mineral Reserves". Mr. Kallio is an employee of the Company.

The aforementioned firms or persons held either less than one percent or no securities of the Company or of any associate or affiliate of the Company when they rendered services, prepared the reports or the mineral reserve estimates or the mineral resource estimates referred to, as applicable, or following the rendering of services or preparation of such reports or data, as applicable, and either did not receive any or received less than a one percent direct or indirect interest

in any securities of the Company or of any associate or affiliate of the Company in connection with the rendering of such services or preparation of such reports or data.

KPMG LLP, Chartered Professional Accountants, is the auditor of Kirkland Lake Gold and has reported that they are independent of Kirkland Lake Gold within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and that they are independent accountants with respect to the Company under all relevant U.S. professional and regulatory standards.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), on the SEC website at [www.sec.gov](http://www.sec.gov) or on the Company's website at [www.klgold.com](http://www.klgold.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the management information circular dated April 5, 2019, filed in connection with the annual and special meeting of shareholders held on May 7, 2019. Such information for the financial year ended December 31, 2019 will be updated and contained in the Company's management information circular required to be prepared and filed in connection with its annual meeting of shareholders, which is expected to be held on May 5, 2020.

Additional financial information is provided in the Company's annual financial statements and MD&A for the financial year ended December 31, 2019, each of which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## SCHEDULE A – AUDIT COMMITTEE CHARTER

### AUDIT COMMITTEE CHARTER

The Audit Committee (“**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Kirkland Lake Gold Ltd. (“**Kirkland Lake Gold**” or the “**Company**”) to assist the Board in fulfilling its oversight responsibilities with respect to accounting and financial reporting processes, the integrity of the financial statements of the Company, compliance with legal and regulatory requirements, the overall adequacy and maintenance of the systems of internal controls that management has established and the overall responsibility for the Company’s external and internal audit processes including the external Auditor’s qualifications, independence and performance. This Charter is intended to comply with the requirements set out in the NYSE Listed Company Manual (the “**Manual**”) and Rule 10A-3 of the Securities Exchange Act of 1934, as amended (“**Rule 10A-3**”).

#### **Constitution & Authority**

The Committee shall consist of not less three directors appointed by the Board. Each member of the Committee must be “independent” and “financially literate” as required by National Instrument 52-110 – *Audit Committees*, applicable securities legislation and related requirements including Section 303A.02 of the Manual and Rule 10A-3, and at least one director must satisfy the definition of “financial expert” as set out in Item 407 of Regulation S-K. The authority, structure, operations, purpose, responsibilities and specific duties of the Committee are described below.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and such Committee members shall serve until the following organizational meeting of the Board or until their successors are duly elected and qualified. The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board. The Chairperson of the Committee shall be designed by the Board from among the Committee members.

The Committee shall have access to such officers and employees of the Company, its external auditor (the “**Auditor**”), internal auditor (“**Internal Auditor**”) and legal counsel, and to such information respecting the Company, and may engage separate independent counsel and advisers at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Committee has the authority to communicate directly with and to meet with the Auditor and the Internal Auditor, without management involvement. The Auditor shall report directly to the Committee. The Committee shall be responsible to resolve disagreements, if any, between management and the Auditor regarding financial reporting.

The Committee will be provided by the Company with appropriate funding, as determined by the Committee, for payment of: (i) compensation to any Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any advisers employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### **Mandate**

The Company’s management is responsible for preparing the Company’s financial statements and other financial information and for presenting the information contained in the financial statements fairly and in accordance with International Financial Reporting Standards (“**IFRS**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The Auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

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The Internal Auditor's responsibility is to evaluate the design and test the operating effectiveness of internal controls over financial reporting to support the requirements set out in National Instrument 52-109 and under applicable rules of the United States Securities and Exchange Commission.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

The role of the Committee is principally one of oversight. Accordingly, the Committee shall:

1. Be responsible for the appointment, retention, level of compensation and oversight of the work of the Company's Auditor;
2. approve, in advance, all non-audit services provided to the Company by the Auditor and the related compensation;
3. evaluate the work of the Auditor and confirm its independence;
4. provide independent and objective monitoring of the Company's internal control systems and financial reporting processes;
5. provide a means of communication between the Board, management and the Auditor on matters relating to financial reporting;
6. provide the necessary oversight over:
  - a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices, including the preparation of financial statements;
  - b) the processes for identifying the Company's principal financial risks and the control systems to monitor those risks;
  - c) the Company's compliance with legal and regulatory requirements related to financial reporting; and
  - d) perform any other activities consistent with its mandate, the Company's constating documents and laws of general application as the Committee or Board deems necessary or desirable.

### **Responsibilities**

In performing its oversight responsibilities, the Committee shall:

1. review and assess, on an annual basis, the adequacy of its mandate and recommend any proposed changes to the Board for approval;
  2. review annually its own performance;
  3. monitor, on a regular basis, the independence of the Auditor by reviewing all relationships between the Auditor and the Company and all non-audit work performed for the Company by the Auditor and the Committee or a member thereof shall pre-approve all non-audit services to be provided to the Company or a subsidiary by the Auditor;
  4. monitor, on a regular basis, the independence of the Internal Auditor by reviewing all relationships between the Internal Auditor and the Company;
  5. review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and any former Auditor;
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6. review with the Auditor and management the annual plan for the audit of the financial statements before commencement of the work;
  7. review with the Internal Auditor and management the annual internal audit work plan before commencement of the internal audit work and review and approve the Internal Audit Charter;
  8. review with the Auditor the results of the Auditor's work and any problems or difficulties that were encountered, including any disagreements between the Company's management and the Auditor regarding financial reporting, and assess management's responses thereto;
  9. review summaries of significant reports prepared by the Internal Auditor including management's responses to such reports;
  10. review with management and the Auditor the annual audited financial statements and 'Management Discussion and Analysis' reports, before filing or distribution, including matters requiring review pursuant to laws and regulations of general application;
  11. review with management (or ensure that the Board does so) the quarterly unaudited financial statements and Management Discussion and Analysis reports, before filing or distribution, including matters required to be reviewed under laws and regulations of general application;
  12. review with management the annual budget, and any required interim adjustments, including the assumptions (for reasonableness, accuracy and timeliness), for recommendation to the Board;
  13. review with management, as appropriate, news releases and any other form of disclosure containing earnings and other material financial information;
  14. satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than the public disclosure referred to in paragraphs 6 and 7, and must periodically assess the adequacy of those procedures;
  15. review with management, the Auditor and the Internal Auditor, the adequacy and effectiveness of the Company's internal controls over financial reporting including any significant or material deficiencies and the adequacy and timeliness of its financial reporting processes and the quality and acceptability of the Company's accounting principles and estimates, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates;
  16. review with management and the Auditor the quality and appropriateness of the Company's financial reporting and accounting standards and principles and significant changes to those standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made;
  17. annually, obtain and review a report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
  18. review with management and the Auditor the treatment and disclosure of significant related party transactions and potential conflicts of interest;
  19. review with management the risk of frauds within the operations or financial reporting and consider the actions taken by management and the systems implemented to address these risks;
  20. ensure that adequate procedures are in place for the receipt, retention and treatment of:
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- a) complaints and expressions of concern regarding accounting, financial disclosure, internal controls, auditing or legal and regulatory matters; and
  - b) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters;
21. examine the process for identifying, categorizing, evaluating and mitigating the Company's principal risks and the potential impact or consequences they might have, individually or compounded, on the sustainability of the Company, as well as measures available to ensure the latter, and report to the Board, members of which shall use their reasonable efforts to ensure the adequacy of the oversight of management and that management duly carries out its required functions;
22. review the appointment of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process;
23. review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process required under applicable Canadian and United States securities laws. Review any significant deficiencies in the design and operation of internal controls over financial reporting or disclosure controls and procedures and any fraud; and
24. conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities.

### **Meetings**

The Committee will meet at least once per quarter or more frequently as circumstances require to perform the duties described above in a timely manner. Meetings may be held at any time deemed appropriate by the Committee.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee. A Committee member who is unable to attend in person may attend a Committee meeting by telephone, video conference or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. The Committee shall hold in camera sessions without the presence of management after each meeting.

The Committee may request any officer or employee of the Company or the Company's outside counsel or independent Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. In addition, the Committee or, at a minimum, the Chairperson, may meet with the Company's external legal counsel to discuss the Company's policies and practices relevant to the scope of responsibilities of the Committee.

Meetings of the Committee shall be held from time to time as the Committee or the Chairperson shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.

The Chairperson will appoint a secretary of each meeting of the Committee who need not be a member of the Committee and who will maintain the minutes of the meeting and circulate copies of the minutes to each Committee member on a timely basis. The minutes of the Committee meetings will be made available for review by the Board.

### **Approval**

Approved by the Board of Directors on December 30, 2019.



**KIRKLAND LAKE GOLD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2019 and 2018**

## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Kirkland Lake Gold Ltd. are the responsibility of management and have been approved by the Board of Directors.

The accompanying consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A system of internal controls has been developed and is maintained by management to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with management's authorization, proper records are maintained and relevant and reliable financial information is produced. These controls include maintaining quality standards in hiring and training of employees, policies and procedures manuals, a corporate code of conduct and ensuring that there is proper accountability for performance within appropriate and well-defined areas of responsibility. The system of internal controls is further supported by a compliance function, which is designed to ensure that we and our employees comply with securities legislation and conflict of interest rules.

The significant accounting policies used are described in Note 3 to the consolidated financial statements. The financial statements include estimates based on the experience and judgment of management in order to ensure that the financial statements are presented fairly, in all material respects.

The Board of Directors exercises its responsibilities for ensuring that management fulfills its responsibilities for financial reporting and internal control with the assistance of its Audit Committee. The Audit Committee is appointed by the Board of Directors and all of its members are directors who are not officers or employees of Kirkland Lake Gold Ltd. The Audit Committee meets periodically to review financial reports and to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee reviews the Company's annual financial statements and recommends their approval to the Board of Directors.

These financial statements have been audited by KPMG LLP, the independent registered public accounting firm, in accordance with the standards of the Public Company Oversight Board (United States) on behalf of the shareholders. KPMG LLP has full and free access to the Audit Committee and may meet with or without the presence of management.

*(Signed) "Anthony Makuch"*

**Anthony Makuch**

President and Chief Executive Officer

*(Signed) "David Soares"*

**David Soares**

Chief Financial Officer

February 19, 2020

Toronto, Canada



## Management's Report on Internal Control Over Financial Reporting

The management of Kirkland Lake Gold Ltd. ("Kirkland Lake Gold") is responsible for establishing and maintaining adequate internal control over financial reporting, and have designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Management has used the Internal Control—Integrated Framework (2013) to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of Kirkland Lake Gold's internal control over financial reporting as of December 31, 2019, and has concluded that such internal control over financial reporting is effective.

The effectiveness of Kirkland Lake Gold's internal control over financial reporting as of December 31, 2019 has been audited by KPMG LLP, Chartered Professional Accountants, as stated in their report that appears therein.

*(Signed) "Anthony Makuch"*

**Anthony Makuch**

President and Chief Executive Officer

*(Signed) "David Soares"*

**David Soares**

Chief Financial Officer

February 19, 2020

Toronto, Canada

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Kirkland Lake Gold Ltd.

## *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated statements of financial position of Kirkland Lake Gold Ltd. (“the Company”) as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive income, cash flows and changes in equity for the each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the financial performance and its cash flows for each of the years then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 19, 2020 expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

## *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

## *Critical audit matters*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Evaluation of uncertain income tax positions*

As discussed in Notes 4 and 9 to the consolidated financial statements, in determining the provision for income taxes, the Company interprets income tax legislation, case law and records an estimate of the amount required to settle income tax obligations. The Company is subject to income tax audits by tax authorities in the jurisdictions in which it operates. Income tax law can be complex and the interpretation of income tax laws by tax authorities or the courts may vary from the Company's view.

We identified the evaluation of uncertain income tax positions as a critical audit matter. A high degree of auditor judgment was required to evaluate the Company's interpretation of, and compliance with income tax law in the relevant jurisdictions and the estimate of the ultimate resolution of its income tax filing positions.

The primary procedures we performed to address this critical audit matter included the following. We tested internal controls over the Company's income tax process, including controls related to the identification and interpretation of income tax law in the various jurisdictions in which it operates and the determination of uncertain income tax positions. We involved tax professionals with specialized skills, industry knowledge, and relevant experience who assisted in evaluating the Company's interpretations of income tax legislation and case law by 1) inspecting advice obtained by the Company from external specialists, and 2) developing an independent assessment of the Company's uncertain income tax positions based on our understanding and interpretation of income tax laws and comparing it to the Company's assessment.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

We have served as the Company's auditor since 2010.

Toronto, Canada  
February 19, 2020

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Kirkland Lake Gold Ltd.

## Opinion on Internal Control Over Financial Reporting

We have audited Kirkland Lake Gold Ltd.'s ("the Company") internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive income, cash flows and changes in equity for the years then ended, and the related notes (collectively, the consolidated financial statements), and our report dated February 19, 2020 expressed an unqualified opinion on those consolidated financial statements.

### *Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada  
February 19, 2020

**KIRKLAND LAKE GOLD LTD.**  
Consolidated Statements of Financial Position  
(In thousands of United States Dollars)

<i>As at</i>	<i>Note</i>	<b>December 31, 2019</b>	December 31, 2018
<b>Assets</b>			
<i>Current assets</i>			
Cash & cash equivalents		<b>\$707,206</b>	\$332,227
Accounts receivable	<i>10</i>	<b>16,678</b>	20,151
Inventories	<i>11</i>	<b>47,686</b>	40,089
Prepaid expenses		<b>9,589</b>	5,445
Income tax receivable		<b>13,471</b>	—
		<b>794,630</b>	397,912
<i>Non-current assets</i>			
Other long-term assets	<i>12</i>	<b>255,329</b>	165,092
Restricted cash		—	22,190
Mining interests and plant and equipment	<i>13</i>	<b>1,496,926</b>	1,117,170
Deferred tax assets	<i>9</i>	<b>10,732</b>	7,796
		<b>\$2,557,617</b>	\$1,710,160
<b>Liabilities</b>			
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	<i>14</i>	<b>\$151,760</b>	\$125,635
Share based liabilities	<i>16</i>	<b>36,783</b>	4,276
Lease obligations	<i>15</i>	<b>10,176</b>	12,465
Income tax payable		<b>188,450</b>	34,434
Provisions	<i>17</i>	<b>29,776</b>	15,817
		<b>416,945</b>	192,627
<i>Non-current liabilities</i>			
Share based liabilities	<i>16</i>	<b>18,474</b>	—
Lease obligations	<i>15</i>	<b>5,140</b>	9,759
Provisions	<i>17</i>	<b>43,987</b>	40,878
Deferred tax liabilities	<i>9</i>	<b>256,317</b>	203,790
		<b>\$740,863</b>	\$447,054
<b>Shareholders' equity</b>			
Share capital		<b>886,309</b>	923,964
Reserves		<b>28,843</b>	35,135
Accumulated other comprehensive income (loss)		<b>14,571</b>	(87,911)
Retained earnings		<b>887,031</b>	391,918
		<b>1,816,754</b>	1,263,106
		<b>\$2,557,617</b>	\$1,710,160

**Commitments and Contractual Obligations (Note 24)**

**Subsequent Events (Note 26)**

APPROVED ON BEHALF OF THE BOARD:

Signed "Jeff Parr", DIRECTOR

Signed "Anthony Makuch", DIRECTOR

*The accompanying notes are an integral part of the consolidated financial statements*

**KIRKLAND LAKE GOLD LTD.**

Consolidated Statements of Operations and Comprehensive Income  
For the years ended December 31, 2019 and December 31, 2018  
(In thousands of United States Dollars, except per share amounts)

	<i>Note</i>	Year ended December 31, 2019	Year ended December 31, 2018
<b>Revenue</b>		<b>\$1,379,988</b>	\$915,911
<b>Production costs</b>		<b>(281,034)</b>	(267,432)
<b>Royalty expense</b>		<b>(36,432)</b>	(26,418)
<b>Depletion and depreciation</b>	<i>13</i>	<b>(168,921)</b>	(133,718)
<b>Earnings from mine operations</b>		<b>893,601</b>	488,343
<b>Expenses</b>			
General and administrative		<b>(45,365)</b>	(31,565)
Transaction costs	<i>26</i>	<b>(1,236)</b>	—
Exploration		<b>(33,469)</b>	(66,614)
Care and maintenance		<b>(1,191)</b>	(3,081)
<b>Earnings from operations</b>		<b>812,340</b>	387,083
Other (loss) income, net	<i>7</i>	<b>(18,817)</b>	5,130
<b>Finance items</b>			
Finance income	<i>8</i>	<b>6,941</b>	5,714
Finance costs	<i>8</i>	<b>(2,282)</b>	(3,617)
<b>Earnings before income taxes</b>		<b>798,182</b>	394,310
Current income tax expense	<i>9</i>	<b>(189,572)</b>	(40,743)
Deferred income tax expense	<i>9</i>	<b>(48,530)</b>	(79,624)
<b>Net earnings</b>		<b>560,080</b>	273,943
<b>Other comprehensive income (loss)</b>			
Items that have been or may be subsequently reclassified to net earnings:			
Exchange differences on translation of foreign operations		<b>43,139</b>	(112,347)
Items that will not be subsequently reclassified to net earnings:			
Changes in fair value of investments in equity securities, net of tax	<i>12</i>	<b>59,343</b>	(11,642)
<b>Total other comprehensive income (loss)</b>		<b>102,482</b>	(123,989)
<b>Comprehensive income</b>		<b>\$662,562</b>	\$149,954
<b>Basic earnings per share</b>	<i>18(b(ii))</i>	<b>\$2.67</b>	\$1.30
<b>Diluted earnings per share</b>	<i>18(b(ii))</i>	<b>\$2.65</b>	\$1.29
<b>Weighted average number of common shares outstanding (in 000's)</b>			
Basic	<i>18(b(ii))</i>	<b>210,142</b>	210,692
Diluted	<i>18(b(ii))</i>	<b>211,645</b>	212,623

The accompanying notes are an integral part of the consolidated financial statements

**KIRKLAND LAKE GOLD LTD.**

## Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and December 31, 2018

*(In thousands of United States Dollars)*

	<i>Note</i>	Year ended December 31, 2019	Year ended December 31, 2018
<b>Operating activities</b>			
Net earnings		\$560,080	\$273,943
Adjustments for the following items:			
Depletion and depreciation		168,921	133,718
Share based payment expense		6,854	5,459
Other loss (income), net		24,985	(5,130)
Finance items, net		(4,659)	(2,097)
Income tax expense		238,102	120,367
Cash reclamation expenditures		(938)	(6,840)
Change in non-cash working capital	19	(25,400)	33,599
Operating cash flows before interest and income taxes		967,945	553,019
Interest received		6,941	5,714
Income tax paid		(55,496)	(9,943)
Net cash provided by operating activities		919,390	548,790
<b>Investing activities</b>			
Additions to mining interests	13	(258,010)	(162,673)
Additions to plant and equipment	13	(198,413)	(112,531)
Additions to other long-term assets		—	(18,386)
Investments in public and private entities	12	(34,382)	(66,124)
Payments received from sub-leases		251	—
Proceeds on dispositions of assets		1,449	2,480
Transfer from (to) restricted cash, net		22,232	(206)
Net cash used in investing activities		(466,873)	(357,440)
<b>Financing activities</b>			
Proceeds from exercise of stock options	18(a)	2,622	2,709
Interest paid		(922)	(1,496)
Payment of lease obligations	15	(14,673)	(23,109)
Share repurchases	18(a)	(42,775)	(30,811)
Payment of dividends	18(a)	(29,470)	(16,329)
Net cash used in financing activities		(85,218)	(69,036)
Impact of foreign exchange on cash balances		7,680	(21,683)
Change in cash		374,979	100,631
Cash, beginning of year		332,227	231,596
Cash, end of year		\$707,206	\$332,227

**Supplemental cash flow information – Note 19***The accompanying notes are an integral part of the consolidated financial statements*



## KIRKLAND LAKE GOLD LTD.

Consolidated Statements of Changes in Equity  
 For the years ended December 31, 2019 and December 31, 2018  
 (In thousands of United States Dollars, except share information)

	Note	Share Capital		Reserves	Accumulated other comprehensive income (loss)		Retained earnings	Shareholders' equity
		Shares (000s)	Amount	Share based payments and other reserves	Foreign currency translation	Investment revaluation		
<b>Balance at December 31, 2017</b>		<b>210,945</b>	<b>\$951,184</b>	<b>\$33,122</b>	<b>\$8,974</b>	<b>\$27,104</b>	<b>\$137,212</b>	<b>\$1,157,596</b>
Exercise of share options, including transfer from reserves	18(a)	518	3,591	(882)	—	—	—	2,709
Share based payments expense	16(iii)	—	—	2,895	—	—	—	2,895
Foreign currency translation		—	—	—	(112,347)	—	—	(112,347)
Change in fair value of investments in equity securities, net of tax		—	—	—	—	(11,642)	—	(11,642)
Dividends declared	18(a)	—	—	—	—	—	(19,237)	(19,237)
Share repurchases		(1,640)	(30,811)	—	—	—	—	(30,811)
Net earnings		—	—	—	—	—	273,943	273,943
<b>Balance at December 31, 2018</b>		<b>209,823</b>	<b>\$923,964</b>	<b>\$35,135</b>	<b>(\$103,373)</b>	<b>\$15,462</b>	<b>\$391,918</b>	<b>\$1,263,106</b>
Exercise of share options, including transfer from reserves	18(a)	671	3,855	(1,233)	—	—	—	2,622
Share issuance		258	1,265	(1,265)	—	—	—	—
Share based payments expense		—	—	3,434	—	—	—	3,434
Modification of share based payment, net of tax	16(i)	—	—	(7,228)	—	—	(29,248)	(36,476)
Foreign currency translation		—	—	—	43,139	—	—	43,139
Change in fair value of investments in equity securities, net of \$9,548 tax		—	—	—	—	59,343	—	59,343
Dividends declared	18(a)	—	—	—	—	—	(35,719)	(35,719)
Share repurchases	18(a)	(1,127)	(42,775)	—	—	—	—	(42,775)
Net earnings		—	—	—	—	—	560,080	560,080
<b>Balance at December 31, 2019</b>		<b>209,625</b>	<b>\$886,309</b>	<b>\$28,843</b>	<b>(\$60,234)</b>	<b>\$74,805</b>	<b>\$887,031</b>	<b>\$1,816,754</b>

The accompanying notes are an integral part of the consolidated financial statements

**KIRKLAND LAKE GOLD LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

*(stated in thousands of United States Dollars, except per share amounts and number of shares, warrants, stock options, share based liability units and equity based instrument units)*

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## **1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS**

Kirkland Lake Gold Ltd. (individually, or collectively with its subsidiaries, as applicable, the "Company"), is a publicly listed entity incorporated in the province of Ontario, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX"), and the New York Stock Exchange ("NYSE") under the symbol "KL" and the Australian Securities Exchange ("ASX") under the symbol "KLA". The Company's head office, principal address and records office are located at 200 Bay Street, Suite 3120, Toronto, Ontario, Canada, M5J 2J1.

The Company is a growing gold producer with five wholly-owned operating mines, one wholly-owned mine currently on care and maintenance and several exploration properties in Canada and Australia. On January 31, 2020, the Company completed the acquisition of Detour Gold Corporation (see Note 26).

## **2. BASIS OF PREPARATION**

### *Statement of Compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied in the consolidated financial statements are presented in note 3 and have been applied consistently to all years presented, unless otherwise noted. The consolidated financial statements were approved by the Company's Board of Directors on February 19, 2020.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which are measured at fair value.

The preparation of the consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies are set out below:

### **a) Basis of presentation and consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are those entities controlled by the Company. Control exists when the Company is exposed to or has rights to the variable returns from the subsidiary and has the ability to affect those returns through its power over the subsidiary. Power is defined as existing rights that give the Company the ability to direct the relevant activities of the subsidiary. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control is transferred to the Company to the date control ceases. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

The subsidiaries of the Company as at December 31, 2019 and their principal activities are described below:

**KIRKLAND LAKE GOLD LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

*(stated in thousands of United States Dollars, except per share amounts and number of shares, warrants, stock options, share based liability units and equity based instrument units)*

Name	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Kirkland Lake Gold Inc.	Canada	100%	Operating
St Andrew Goldfields Ltd.	Canada	100%	Operating
Crocodile Gold Inc.	Canada	100%	Holding Company
Newmarket Gold Victorian Holdings Pty Ltd.	Australia	100%	Holding Company
Fosterville Gold Mine Pty Ltd.	Australia	100%	Operating
Newmarket Gold NT Holdings Pty Ltd.	Australia	100%	Holding Company
NT Mining Operations Pty Ltd.	Australia	100%	Operating
Kirkland Lake Gold (Barbados) Corporation	Barbados	100%	Holding Company

**b) Foreign currency translation**

The functional currency for each entity consolidated within the Company's financial statements is determined by the currency of the primary economic environment in which it operates (the "functional currency"). The functional currency for the Company and its Canadian subsidiaries is the Canadian dollar; the functional currency for all Australian subsidiaries is the Australian dollar. The consolidated financial statements are presented in United States dollars which is the presentation currency for the Company.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are measured at fair value in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rate on the date of transaction.

Exchange differences are recognized in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all the accumulated exchange differences in respect of that operation attributable to the Company are reclassified to profit or loss. In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss.

**c) Business Combinations**

A business combination is defined as an acquisition of assets and liabilities that constitute a business. A business is an integrated set of activities and assets that consist of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs have the ability to create outputs that provide a return to the Company and its shareholders. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs, but can be integrated with the inputs and processes of the Company to create outputs. When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Company considers other factors to determine whether the set of activities or assets is a business.

**KIRKLAND LAKE GOLD LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

*(stated in thousands of United States Dollars, except per share amounts and number of shares, warrants, stock options, share based liability units and equity based instrument units)*

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Business combinations are accounted for using the acquisition method whereby identifiable assets acquired and liabilities assumed, including contingent liabilities, are recorded at their fair values at the acquisition date. The acquisition date is the date at which the Company obtains control over the acquiree, which is generally the date that consideration is transferred and the Company acquires the assets and assumes the liabilities of the acquiree. The Company considers all relevant facts and circumstances in determining the acquisition date.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets at the acquisition date transferred by the Company, the liabilities, including contingent consideration, incurred and payable by the Company to former owners of the acquiree and the equity interests issued by the Company. The measurement date for equity interests issued by the Company is the acquisition date. When the cost of the acquisition exceeds the fair value of the identifiable assets acquired and liabilities assumed, the difference is recognized as goodwill. Acquisition related costs are expensed as incurred.

**d) Revenue recognition**

Revenue includes sales of gold doré, which is generally physically delivered to customers in the period in which it is produced, with the sales price based on prevailing spot market gold prices. The Company recognizes revenue when it transfers control of the gold doré to a customer. Generally, transfer of control occurs when the goods have been delivered to the customer. Payment is received on the date of or within a few days of the transfer of control.

**e) Financial Instruments**

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company become party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate. The Company considers whether a financial liability contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

*Financial assets at FVPL*

Financial assets at FVPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVPL are measured at fair value with changes in fair value recognized in the consolidated statements of operations. Warrant investments are classified as FVPL.

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*Financial assets at FVOCI*

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statements of earnings. The election is available on an investment-by-investment basis. Investments in equity securities, where the Company cannot exert significant influence, are designated as financial assets at FVOCI.

*Financial assets at amortized cost*

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, restricted cash, trade receivables and certain other assets are classified as and measured at amortized cost.

*Financial liabilities*

Financial liabilities, including accounts payable and accrued liabilities and finance leases are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities and finance leases are classified as and measured at amortized cost.

*Derivative instruments*

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in net earnings.

*Fair values*

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models.

Financial instrument fair value measurements are classified into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

*Impairment of financial assets*

A loss allowance for expected credit losses is recognized in earnings for financial assets measured at amortized cost. At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net earnings as a gain or loss on debt extinguishment.

**f) Cash and cash equivalents**

Cash and cash equivalents includes cash and short-term money market instruments with an original maturity of three months or less, or which are on demand.

**g) Inventories and stockpiled ore**

Inventories are valued at the lower of weighted average cost or net realizable value. Inventories include work-in-process inventory (stockpiled ore, gold in circuit), bullion inventories as well as materials and supplies inventory.

For work-in-process inventory, the costs of production include: (i) materials, equipment, labour and contractor expenses which are directly attributable to the extraction and processing of ore; (ii) depletion and depreciation of plant and equipment used in the extraction and processing of ore; and (iii) related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product.

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Supplies are valued at the lower of weighted average cost and net realizable value.

**h) Exploration & evaluation expenditures**

Exploration expenditures relate to costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. The Company expenses exploration costs as incurred given the low degree of confidence that a future economic benefit will flow to the Company.

Evaluation expenditures are costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. The Company capitalizes evaluation costs when there is a high degree of correlation between the expenditure incurred and the discovery of specific mineral resources.

Capitalized evaluation costs are subsequently re-classified to Mining Interest once the technical feasibility and commercial viability of an exploration project has been demonstrated and is the point at which management decides to proceed with developing the project. This typically includes, but is not limited to, completion of an economic feasibility study and the receipt of the applicable construction and operating permits for the project. Future expenditures incurred in the development of that exploration project are subsequently accounted for in accordance with the Company's Mining Interest policy, as described in note 2(i).

Prior to re-classification of capitalized evaluation costs to Mining Interest, the Company performs an impairment test, based on the recoverable amount. In addition, the carrying values of capitalized evaluation costs are reviewed for possible impairment when an impairment indicator exists, including but not limited a decision of abandonment in relation to the area of interest.

Capitalized evaluation costs are not subject to depletion until they are re-classified to Mining Interest, at which point they are depleted in accordance with the Company's Mining Interest policy as described in note 2(i).

**i) Mining interest**

Mining interests represent capitalized expenditures related to the development of mining properties, related plant and equipment and expenditures arising from property acquisitions. Upon disposal or abandonment, the carrying amounts of mining interests are derecognized and any associated gains or losses are recognized in profit or loss.

Mining properties

Purchased mining properties are recognized as assets at their cost of acquisition or at fair value if purchased as part of a business combination. The Company expenses exploration expenditures and near term ore development costs as incurred. Near term development costs occur in areas where the Company expects production to occur within the subsequent 12 months. Property acquisition costs, longer term development, and costs incurred to expand ore reserves are capitalized if the criteria for recognition as an asset are met.

The carrying amounts of mining properties are depleted using the unit-of-production ('UOP') method over the estimated recoverable ounces, when the mine is capable of operating at levels intended by management. Under this method, depletable costs are multiplied by the number of ounces produced, and divided by the estimated recoverable ounces contained in proven and probable reserves and a portion of resources where it is considered highly probable that those resources will be economically extracted.

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A mine is capable of operating at levels intended by management when: (i) operational commissioning of major mine and plant components is complete; (ii) operating results are being achieved consistently for a period of time; (iii) there are indicators that these operating results will be continued; and (iv) other factors are present, including one or more of the following:

- a significant portion of plant/mill capacity has been achieved;
- a significant portion of available funding is directed towards operating activities;
- a pre-determined, reasonable period of time has passed; or significant milestones for the development of the mining property have been achieved.

Management reviews the estimated total recoverable ounces contained in depletable reserves and resources at each financial year end, and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in depletable reserves and resources are accounted for prospectively.

#### Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and impairment losses or initially measured at fair value if purchased as part of a business combination. The cost of plant and equipment comprises its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the estimated close down and restoration costs associated with the asset and borrowing costs incurred that are attributable to qualifying assets as noted in note 3(j).

Depreciation is recorded on a straight-line or unit of production basis, over the shorter of the useful life of the asset or the remaining life of the mine; the life of mine is based on estimated recoverable ounces contained in proven and probable reserves and a portion of resources where it is considered highly probable that those resources will be economically extracted. Depreciation associated with plant and equipment which is utilized in the development of an asset is capitalized as development costs attributable to the related asset.

Estimated useful lives for depreciable plant and equipment normally vary from three to fifteen years, for a maximum of twenty years for buildings.

Assets under construction are depreciated when they are substantially complete and available for their intended use, over their estimated useful lives. Management reviews the estimated useful lives and depreciation methods of the Company's plant and equipment at the end of each financial year, and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives or depreciation methods resulting from such review are accounted for prospectively.

#### *Right-of-use assets*

Contracts that convey the right to the Company to control the use of an identified asset for a period of time in exchange for consideration is accounted for as a lease, resulting in the recognition of a right-of-use ('ROU') asset at the commencement of the lease. The ROU asset is measured at cost and includes the following:

- (i) the amount of the initial measurement of the lease liability;
- (ii) any lease payments made at or before the commencement dates, less any lease incentives received;
- (iii) any initial direct costs; and
- (iv) an estimate of costs to restore the underlying asset, and any site upon which it is located, to the condition required by the terms and conditions of the lease.



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ROU assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

**j) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of the asset. Borrowing costs incurred to finance qualifying assets that from part of general borrowings are capitalized based upon a weighted average capitalization rate. All other borrowing costs are expensed in the period they occur. Capitalization of borrowing costs ceases when the asset is substantially complete or if active development is suspended or ceases.

**k) Impairment of non-financial assets**

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment or whenever indicators of impairment exist. Assets that are subject to amortization, depletion or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of assets is the greater of their fair value less costs to sell and value in use.

Fair value is based on an estimate of the amount that the Company may obtain in a sale transaction on an arm's-length basis. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs. The Company's CGUs are the lowest level of identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or depreciation or amortization, if no impairment loss had been recognized.

**l) Leases**

The Company recognizes contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration as a lease, with an ROU asset and corresponding lease liability recognized at the commencement date of the lease. ROU assets are recognized as discussed in note 3(i) whereas lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, the Company's incremental borrowing rate. Lease payments included in the measurement of a lease liability include:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option,

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and penalties for early termination of a lease unless the Company is reasonably certain it will not terminate early.

Lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities are subsequently remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it is reasonably certain that it will exercise a purchase, extension or termination option.

Finance charges are recorded as finance costs within net earnings, unless they are attributable to qualifying assets, in which case they are capitalized.

**m) Share based payments**

The Company has the ability under certain share based compensation plans (notes 16 and 18(b(i))) to grant equity based awards to directors, senior officers and employees of, or consultants to, the Company or employees of a corporation providing management services to the Company.

*i) Stock Options*

The grant date fair value of the estimated number of stock options awarded to employees, officers and directors that will eventually vest, is recognized as share based compensation expense over the vesting period of the stock options with a corresponding increase to equity. The grant date fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes option-pricing model and is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest and adjusts the amount of recorded compensation expense accordingly. The impact of the revision of the original estimates, if any, is recognized in net earnings or capitalized in mining properties such that the accumulated expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve. The share based payment cost is recognized in net earnings or capitalized in mining properties (for options granted to individuals involved on specific projects).

For transactions with non-employees, the fair value of the equity settled awards is measured at the fair value of the goods or services received, at the date the goods or services are received by the Company. In cases where the fair value of goods or services received cannot be reliably estimated, the Company estimates the fair value of the awards at the date of grant.

*ii) Long-term Incentive Plan*

The performance share units ("PSUs") and restricted share units ("RSUs") awarded to eligible executives and employees will be settled in cash, common shares, or a combination therein. They are measured at fair value at grant date. The fair value of the estimated number of PSUs and RSUs awarded that are expected to vest is recognized as share based compensation expense over the vesting period of the PSUs and RSUs. A corresponding amount is recorded as share based liabilities, as RSUs and PSUs are treated as cash-settled share based payments, until the liability is settled through a cash payment. At each reporting date and on settlement, the share based liability is remeasured, with any changes in fair value recorded as compensation expense.

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Phantom share units, which were assumed by the Company as a result of the 2016 business combination with Newmarket Gold Inc., were recorded at their fair market value on the date of acquisition based on the quoted market price of the Company's shares and are revalued at each reporting date based on the difference between the quoted market price of the Company's shares at the end of the period and the grant date strike price. The fair value is recognized as a share based payment expense in net earnings with a corresponding entry in share based liabilities.

*iii) Deferred Share Units*

Deferred share units ("DSUs") awarded to non-executive directors will be settled in cash, common shares, or a combination thereof on the date when a director ceases to be a director. The fair value of the DSUs awarded, representing the fair market value of the Company's shares is recognized as share based compensation expense at grant date with a corresponding amount recorded as a share based liability. Until the DSU liability is settled, the fair value of the DSUs is re-measured at the end of each reporting period and at the date of settlement, with changes in fair value recognized as share based compensation expense in the period.

**n) Pension plans**

The Company has a defined contribution pension plan for its Canadian employees whereby the Company contributes a fixed percentage of the employees' salaries to the pension plan. The employees are able to direct the contributions into a variety of investment funds offered by the plans. In Australia, the Company contributes a fixed percentage of the employees' salaries to a federally mandated preservation fund of the employee's choice. Pension costs associated with the Company's required contributions under the plans are recognized as an expense when the employees have rendered service entitling them to the contribution and are charged to net earnings, or capitalized to mining interests for employees directly involved in the specific projects.

**o) Deferred income tax**

Taxes, comprising both income taxes and mining taxes, are recognized in net earnings, except when they relate to items recognized in other comprehensive income or directly in equity, in which case the related taxes are recognized in other comprehensive income, or directly in equity, respectively.

Deferred income taxes are recognized in the consolidated financial statements using the balance sheet liability method of accounting, and are recognized for unused tax losses, unused tax credits and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. As an exception, deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction (other than in a business combination) that affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current assets and liabilities on a net basis.

**p) Share capital**

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new common shares are recognized in equity, net of tax, as a deduction from the share proceeds (share issue costs).

**q) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized in the consolidated financial statements, if not estimable and probable, and are disclosed in notes to the consolidated financial statements unless their occurrence is remote. Contingent assets are not recognized in the consolidated financial statements unless the Company is virtually certain to recover the asset, but are disclosed in the notes if their recovery is deemed probable.

*Environmental rehabilitation*

Provisions for environmental rehabilitation are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated on a UOP basis. The provision is reviewed on an annual basis for changes in cost estimates, changes in legislation, discount rates and operating lives.

Changes to estimated future costs are recognized in the statement of financial position by adjusting the rehabilitation asset and liability. Increases in estimated costs related to mine production become part of ore inventory. For closed sites, changes to estimated costs are recognized immediately in the net earnings.

**r) Earnings (loss) per share**

Basic earnings or loss per share is computed by dividing the net earnings attributable to common shareholders by the weighted average number of common shares outstanding for the relevant period. The Company follows the treasury stock method in the calculation of diluted earnings per share. The treasury stock method assumes that outstanding stock options with an average exercise price below the market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price of the common shares for the period.

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#### **4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are generally recognized in the period in which the estimates are revised.

The following are the significant judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

##### **Significant Judgments in Applying Accounting Policies**

###### *Determination of functional currency*

In accordance with International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company's Canadian and Australian subsidiaries is, respectively, the Canadian and Australian dollar. Determination of functional currency involves judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

###### *Deferred income taxes*

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company and/or its subsidiaries will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

###### *Business combinations*

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – *Business Combinations*.

###### *Transition from the exploration and evaluation stage to the development stage*

Judgment is required in determining when an exploration and evaluation project has demonstrated technical feasibility, commercial viability and transitions from the exploration and evaluation stage to the development stage. In assessing the technical feasibility and commercial viability of an asset or CGU, the estimated operating results and net cash flows are determined by estimating the expected future revenues and costs, including the future production costs, capital expenditures, site closure and environmental rehabilitation costs. The estimated net cash flows include cash flows expected to be realized from the extraction, processing and sale of proven and probable reserves as well as mineral resources when there is a high degree of confidence in the economic extraction of those resources.

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## **Accounting Estimates and Assumptions**

### *Determination of reserves and resources*

Reserve and resource estimates are used in the unit of production calculation for depletion and depreciation expense, the determination of the timing of rehabilitation provision costs, business combination accounting and impairment analysis.

There are numerous uncertainties inherent in estimating reserves and resources. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs, or recovery rates as well as new drilling results may change the economic status of reserves and resources and may result in the reserves and resources being revised.

### *Deferred income taxes*

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company and/or its subsidiaries to realize the net deferred tax assets recorded at the statement of financial position date could be impacted.

### *Business combinations*

The allocation of the purchase price of acquisitions requires estimates as to the fair market value of acquired assets and liabilities. The information necessary to measure the fair values as at the acquisition date of assets acquired and liabilities assumed requires management to make certain judgments and estimates about future events, including but not limited to estimates of mineral reserves and mineral resources and exploration potential of the assets acquired, future operating costs and capital expenditures, discount rates to determine fair value of assets acquired and future metal prices and long term foreign exchange rates.

Changes to the preliminary measurements of assets and liabilities acquired may be retrospectively adjusted when new information is obtained until the final measurements are determined within one year of the acquisition date.

### *Valuation of Long-lived Assets*

The carrying amounts of mining properties and plant and equipment are assessed for any impairment triggers such as events or changes in circumstances which indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the CGU.

The Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

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*Provision for Environmental Rehabilitation*

Significant estimates and assumptions are made in determining the environmental rehabilitation costs as there are numerous factors that will affect the ultimate environmental rehabilitation provision. These factors include estimates of the extent and costs of rehabilitation activities, current changes in available technologies and regulations, cost increases, and changes in discount rates.

Those uncertainties may result in actual expenditures in the future being different from the amounts currently provided. The provision represents management's best estimate of the present value of the future rehabilitation costs.

**5. ADOPTION OF NEW ACCOUNTING STANDARDS**

**Adoption of new accounting standards**

The Company has adopted the following amendments to accounting standards, effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions.

*IFRS 16, Leases*

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16") which replaced the existing lease accounting guidance under IAS 17, Leases ("IAS 17") and IFRIC 4, Determining Whether an Arrangement Contains a Lease ("IFRIC 4"). Effective January 1, 2019, the Company adopted the requirements of IFRS 16, which requires lessees to recognize ROU assets and lease liabilities on the balance sheet for most leases, resulting in a corresponding increase in depreciation and interest expense. Furthermore, the adoption of IFRS 16 resulted in an increase in cash flows from operating activities, as most lease payments are now reflected as financing outflows in the consolidated statement of cash flows.

The Company elected to apply IFRS 16 using a modified retrospective approach by recognizing the cumulative effect of initially adopting IFRS 16 as an adjustment to opening retained earnings as at January 1, 2019. Therefore, the comparative period information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The impact of adopting IFRS 16 and the changes to the Company's accounting policy for leasing are discussed below.

*Accounting Policy Changes*

Prior to January 1, 2019, the Company applied IFRIC 4 in determining whether a contract was, or contained, a lease by assessing if fulfillment of the contract was dependent on the use of a specific asset or assets and if the contract conveyed a right to use the asset or assets. Contracts determined to meet the above definition were classified as finance leases, with the assets held under the finance leases depreciated over their expected useful lives on the same basis as owned assets. The leased assets were measured at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. All other leases were classified as operating leases and accounted with IAS 17 Leases.

The above leasing policy was applied to contracts where leasing arrangements were completed in 2018. Any new or existing contracts containing leases that were still in force as at January 1, 2019 were re-assessed and accounted for in accordance with IFRS 16.

From January 1, 2019, the leasing policy discussed in note 3(l) was applied. Furthermore, the Company applied its incremental borrowing rate as the discount rate for any new leases identified as a result of IFRS 16 and elected to

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apply a single rate to a portfolio of leases with similar characteristics. Existing finance leases continued to be discounted applying the rate implicit in the lease.

Upon transition to IFRS 16, the Company has elected not to recognize ROU assets and lease liabilities for short-term leases with a remaining lease term of 12 months or less and leases of low-value assets. Lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. In addition, the Company elected not to separate non-lease components for leases identified within drilling and propane supply contracts and will account for the lease and non-lease components as a single lease component. The Company will continue to elect these practical expedients going forward.

*Impact on Financial Statements*

On January 1, 2019, the Company recognized \$31.8 million of ROU assets, of which \$29.4 million represents leased assets previously recognized within plant and equipment under IAS 17, a net investment in sub-leases of \$0.8 million and \$3.2 million of additional lease liabilities, with the difference primarily recognized in retained earnings. Since the Company elected to recognize the ROU assets at an amount equal to the lease liabilities, adjusted for any prepaid or accrued lease payments, the impact to retained earnings was insignificant and reflects the net investment in sub-leases arising from the sub-leasing of office space.

The impact is summarized as follows:

ROU assets recognized as at January 1, 2019 upon adoption of IFRS 16	\$2,353
Net investment in sub-leases	809
Lease obligations recognized as at January 1, 2019 upon adoption of IFRS 16	3,223
Other adjustments	29
Net decrease to opening retained earnings as at January 1, 2019	\$90

The Company re-assessed the classification of its sub-leases previously classified as operating leases under IAS 17 and concluded that the sub-leases are finance lease assets, resulting in the recognition of a net investment in sub-leases on the consolidated statement of financial position as at January 1, 2019. The ROU assets and lease liabilities are presented within Mining Interests and Plant and Equipment and Lease Obligations, respectively.

The carrying amount of ROU assets and lease liabilities recognized on January 1, 2019 that were previously classified as finance leases under IAS 17 and continued to be assessed as leases under IFRS 16 were determined at the carrying amount of the lease assets and lease liabilities immediately before the transition to the new standard.

The Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. The weighted average incremental borrowing rate applied as at January 1, 2019 was 4.06%.



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Operating lease commitments disclosed as at December 31, 2018	\$8,442
Discounted using the incremental borrowing rate at January 1, 2019	8,075
Finance lease liabilities previously recognized as at December 31, 2018	22,224
Adjustment for contracts re-assessed as finance leases containing variable payments not included in lease liabilities	(1,783)
Adjustment for non-lease components contained within operating lease commitments	(1,508)
Recognition exemption for:	
Short-term leases	(1,352)
Low-value items	(87)
Other adjustments	(122)
Lease obligations recognized as at January 1, 2019	\$25,447

***IFRIC 23. Uncertainty over Income Tax Treatments***

On June 7, 2017, the IASB issued IFRIC Interpretations 23, Uncertainty over Income Tax Treatments ("IFRIC 23"). The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company adopted the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The adoption of IFRIC 23 did not have a material impact on the Company's consolidated financial statements. Additional disclosure over the Company's evaluation of uncertainty over income tax treatments is provided in note 9.

**6. EMPLOYEE BENEFITS EXPENSE**

The following employee benefits expenses are included in production costs and general and administrative costs for the years ended December 31, 2019 and 2018 include the following:

	Year ended December 31, 2019	Year ended December 31, 2018
Salaries, short-term incentives and other benefits	\$176,773	\$173,993
Share based payment expense (note 16(iii))	9,307	5,459
	<b>\$186,080</b>	<b>\$179,452</b>

**7. OTHER (LOSS) INCOME, NET**

Other income (loss), net for the years ended December 31, 2019 and 2018 includes the following:

	Year ended December 31, 2019	Year ended December 31, 2018
Loss on disposal of plant and equipment and mining interest	(\$4,983)	(\$2,017)
Change in fair value of warrant investments (note 12)	(18)	(10,892)
Foreign exchange (loss) gain, net	(16,208)	16,902
Other income	2,392	1,137
Other (loss) income, net	<b>(\$18,817)</b>	<b>\$5,130</b>

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**8. FINANCE ITEMS**

Finance income and expense for the years ended December 31, 2019 and 2018 includes the following:

	Year ended December 31, 2019	Year ended December 31, 2018
Interest income on bank deposits	\$6,941	\$5,714
Finance income	<b>\$6,941</b>	<b>\$5,714</b>
Interest on finance leases and other loans	922	1,496
Finance fees and bank charges	512	969
Unwinding of discount on rehabilitation provision (note 17)	848	1,152
Finance costs	<b>\$2,282</b>	<b>\$3,617</b>

**9. INCOME TAXES**

a) Income tax expense

A reconciliation of income tax expense for continuing operations and the product of earnings from continuing operations before income tax multiplied by the combined Canadian federal and provincial statutory income tax rate is as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Earnings before income taxes	\$798,182	\$394,310
Computed income tax expense at Canadian statutory rates (25%)	199,546	98,578
Non-deductible expenses/Non-taxable (income)	(1,286)	(4,751)
Foreign tax rate differential	32,267	10,801
Current and deferred Ontario Mining Tax	10,581	12,190
Revision in estimates	(5,879)	74
Tax benefit not recognized	3,314	—
Withholding taxes	324	2,737
Other	(765)	738
Income tax expense	<b>238,102</b>	<b>120,367</b>
Current income tax expense	<b>189,572</b>	<b>40,743</b>
Deferred tax (recovery) expense	<b>\$48,530</b>	<b>\$79,624</b>

During the year ended December 31, 2019, the effective tax rate is 29.8% (year ended December 31, 2018 - 30.5%).

b) Deferred income tax balances

The tax effect of temporary differences that give rise to deferred income tax assets and liabilities at December 31, 2019 and 2018 are as follows:

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<i>As at</i>	December 31, 2019	December 31, 2018
<i>Net deferred tax assets:</i>		
Employee provisions	13,543	2,148
Loss carry forwards	6,315	6,117
Mark to market adjustments	(9,201)	(753)
Other	75	284
	<b>\$10,732</b>	<b>\$7,796</b>

<i>As at</i>	December 31, 2019	December 31, 2018
<i>Net deferred tax liabilities:</i>		
Mining interests and plant and equipment	(229,166)	(201,389)
Environmental rehabilitation provision	15,967	14,310
Ontario Mining Tax	(30,729)	(23,635)
Loss carry forwards	—	12,861
Inventory	(18,686)	(4,666)
Mark to market adjustments	2,902	(3,354)
Employee provisions	4,694	3,483
Other	(1,299)	(1,400)
	<b>(\$256,317)</b>	<b>(\$203,790)</b>

Changes in net deferred tax assets and liabilities for the years ended December 31, 2019 and 2018 are as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Balance, beginning of year	(\$195,994)	(\$133,645)
Recognized in net earnings	(48,530)	(79,624)
Recognized in equity	2,637	1,674
Foreign currency translation in other comprehensive income (loss)	(3,698)	15,601
Net deferred tax liabilities, end of year	<b>(\$245,585)</b>	<b>(\$195,994)</b>

At December 31, 2019, no deferred tax liabilities have been recognized in respect of the aggregate amount of \$694,367 (December 31, 2018 - \$274,747) of taxable temporary differences associated with investments in subsidiaries. The Company controls the timing and circumstances of the reversal of these differences, and the differences are not anticipated to reverse in the foreseeable future.

As at December 31, 2019, deferred income tax assets have not been recognized in respect of the following because it is not probable that future taxable profit will be available against which the Company can use the benefits:

<i>As at</i>	December 31, 2019	December 31, 2018
Capital loss carryforwards	8,730	11,668
Investment tax credits	12,601	11,999
Mining interests	11,076	10,546
Provision for reclamation liabilities and other accruals	11,158	—
Australian royalty tax	347,883	299,029

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The temporary differences arising from investment tax credits have an expiry date of 2025 to 2030. The temporary differences arising from mineral properties, Australian royalty tax and capital losses carried forward have an indefinite expiry date.

As at December 31, 2019, the Company had the following Canadian and Australian income tax attributes to carry forward:

	Year ended December 31, 2019	Expiry
Canada		
Non-capital losses	23,830	2036-2039
Tax basis of mining interests	218,366	Indefinite
Tax basis of plant and equipment	213,646	Indefinite
Australia		
Tax basis of mining interests	6,303	Indefinite
Tax basis of plant and equipment	62,736	Indefinite

c) **Uncertainty over Income Tax Treatments**

The Company operates in Canada and Australia and as such, is subject to, and pays taxes under the regime in place within these countries, which are governed by general corporate tax laws. The Company has filed, and continues to file, all required tax returns and pays the taxes reasonably determined to be due. Tax rules and regulations are complex and subject to interpretation, with changes in tax law, or the manner in which they are interpreted, potentially impacting the Company's effective tax rate as well as its business and operations.

The Company's tax records, transactions and filing positions may be subject to examination by the tax authorities. The tax authorities may interpret the tax implications of a transaction differently from the Company, requiring many years before a resolution can be reached. Uncertainty in the interpretation and application of applicable tax laws and regulations by the tax authorities could adversely affect the Company.

**10. ACCOUNTS RECEIVABLE**

<i>As at</i>	December 31, 2019	December 31, 2018
Trade receivables	\$241	\$8,129
Sales tax and other statutory receivables	13,568	11,357
Other receivables	2,869	665
	<b>\$16,678</b>	<b>\$20,151</b>

The fair value of receivables approximates their carrying value. None of the amounts included in receivables at December 31, 2019 are past due.

Trade receivables represent the value of gold doré sold as at period end for which the funds are not yet received; gold sales are generally settled within 1-2 weeks after delivery to a refinery. There is no allowance for doubtful accounts or a recorded allowance for credit losses. In determining the recoverability of other receivables, the Company considers any change in the credit quality of the counterparty, with the concentration of the credit risk limited due to the nature of the counterparties involved.

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**11. INVENTORIES**

<i>As at</i>	December 31, 2019	December 31, 2018
Gold doré	\$791	\$1,114
Gold in circuit	10,941	9,493
Ore stockpiles	7,888	7,770
Supplies and consumables	28,066	21,712
	<b>\$47,686</b>	<b>\$40,089</b>

The cost of gold doré, gold in circuit, ore stockpiles (“metal inventory”), and supplies and consumables recognized as an expense and included in operating costs in the years ended December 31, 2019 and 2018 are \$280,745 and \$267,189, respectively. During the year ended December 31, 2019, there were write downs of inventory to net realizable value of \$4,527 (year ended December 31, 2018 - \$nil). There were no reversals of write downs of inventory to net realizable value during the years ended December 31, 2019 and 2018.

**12. OTHER LONG-TERM ASSETS**

<i>As at</i>	December 31, 2019	December 31, 2018
Investments in equity securities	\$253,540	\$141,781
Warrant investments	1,605	1,209
Deposits and other	184	22,102
	<b>\$255,329</b>	<b>\$165,092</b>

*Investments in equity securities*

Changes in the investments in equity securities for the years ended December 31, 2019 and 2018 are as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Balance, beginning of year	\$141,781	\$100,109
Acquisition of investments	34,026	66,124
Disposition of investments	—	(525)
Unrealized gain (loss)	68,891	(13,316)
Foreign currency translation	8,842	(10,611)
Investments in equity securities, end of year	<b>\$253,540</b>	<b>\$141,781</b>

The fair value of the investments and warrants held as at December 31, 2019 and December 31, 2018 are as follows:

Investments in equity securities	Shares held at December 31, 2019	Fair value as at December 31, 2018	Purchase/(sales)	Unrealized gain/(loss)	Foreign currency translation	Fair value as at December 31, 2019
Bonterra Resources Inc.	8,510,629	\$8,472	\$6,397	(\$694)	\$571	<b>\$14,746</b>
Osisko Mining Inc.	32,627,632	73,452	—	24,135	4,170	<b>101,757</b>
Novo Resources Corp.	29,830,268	54,249	—	30,214	3,057	<b>87,520</b>
Wallbridge Mining Company Ltd.	57,000,000	—	24,434	14,687	822	<b>39,943</b>
Other		5,608	3,195	549	222	<b>9,574</b>
<b>Total</b>		<b>\$141,781</b>	<b>\$34,026</b>	<b>\$68,891</b>	<b>\$8,842</b>	<b>\$253,540</b>

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Warrant investments	Warrants held at December 31, 2019	Valuation technique	Fair value as at December 31, 2018	Purchase/(sales)	Unrealized gain/(loss)	Foreign currency translation	Fair value as at December 31, 2019
Bonterra Resources Inc.	1,000,000	Black Scholes	\$19	\$356	(\$62)	\$10	\$323
Novo Resources Corp.	14,000,000	Barrier Option Pricing	1,027	—	211	44	1,282
De Grey Mining Ltd.	—	Black Scholes	163	—	(167)	4	—
<b>Total</b>			<b>\$1,209</b>	<b>\$356</b>	<b>(\$18)</b>	<b>\$58</b>	<b>\$1,605</b>

The inputs used to value the warrant investments as of December 31, 2019 are as follows:

Input	Bonterra Resources Inc.	Novo Resources Corp.
Closing share price (C\$)	\$2.25	\$3.81
Exercise price (C\$)	\$3.10	\$6.00
Remaining life of the warrants (years)	1.64	0.68
Volatility	56.61%	49.57%
Risk-free interest rate	1.69%	1.69%
Barrier (C\$)	—	\$12.00
Rebate (C\$)	—	\$6.00

### 13. MINING INTERESTS AND PLANT AND EQUIPMENT

<i>Year ended December 31, 2019</i>	Depletable	Non depletable	Total mining interest	Plant and equipment	Total
<i>Cost</i>					
At January 1, 2019	\$962,121	\$106,138	\$1,068,259	\$447,941	\$1,516,200
Additions, including transfer from construction in progress <sup>1</sup>	\$161,322	\$110,370	\$271,692	\$204,319	\$476,011
Construction in progress, net of transfers to plant and equipment additions	\$—	\$—	\$—	\$40,086	\$40,086
Change in environmental closure assets (estimate and discount rate)	\$15,276	\$—	\$15,276	\$—	\$15,276
Disposals	(\$28,233)	(\$129)	(\$28,362)	(\$31,291)	(\$59,653)
Foreign currency translation	\$25,420	\$3,918	\$29,338	\$17,254	\$46,592
<b>Cost at December 31, 2019</b>	<b>\$1,135,906</b>	<b>\$220,297</b>	<b>\$1,356,203</b>	<b>\$678,309</b>	<b>\$2,034,512</b>
<i>Accumulated depreciation and depletion</i>					
At January 1, 2019	\$281,431	\$—	\$281,431	\$117,599	\$399,030
Depreciation	\$456	\$—	\$456	\$61,736	\$62,192
Depletion	\$112,305	\$—	\$112,305	\$—	\$112,305
Disposals	(\$26,789)	\$—	(\$26,789)	(\$24,304)	(\$51,093)
Foreign currency translation	\$8,796	\$—	\$8,796	\$6,356	\$15,152
<b>Accumulated depreciation and depletion at December 31, 2019</b>	<b>\$376,199</b>	<b>\$—</b>	<b>\$376,199</b>	<b>\$161,387</b>	<b>\$537,586</b>
<b>Carrying value at December 31, 2019</b>	<b>\$759,707</b>	<b>\$220,297</b>	<b>\$980,004</b>	<b>\$516,922</b>	<b>\$1,496,926</b>

<sup>1</sup> Includes \$6.0 million of costs associated with leases recognized upon adoption of IFRS 16.

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<i>Year ended December 31, 2018</i>	Depletable	Non depletable	Total mining interest	Plant and equipment	Total
<i>Cost</i>					
At January 1, 2018	\$864,385	\$116,285	\$980,670	\$375,571	\$1,356,241
Additions, including transfer from construction in progress	181,486	324	181,810	88,406	270,216
Construction in progress, net of transfers to plant and equipment additions	—	—	—	38,923	38,923
Change in environmental closure assets (estimate and discount rate)	3,755	—	3,755	—	3,755
Disposals	—	—	—	(17,873)	(17,873)
Foreign currency translation	(87,505)	(10,471)	(97,976)	(37,086)	(135,062)
Cost at December 31, 2018	\$962,121	\$106,138	\$1,068,259	\$447,941	\$1,516,200
<i>Accumulated depreciation and depletion</i>					
At January 1, 2018	\$213,440	\$—	\$213,440	\$93,492	\$306,932
Depreciation	346	—	346	47,360	47,706
Depletion	90,980	—	90,980	—	90,980
Disposals	—	—	—	(13,901)	(13,901)
Foreign currency translation	(23,335)	—	(23,335)	(9,352)	(32,687)
Accumulated depreciation and depletion at December 31, 2018	\$281,431	\$—	\$281,431	\$117,599	\$399,030
Carrying value at December 31, 2018	\$680,690	\$106,138	\$786,828	\$330,342	\$1,117,170

*Mining Interests*

Non-depletable mining interests at December 31, 2019 of \$220,297 (December 31, 2018 - \$106,138) includes \$104,634 (December 31, 2018 - \$42,765) for the carrying amount of previously acquired interest in exploration properties around the Company's Macassa Mine in Canada, with the change in amount primarily attributable to capitalized expenditures at Macassa combined with the impact of foreign exchange, and \$115,663 (December 31, 2018 - \$63,373) for the carrying amount of various acquired exploration properties in Australia, with the change in amount related primarily to capitalized development at the Northern Territory and the remainder of the change due to foreign exchange impact.

*Plant and Equipment*

Plant and equipment at December 31, 2019, includes \$52,002 (December 31, 2018 - \$14,969) of construction in progress. Plant and equipment also includes costs of \$46,377 (December 31, 2018 - \$44,978) and accumulated depreciation of \$22,237 (December 31, 2018 - \$15,548) related to capital equipment and vehicles under ROU assets.

**14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

<i>As at</i>	<b>December 31, 2019</b>	December 31, 2018
Trade payable and accrued liabilities	<b>\$134,123</b>	\$108,295
Payroll and government remittances	<b>17,637</b>	17,340
	<b>\$151,760</b>	\$125,635

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**15. LEASES**

Mining interest and plant and equipment comprise of owned and leased assets.

<i>As at</i>	<b>December 31, 2019</b>
Mining interests and plant and equipment	<b>\$1,467,709</b>
Right-of-use assets	<b>29,217</b>
	<b>\$1,496,926</b>

The Company leases many assets including buildings, mining equipment, storage facilities and IT equipment. Information for which the Company is a lessee is presented below.

*Right-of-use assets*

	<b>Buildings</b>	<b>Mining equipment</b>	<b>Storage facilities</b>	<b>Vehicles</b>	<b>IT equipment</b>	<b>Total</b>
Balance, January 1, 2019	1,544	29,982	176	22	59	31,783
Additions (net of disposals)	1,938	4,361	371	—	—	6,670
Depreciation charge for the year	(496)	(9,944)	(205)	(4)	(13)	(10,662)
Foreign currency translation adjustment	82	1,332	10	1	1	1,426
Balance, December 31, 2019	3,068	25,731	352	19	47	29,217

*Lease liabilities*

<i>As at</i>	<b>December 31, 2019</b>	December 31, 2018
Maturity analysis - contractual undiscounted cash flows		
Less than one year	<b>10,485</b>	13,101
One to five years	<b>5,232</b>	10,006
Total undiscounted lease liabilities	<b>15,717</b>	23,107
Lease liabilities included in the statement of financial position	<b>15,316</b>	22,224
Current	<b>10,176</b>	12,465
Non-current	<b>5,140</b>	9,759

*Amounts recognized in profit or loss*

	<b>Year ended December 31, 2019</b>
Interest on lease liability	<b>269</b>
Variable lease payments not included in the measurement of lease liabilities	<b>26,167</b>
Income from sub-leasing right-of-use assets	<b>30</b>
Expenses relating to short-term leases	<b>8,532</b>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<b>192</b>

*Amounts recognized in the statement of cash flows*

	<b>Year ended December 31, 2019</b>	Year ended December 31, 2018
Total cash outflow from financing activities	<b>14,673</b>	23,109
Total cash outflow from operating activities	<b>28,212</b>	8,442



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*As a lessor*

The Company is party to contracts for the lease of a portion of its corporate office space, which is sub-leased to third parties. The Company sub-leases office space in three buildings that were leased in 2015 and 2017. The Company has classified the sub-lease as a finance lease because the sub-lease is for the whole of the remaining term of the head lease. Lease income from these sub-leases where the Company acts as a lessor is as below.

	<b>Year ended December 31, 2019</b>
<hr/>	
<b>Finance lease</b>	
Finance income on the net investment of a lease	<b>30</b>

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	<b>December 31, 2019</b>
<hr/>	
<i>As at</i>	
Less than one year	<b>277</b>
One to two years	<b>237</b>
Two to three years	<b>86</b>
Three to four years	<b>—</b>
Total undiscounted lease receivable at December 31, 2019	<b>600</b>
Unearned finance income	<b>27</b>

**16. SHARE BASED PAYMENT LIABILITIES**

**(i) Long-term incentive plan ("LTIP")**

The Company has an LTIP that provides for restricted share units ("RSUs") and performance share units ("PSUs") (collectively, "Share Units") that may be granted to employees, officers and eligible contractors of the Company and its affiliates. A director of the Company is not eligible to participate in the LTIP unless he or she is also an employee of the Company. At the discretion of the Company's Board of Directors, the Company can issue common shares or cash or any combination thereof in satisfaction of the Company's obligations under Share Units held by participants. The Company has historically equity-settled awards under the LTIP plan and accounted for them accordingly, however granted units that vested in 2019 were settled in cash, resulting in a change in the accounting to cash-settled.

The fair value of the share based liability recognized on modification of \$42,948 is greater than the amount previously recognized as expense in equity of \$7,228. The Company made an accounting policy choice under IFRS to recognize the excess amount as a direct charge to shareholders' equity as opposed to recognizing an expense in the statement of operations on the date of modification. As a result, the Company recognized \$29,248, net of tax of \$9,906, as a charge to retained earnings. All remaining and future grants under the LTIP will be accounted for as cash-settled awards. The maximum number of common shares made available for issuance under the LTIP shall not exceed: (i) such number of common shares as would, when combined with all other common shares subject to grants under DSUs, RSUs and PSUs of the Company, be equal to 2% of the common shares then outstanding; and (ii) such number of common shares as would, when combined with all other common shares of the Company, be equal to 5.5% of the common shares outstanding from time to time.

The value of an RSU and PSU at the grant date is equal to the fair market value of a common share of the Company on that date. Unless otherwise determined by the Compensation Committee, no RSU or PSU shall vest later than three years after the date of grant.

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Upon vesting of the PSUs, the number of shares the holder can receive ranges between 0% and 200% of the number of the PSUs granted, to be determined at the end of the performance period based on the performance of the Company's underlying shares.

Movements in the number of the PSUs and RSUs for the years ended December 31, 2019 and 2018 are as follows:

	Year ended December 31, 2019		Year ended December 31, 2018	
	PSUs	RSUs	PSUs	RSUs
Balance, beginning of year	502,037	524,094	342,206	364,263
Granted	117,143	129,146	198,528	198,528
Cancelled	(23,114)	(23,114)	(38,697)	(38,697)
Redeemed	(84,298)	(89,298)	—	—
Balance, end of year	511,768	540,828	502,037	524,094

**(ii) Deferred share unit plan ("DSU Plan")**

The Company has a DSU Plan for non-executive directors of the Company, which provides a cash payment, common shares, or a combination thereof on the date when a director ceases to be a director. The Company assumed phantom share units that were previously granted to Australian employees of Newmarket Gold Inc. as a result of a business combination that closed on November 30, 2016. Each phantom share unit entitles the holder to a cash payment on exercise based on market value of the Company's shares on the date of exercise less the strike price of the phantom share unit.

Changes in the number of deferred share units ("DSUs") and phantom share units outstanding during the years ended December 31, 2019 and 2018 are as follows:

	Year ended December 31, 2019		Year ended December 31, 2018	
	DSUs	Phantom share units	DSUs	Phantom share units
Balance at beginning of year	170,528	35,625	131,006	95,000
Granted	21,875	—	39,522	—
Redeemed	(37,026)	(35,625)	—	(35,625)
Cancelled	—	—	—	(23,750)
Balance, at end of year	155,377	—	170,528	35,625

Changes in the share based payment liabilities during the years ended December 31, 2019 and 2018 are as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Opening liability	\$4,276	\$2,116
Share based payment expense	9,307	2,564
Modification of share based payment	42,948	—
Redeemed DSUs and phantom share units (cash payments)	(2,453)	(441)
Foreign currency translation	1,179	37
Total share based payment liability	\$55,257	\$4,276
Current portion of share based payment liability	\$36,783	\$4,276
Long term share based payment liability	\$18,474	\$—

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**(iii) Share based payment expense**

The cost of share based payments is allocated to production costs (options granted to employees involved in the commercial operations at the mines and mill), and general and administrative costs (options granted to directors and corporate employees).

	Year ended December 31, 2019	Year ended December 31, 2018
RSU and PSU share based payment expense	\$—	\$2,874
Stock options share based payment expense	—	21
Equity based instruments share based payment expense	\$—	\$2,895
Cash settled instruments share based payment expense (note 16)	\$9,307	\$2,564
<b>Total share based payment expense</b>	<b>\$9,307</b>	<b>\$5,459</b>

The allocation of share based payment expense on the consolidated statement of operations and comprehensive income for the years ended December 31, 2019 and 2018 is as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
General and administrative	\$9,018	\$5,216
Production costs	289	243
<b>Total share based payment expense</b>	<b>\$9,307</b>	<b>\$5,459</b>

**17. PROVISIONS**

<i>As at</i>	December 31, 2019	December 31, 2018
Environmental rehabilitation provision	\$71,121	\$50,603
Long service leave	2,642	6,092
<b>Total provisions</b>	<b>73,763</b>	<b>56,695</b>
Current provisions	29,776	15,817
Long-term balance	\$43,987	\$40,878

*Environmental rehabilitation provision*

The Company provides for the estimated future cost of rehabilitating mine sites and related production facilities on a discounted basis as such activity that creates the rehabilitation obligation occurs. The rehabilitation provision represents the present value of estimated future rehabilitation costs. These provisions are based on the Company's internal estimates, with consideration of closure plans and rehabilitation requirements established by relevant regulatory bodies.

Changes in the environmental rehabilitation provision for the years ended December 31, 2019 and 2018 are as follows:

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	Year ended December 31, 2019	Year ended December 31, 2018
Balance, beginning of year	\$50,603	\$54,429
Changes in estimates	19,644	6,885
Site closure and reclamation costs paid	(938)	(6,840)
Unwinding of discount on rehabilitation provision	848	1,152
Foreign currency translation	964	(5,023)
Balance, end of year	71,121	50,603
Current portion	24,172	10,488
Long-term balance	\$46,949	\$40,115

The majority of the expenditures are expected to occur between 2020 and 2041. The inflation adjusted discount rate used in estimating the environmental provision for the year ended December 31, 2019 was 0% (discount rates between 1.83% and 2.32% and inflation rates between 2% and 3% were used for the year ended December 31, 2018). As the life of the mine is extended, the timing of certain expenditures will be deferred.

All estimates and assumptions are reviewed on an annual basis to take into account any material changes to underlying assumptions and inputs. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices and costs of production, which are inherently uncertain.

#### **18. SHAREHOLDERS' EQUITY**

The Company is authorized to issue an unlimited number of common shares without par value.

##### **(a) SHARE CAPITAL**

As at December 31, 2019, the Company had 209,624,480 common shares outstanding (December 31, 2018 - 209,822,819).

##### Share capital issuances

- During the year ended December 31, 2019, the Company issued an aggregate of 670,767 common shares upon the exercise of 670,767 stock options for \$3,855 (year ended December 31, 2018 - the Company issued an aggregate of 517,935 common shares upon the exercise of 517,935 stock options for \$3,591).

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Repurchases

2019

- On April 5, 2019, the Company purchased 199,900 common shares for \$6,187 (C\$8,275) pursuant to the Normal Course Issuer Bid ("NCIB"). All of the shares have been legally canceled as of December 31, 2019.
- On May 17, 2019, the Company purchased 199,900 common shares for \$6,623 (C\$8,859) pursuant to the NCIB which was renewed on the TSX on May 22, 2019. All of the shares have been legally canceled as of December 31, 2019.
- On November 29, 2019, the Company purchased 206,700 common shares for \$8,141 (C\$10,742) pursuant to the NCIB. All of the shares have been legally canceled as of December 31, 2019.
- On December 6, 2019, the Company purchased 520,500 common shares for \$21,824 (C\$28,799) pursuant to the NCIB. All of the shares have been legally canceled as of December 31, 2019.

2018

- On April 6, 2018, the Company purchased 69,400 shares for \$1,039 (C\$1,342) pursuant to the NCIB. All of the shares have been legally canceled as of December 31, 2018.
- During the three months ended September 30, 2018, the Company purchased 1,570,600 shares for \$29,772 (C\$38,912) pursuant to the NCIB. All of the shares have been legally canceled as of December 31, 2018.

Dividends

2019

<b>Dividend declaration date</b>	<b>Dividend paid date</b>	<b>Per share</b>	<b>Paid USD</b>	<b>Paid CAD</b>	<b>Reduction in retained earnings</b>
December 11, 2018	January 11, 2019	C\$0.04	\$6,328	C\$8,393	\$—
March 15, 2019	April 12, 2019	C\$0.04	\$6,326	C\$8,410	\$6,326
May 7, 2019	July 12, 2019	\$0.04	\$8,408	\$—	\$8,408
September 11, 2019	October 11, 2019	\$0.04	\$8,408	\$—	\$8,408
December 16, 2019	January 13, 2020	\$0.06	\$—	\$—	\$12,577
<b>Total</b>			<b>\$29,470</b>		<b>\$35,719</b>

2018

<b>Dividend declaration date</b>	<b>Dividend paid date</b>	<b>Per share</b>	<b>Paid USD</b>	<b>Paid CAD</b>	<b>Reduction in retained earnings</b>
December 15, 2017	January 15, 2018	C\$0.02	\$3,351	C\$4,219	\$—
March 28, 2018	April 13, 2018	C\$0.02	\$3,340	C\$4,224	\$3,340
June 18, 2018	July 13, 2018	C\$0.03	\$4,811	C\$6,337	\$4,908
September 17, 2018	October 12, 2018	C\$0.03	\$4,827	C\$6,290	\$4,812
December 11, 2018	January 11, 2019	C\$0.04	\$—	\$—	\$6,177
<b>Total</b>			<b>\$16,329</b>		<b>\$19,237</b>

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**(b) RESERVES**

**(i) Share based payment compensation plans**

In addition to the DSU and phantom share unit liabilities disclosed in note 16, the Company has the following outstanding equity based awards:

Stock options

The Company has a stock option plan ("the Stock Option Plan") that provides for the issuance of stock to employees, directors, or officers of the Company and any of its subsidiaries or affiliates, consultants, and management employees. On May 4, 2017, shareholders of the Company approved certain amendments to the Stock Option Plan, including changing the Stock Option Plan to a "rolling plan". Accordingly, the aggregate number of common shares to be reserved for issuance in satisfaction of stock options granted pursuant to the Stock Option Plan and all other security based compensation plans must not exceed 5.5% of the common shares issued and outstanding (on a non-diluted basis) at the time of granting any stock options. In accordance with the terms of the Stock Option Plan: (i) the exercise price of a stock option granted shall be determined by the Company's Board but in any event, shall not be less than the closing price of the common shares trading on the TSX on the date of grant; (ii) stock options shall have a maximum term of five years; and (iii) will generally be terminated ninety days after a participant ceases to be an officer, director, employee or consultant of the Company.

During the years ended December 31, 2019 and 2018, the Company did not grant any stock options.

Changes in stock options during the years ended December 31, 2019 and 2018 were as follows:

	Year ended December 31, 2019		Year ended December 31, 2018	
	Number of options	Weighted average exercise price (C\$)	Number of options	Weighted average exercise price (C\$)
Balance, beginning of year	897,409	\$5.02	1,499,315	\$5.80
Exercised	(670,767)	5.21	(517,935)	6.70
Expired	(8,153)	5.72	(83,971)	8.44
Stock options outstanding, end of year	<b>218,489</b>	<b>\$4.44</b>	897,409	\$5.02
Stock options exercisable, end of year	<b>218,489</b>	<b>\$4.44</b>	897,409	\$5.02

Options are valued using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioral considerations. Expected volatility is based on the historical share price volatility of the Company.

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*Stock Options Exercised*

The following table outlines share options granted under the former stock option plans of Kirkland Lake Gold Inc. and St. Andrews Goldfields Ltd. that were exercised during the year ended December 31, 2019:

Grant price (C\$)	Number of options exercised	Exercise dates	Weighted average closing share price at exercise date (C\$)
\$2.98 - \$6.82	172,416	January 1, 2019 - March 31, 2019	\$39.10
\$3.42 - \$6.82	334,679	April 1, 2019 - June 30, 2019	\$49.24
\$6.82	1,998	July 1, 2019 - September 30, 2019	\$56.22
\$4.95 - \$6.82	161,674	October 1, 2019 - December 31, 2019	\$59.43
	<b>670,767</b>		<b>\$48.69</b>

The following table outlines share options granted under the former stock option plans of Kirkland Lake Gold Inc. and St. Andrews Goldfields Ltd. that were exercised during the year ended December 31, 2018:

Grant price (C\$)	Number of options exercised	Exercise dates	Weighted average closing share price at exercise date (C\$)
\$2.85 - \$15.11	266,499	January 1, 2018 - March 31, 2018	\$19.57
\$3.42 - \$6.82	82,049	April 1, 2018 - June 30, 2018	\$22.64
\$3.42 - \$6.82	4,630	July 1, 2018 - September 30, 2018	\$27.15
\$2.98 - \$6.82	164,757	October 1, 2018 - December 31, 2018	\$29.49
	<b>517,935</b>		<b>\$23.28</b>

**(ii) Basic and diluted income per share**

Basic and diluted income per share for the years ended December 31, 2019 and 2018 is calculated as shown in the table below. The diluted income per share for the years ended December 31, 2019 and 2018 includes the impact of certain outstanding options, PSUs and RSUs.

	Year ended December 31, 2019	Year ended December 31, 2018
Net earnings	\$560,080	\$273,943
Weighted average basic number of common shares outstanding (in '000s)	210,142	210,692
Basic earnings per share	\$2.67	\$1.30
Net earnings	560,080	273,943
Cash settling LTIP adjustment	1,450	—
Net earnings for diluted earnings	561,530	273,943
Weighted average diluted number of common shares outstanding (in '000s)	211,645	212,623
Diluted earnings per share	\$2.65	\$1.29

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Weighted average diluted number of common shares for the years ended December 31, 2019 and 2018 is calculated as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Weighted average basic number of common shares outstanding (in '000s)	210,142	210,692
In the money shares - share options (in '000s)	450	905
Dilutive RSUs and PSUs (in '000s)	1,053	1,026
Weighted average diluted number of common shares outstanding	211,645	212,623

**19. SUPPLEMENTAL CASH FLOW INFORMATION**

As at December 31, 2019, the Company's cash balance of \$707,206 (December 31, 2018 – \$332,227) was held at major Canadian and Australian banks in deposit accounts, and was comprised of \$686,481 (as at December 31, 2018 – \$324,483) denominated in US dollars, which was exposed to movements in foreign exchange rates.

Supplemental information to the statements of cash flows is as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
<b>Change in non-cash working capital</b>		
Decrease (increase) in accounts receivable	\$2,883	(\$5,831)
(Increase) in inventories	(3,121)	(4,937)
(Increase) decrease in prepaid expenses	(4,429)	942
(Decrease) increase in accounts payable and accrued liabilities	(20,733)	43,425
	<b>(\$25,400)</b>	<b>\$33,599</b>
<b>Investing and financing non-cash transactions</b>		
Plant and equipment acquired through lease	\$6,037	\$8,589

Effective July 1, 2019, the Company made an accounting policy change to classify cash interest received within the condensed consolidated statement of cash flows for the years ended December 31, 2019 and 2018 as an operating activity rather than a non-operating activity, which more appropriately reflects the nature of these cash flows. The comparative figures for the year ended December 31, 2018 have been re-classified to conform with this change in accounting policy.

**20. OPERATING SEGMENTS**

The reportable operating segments are those operations for which operating results are reviewed by the President and Chief Executive Officer who is the chief operating decision maker regarding decisions about resources to be allocated to the segment and to assess performance provided those operations pass certain quantitative thresholds. Operations with revenues, earnings or losses or assets that exceed 10% of the total consolidated revenue, earnings or losses or assets are reportable segments.

Each of the Company's reportable operating segments generally consists of an individual mining property managed by a single general manager and operations management team.

The Company's operating segments reflect these multiple mining interests and are reported in a manner consistent with internal reporting used to assess the performance of each segment and make decisions about resources to be allocated to the segments.



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The information reported below as at and for the years ended December 31, 2019 and 2018 is based on the information provided to the President and Chief Executive Officer.

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**As at and for the year ended December 31, 2019**

	Macassa Mine	Holt Complex	Fosterville	Northern Territory	Corporate and other <sup>3</sup>	Total
<b>Revenue</b>	\$333,644	\$161,413	\$884,931	\$—	\$—	<b>\$1,379,988</b>
<b>Production costs</b>	(99,227)	(104,888)	(76,919)	—	—	<b>(281,034)</b>
<b>Royalty expense</b>	(11,240)	(7,738)	(17,454)	—	—	<b>(36,432)</b>
<b>Depletion and depreciation</b>	(44,499)	(33,021)	(91,401)	—	—	<b>(168,921)</b>
<b>Earnings from mine operations</b>	178,678	15,766	699,157	—	—	<b>893,601</b>
<b>Expenses</b>						
General and administrative	—	—	—	—	(45,365)	<b>(45,365)</b>
Transaction costs	—	—	—	—	(1,236)	<b>(1,236)</b>
Exploration	(1,338)	(5,288)	(15,895)	(10,948)	—	<b>(33,469)</b>
Care and maintenance	—	(43)	—	(1,148)	—	<b>(1,191)</b>
<b>Earnings (loss) from operations</b>	177,340	10,435	683,262	(12,096)	(46,601)	<b>812,340</b>
Other income (loss), net <sup>1</sup>						<b>(18,817)</b>
<b>Finance items</b>						
Finance income <sup>1</sup>						<b>6,941</b>
Finance costs <sup>1</sup>						<b>(2,282)</b>
<b>Earnings before income taxes</b>						<b>798,182</b>
<b>Expenditures on:</b>						
Mining interest	\$104,728	\$37,221	\$78,449	\$51,294	\$—	<b>\$271,692</b>
Plant and equipment	89,718	19,400	82,851	48,550	3,886	<b>244,405</b>
<b>Total capital expenditures<sup>2</sup></b>	<b>\$194,446</b>	<b>\$56,621</b>	<b>\$161,300</b>	<b>\$99,844</b>	<b>\$3,886</b>	<b>\$516,097</b>
<b>Total assets</b>	<b>\$645,617</b>	<b>\$223,494</b>	<b>\$546,069</b>	<b>\$197,768</b>	<b>\$944,669</b>	<b>\$2,557,617</b>
<b>Total liabilities</b>	<b>\$203,521</b>	<b>\$69,953</b>	<b>\$113,629</b>	<b>\$37,591</b>	<b>\$316,169</b>	<b>\$740,863</b>

<sup>1</sup> Certain costs are managed on a consolidated basis and are therefore not reflected in segment income.

<sup>2</sup> Segment capital expenditures are presented on an accrual basis.

<sup>3</sup> Total assets includes \$615.7 million of cash that resides within Newmarket Gold NT Holdings Pty. Ltd. ('NGNT'), which is the parent company to the Company's Australian entities. In 2018, the cash balance of \$164.5 million was presented as part of the Northern Territory for operating segment note disclosure purposes, however in 2019 the Company has changed the presentation of the cash balance to be included within the 'Corporate and Other' operating segment as it more accurately reflects the total assets of the operating segment.

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As at and for the year ended December 31, 2018

	Macassa Mine	Holt Complex	Fosterville	Northern Territory	Corporate and other <sup>3</sup>	Total
<b>Revenue</b>	\$307,807	\$164,045	\$444,059	\$—	\$—	\$915,911
<b>Production costs</b>	(102,845)	(88,844)	(75,743)	—	—	(267,432)
<b>Royalty expense</b>	(9,074)	(8,352)	(8,992)	—	—	(26,418)
<b>Depletion and depreciation</b>	(45,861)	(25,500)	(60,167)	(2,185)	(5)	(133,718)
<b>Earnings (loss) from mine operations</b>	150,027	41,349	299,157	(2,185)	(5)	488,343
<b>Expenses</b>						
General and administrative	—	—	—	—	(31,565)	(31,565)
Exploration	(4,090)	(6,232)	(26,481)	(29,811)	—	(66,614)
Care and maintenance	—	(2,832)	—	(249)	—	(3,081)
<b>Earnings (loss) from operations</b>	145,937	32,285	272,676	(32,245)	(31,570)	387,083
Other income (loss), net <sup>1</sup>						5,130
<b>Finance items</b>						
Finance income <sup>1</sup>						5,714
Finance costs <sup>1</sup>						(3,617)
<b>Earnings before income taxes</b>						394,310
<b>Expenditures on:</b>						
Mining interest	\$67,079	\$26,001	\$58,650	\$23,240	\$—	\$174,970
Plant and equipment	59,271	16,508	46,407	5,143	—	127,329
<b>Total capital expenditures<sup>2</sup></b>	\$126,350	\$42,509	\$105,057	\$28,383	\$—	\$302,299
<b>Total assets</b>	\$531,457	\$196,176	\$436,616	\$144,945	\$400,966	\$1,710,160
<b>Total liabilities</b>	\$204,160	\$51,466	\$122,324	\$31,121	\$37,983	\$447,054

<sup>1</sup> Certain costs are managed on a consolidated basis and are therefore not reflected in segment income.

<sup>2</sup> Segment capital expenditures are presented on an accrual basis.

<sup>3</sup> In 2018, the cash balance of \$164.5 million was presented as part of the Northern Territory for operating segment note disclosure purposes, however in 2019 the Company has changed the presentation of the cash balance to be included within the 'Corporate and Other' operating segment as it more accurately reflects the total assets of the operating segment.

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The following table shows non-current assets by geographic region:

<b>Geographic information</b>	<b>Non-current assets</b>	
	<b>As at</b>	
	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Australia	<b>\$712,845</b>	\$571,569
Canada	<b>1,051,224</b>	740,679
<b>Total</b>	<b>\$1,764,069</b>	\$1,312,248

The following table summarizes sales to individual customers exceeding 10% of annual metal sales for the following periods:

<b>Customer</b>	<b>Metal sales</b>	
	<b>Year ended December 31, 2019</b>	<b>Year ended December 31, 2018</b>
1 - Australia	<b>\$882,199</b>	\$442,767
2 - Canada	<b>221,958</b>	186,195
3 - Canada	<b>160,336</b>	182,762
4 - Canada	—	93,420
<b>Total</b>	<b>\$1,264,493</b>	\$905,144
% of total sales	<b>92%</b>	99%

The Company is not economically dependent on a limited number of customers for the sale of its product because gold doré can be sold through numerous commodity market traders worldwide. The hierarchy of customers differ in the years ended December 31, 2019 and 2018.

## **21. CAPITAL RISK MANAGEMENT**

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, operation, exploration and development of mineral properties. In the definition of capital, the Company includes, as disclosed on its consolidated statement of financial position: share capital, reserves, accumulated other comprehensive income (loss) and retained earnings.

The Company's capital at December 31, 2019 and 2018 is as follows:

<i>As at</i>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Share capital	<b>\$886,309</b>	\$923,964
Reserves	<b>28,843</b>	35,135
Accumulated other comprehensive income (loss)	<b>14,571</b>	(87,911)
Retained earnings	<b>887,031</b>	391,918
	<b>\$1,816,754</b>	\$1,263,106

The Company believes it has sufficient funds to finance its current operating, development and exploration expenditures. Longer term, the Company may pursue opportunities to raise additional capital through equity and or debt markets as it progresses with its properties and projects. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable.

Neither the Company nor its subsidiaries are subject to any other externally imposed capital requirements.

**22. FINANCIAL INSTRUMENTS**

**Carrying values of financial instruments**

The carrying values of the financial assets and liabilities at December 31, 2019 and December 31, 2018 are as follows:

<i>As at</i>	December 31, 2019	December 31, 2018
<b>Financial Assets</b>		
<i>At fair value through profit or loss</i>		
Warrant investments (note 12)	\$1,605	\$1,209
<i>Loans and receivables, measured at amortized cost</i>		
Cash	\$707,206	\$332,227
Restricted cash	—	22,190
Accounts receivable (not including sales taxes)	3,110	8,794
	<b>\$710,316</b>	<b>\$363,211</b>
<i>Investments in equity securities, measured at fair value through Other Comprehensive Income</i>		
Investments in equity securities (note 12)	\$253,540	\$141,781
<b>Financial Liabilities</b>		
<i>At fair value through profit or loss</i>		
Share based payment liabilities (note 16)	\$55,257	\$4,276
<i>Other financial liabilities, measured at amortized cost</i>		
Accounts payable and accrued liabilities (note 14)	\$151,760	\$125,635
Leases (note 15)	15,316	22,224
	<b>\$222,333</b>	<b>\$152,135</b>

**Fair values of financial instruments**

The fair values of cash, accounts receivable, restricted cash, accounts payable and accrued liabilities approximate their carrying values due to the short term to maturity of these financial instruments.

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The fair value hierarchy of financial instruments measured at fair value on the consolidated statement of financial position is as follows:

<i>As at</i>	<b>December 31, 2019</b>	December 31, 2018
<b>Level 1</b>		
Investments in equity securities - publicly traded	<b>\$252,385</b>	\$141,781
Share based payment liabilities (note 16)	<b>\$55,257</b>	\$4,276
<b>Level 2</b>		
Warrant investments (note 12)	<b>\$1,605</b>	\$1,209
<b>Level 3</b>		
Investments in equity securities - privately held	<b>\$1,155</b>	\$—

**Financial instruments risks factors**

The Company is exposed to financial risks sensitive to changes in share prices, share price volatility, foreign exchange and interest rates. The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Currently the Company has no outstanding options, forward or future contracts to manage its price-related exposures.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

The Company's credit risk is primarily attributable to trade and other amounts receivable, which consist primarily of goods and services tax due from the Federal Governments of Australia and Canada. Consequently, credit risk is considered low and no allowance for doubtful debts has been recorded at the date of the consolidated statements of financial position. At December 31, 2019 and December 31, 2018, there were no significant trade receivables and the Company has no significant concentration of credit risk arising from trade receivables.

The Company's cash and restricted cash are held with established Canadian and Australian financial institutions for which management believes the risk of loss to be remote. Deposits held with banks may exceed the amount of insurance provided on such deposits.

*Liquidity risk*

The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis; there are no significant payables or obligations that are outstanding past their due dates. As at December 31, 2019, the Company had a net working capital of \$377,685 (December 31, 2018 - \$205,285), including cash of \$707,206 (December 31, 2018 - \$332,227).

Future financing requirements, if any, will depend on a number of factors that are difficult to predict and are often beyond the control of the Company. The main factor is the realized price of gold received for gold produced from the Company's operating mines and the operating and capital costs of those mines, and exploration and development costs associated with the Company's growth projects.

The contractual cash flow obligations of the Company as at December 31, 2019 are as follows:

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As at December 31, 2019	Total	Less than a year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	\$151,760	\$151,760	\$—	\$—	\$—
Lease obligation payments	15,717	10,485	5,054	178	—
Income taxes payable	188,450	188,450	—	—	—
	<b>\$355,927</b>	<b>\$350,695</b>	<b>\$5,054</b>	<b>\$178</b>	<b>\$—</b>

Market risk

*(a) Foreign currency risk*

The Company is exposed to foreign currency risk as the development and operation of the Company's mining assets will largely be funded with Canadian and Australian dollars while gold is priced on international markets in US dollars, the Company's presentation currency.

	CAD	AUD
Closing US dollar exchange rate at December 31, 2019	\$0.77	\$0.70
Average US dollar exchange rate during the year ended December 31, 2019	\$0.75	\$0.70
Closing US dollar exchange rate at December 31, 2018	\$0.73	\$0.70
Average US dollar exchange rate during the year ended December 31, 2018	\$0.77	\$0.75

Currency risk only exists on account of monetary financial instruments denominated in a currency that is not the functional currency. The following table indicates the impact of foreign currency exchange risk on net monetary financial assets, denominated in a currency other than the functional currency, as at December 31, 2019. The table below also provides a sensitivity analysis of a 10 percent adverse movement of the US dollar against the Canadian dollar and Australian dollar as identified which would have decreased the Company's net earnings by the amounts shown in the table below. A 10 percent weakening of the US dollar against the foreign currencies would have had the equal but opposite effect as at December 31, 2019.

	US\$
Total foreign currency net financial assets in US\$ <sup>(1)</sup>	\$685,295
Impact of a 10% variance of the CAD:US exchange rate on net earnings	\$5,130
Impact of a 10% variance of the AUD:US exchange rate on net earnings	\$43,085

(1) Includes financial assets and financial liabilities denominated in United States Dollars

*(b) Interest rate risk*

The Company's exposure to risks of changes in market interest rates relates primarily to interest earned on its cash balances. The Company reviews its interest rate exposure periodically, giving consideration to potential renewals of existing positions and alternative financial investments.

The finance leases bear interest at fixed rates. The Company does not account for any fixed rate liabilities at fair value, consequently a change in the interest rates at the reporting date would not impact the carrying amount of financial liabilities on the Consolidated Statement of Operations. The impact on cash of a movement in interest rates by a plus or minus 1% change would not be material to the value of cash.

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*(c) Equity securities price risk*

The Company is exposed to equity securities price risk of changes because of the investments in equity securities and warrant investments held by the Company. The Company's portfolio of investments is not part of its core operations, and accordingly, gains and losses from these investments are not representative of the Company's performance during the year. As at December 31, 2019, the impact of a 10% increase or decrease in the share prices of the investments in equity securities would have resulted in an increase or decrease of \$21,647, respectively, that would have been included in other comprehensive income. A 10% increase and 10% decrease in the share prices of the investments in equity securities would have resulted in an increase of \$188 and decrease of \$164 in net earnings, respectively in relation to the warrant investments.

**23. RELATED PARTY TRANSACTIONS**

The remuneration of directors and executive officers is determined by the compensation committee of the Board of Directors. The directors' fees, consulting fees and other compensation of directors and executive officers were as follows:

	<b>Year ended December 31, 2019</b>	Year ended December 31, 2018
Officer salaries and short-term benefits	<b>\$10,661</b>	\$8,230
Share based payment expense	4,237	4,478
Directors fees	600	512
Severance payments	461	—
	<b>\$15,959</b>	\$13,220

Related party transactions are measured at the exchange amount which is the consideration agreed to between the parties.

The Company chartered an aircraft owned by a Company controlled by the ex-Chairman of the Board during his tenure at the Company which ended on May 7, 2019. The total expense was \$68 during the year ended December 31, 2019 (year ended December 31, 2018 - \$177).

The Company entered into contracts with wholly-owned subsidiaries of Gekko Systems, a global mineral processing and equipment company. The total expense was \$61 during the year ended December 31, 2019. Ms. Elizabeth Lewis-Gray, a member of the Company's Board of Directors effective September 26, 2019, is the Co-founder, Chair and Managing Director of Gekko Systems.

**24. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

The Company has royalty obligations on its various mines sites as discussed below:

- A 1.5% NSR royalty payable to Franco-Nevada Corporation ("FNV") on production from the Company's Macassa property.
- A 2% NSR on production from the Macassa mine payable to Sandstorm Gold Ltd. (Hurd-McCauley).
- A 3% NSR on production from the Macassa mine payable to Harbour Royalty Corp. (Morgan) (linked to gold price, NSR could decrease if gold price decreases below \$1,000 CDN).



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- A 20% NPI on production at the Macassa mine payable to FNV relating to the Gracie Claim.
- Minimum cash payment of \$3,000 or \$0.25 per ton mined payable to Boisvert/Joseph for claims held at the Macassa property.
- Payable to FNV, a 1% NSR on production from the Taylor mine ; a 3% NSR on production for Holloway and a sliding scale NSR linked to gold price for the Holt mine paying 3% and 10% in 2019.
- A 0.013% of gold price royalty factor NSR payable to Newmont Corporation relating to production at Holt.
- A 1% NSR payable to Zyla relating to production at the Holloway Zone Lightning-TBZ.
- A 2% NSR payable to Cadden relating to production at the Holloway Zone Lightning-TBZ.
- A \$10 per ounce royalty payable to Osisko Mining Inc. relating to production at Holloway zones Smoke East and Black Top.
- A 2% NSR payable to Walter Turney at the Taylor zone WPZ (North Portion).
- A 0.5% NSR on production from the Macassa, Taylor, Holt and Holloway mines to the First Nations identified in the IBA.
- For the Company's mine properties in the State of Victoria, Australia, a 2% NSR royalty on the Fosterville Gold Mine.
- For the Company's mine properties in the State of Victoria, Australia, a 2.75% NSR royalty on the Fosterville Gold Mine payable to the Victorian Government effective January 1, 2020.
- The Fosterville Gold Mine is subject to a license fee which enables it to use the patented BIOX process to treat refractory ore from the underground mine. The fee is paid at a rate of A\$1.33 per ounce of gold produced and treated through the BIOX Plant.
- A 1% ad valorem royalty on any future gold production above 250,000 ounces derived from the Maud Creek Gold Project (Australia); a 1% gross royalty and A\$5 per ounce royalty are payable on any future gold production from certain tenements from the Maud Creek Gold Project that are located south of the main Maud Creek gold deposit. The Company also has a contingent contractual obligation of a payment of A\$2 million that would be due upon a decision to proceed with development of the Maud Creek Gold Project.
- Beginning July 1, 2019, there is a minimum value based royalty on the gross production revenue per year at Northern Territory. A 1% royalty is payable in the first year, 2% in the second year and 2.5% in the third year and further.

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**25. CONTINGENCIES**

Certain conditions exist as of the date the financial statements are issued that may result in a gain or loss to the Company, but which will only be resolved when one or more future events occur or fail to occur, at which time the effects, if any, are recognized in the consolidated financial statements of the Company. The assessment of such contingencies inherently involves the exercise of significant judgments and estimates.

The Company does not believe that any outstanding matters, for which a provision has not been recorded, will have a material impact on the financial position of the Company.

**26. SUBSEQUENT EVENTS**

On November 25, 2019, the Company announced it had entered into an Arrangement Agreement to acquire all of the issued and outstanding common shares of Detour Gold Corporation ("Detour"), with Detour shareholders receiving 0.4343 of a Kirkland Lake common share for every one Detour share ("Exchange Ratio"). Upon closing of the transaction on January 31, 2020, the Company issued 77,217,129 Kirkland Lake common shares to the former shareholders of Detour. Furthermore, all outstanding stock options of Detour have been exchanged under the agreement at the Exchange Ratio. The Company is authorized up to an additional 343,485 common shares upon exercise of the stock options held by the former options holders of Detour. Subsequent to the share issuance, Kirkland Lake and former Detour shareholders owned 73% and 27%, respectively of the shares of the combined Company.

Detour was a publicly traded mining company in Canada with shares traded on the Toronto Stock Exchange and was subsequently de-listed on February 3, 2020. Detour held a 100% interest in the Detour Lake gold mine, a long-life open pit operation located in Northern Ontario.

The Company determined that the transaction represents a business combination under IFRS 3 Business Combinations, with Kirkland Lake identified as the acquirer. As the transaction closed on January 31, 2020, the initial allocation of the purchase price consideration to the identifiable assets and liabilities assumed is not complete, with the main areas under consideration being the value attributable to the mineral interests associated with the Detour Lake gold mine and the determination of goodwill arising from the acquisition, if any. The Company will disclose a preliminary purchase price allocation in our Q1 2020 interim financial statements.

Acquisition related costs of approximately \$1 million were expensed in the fourth quarter and are reflected on the Company's consolidated statement of operations and comprehensive income. Additional transaction costs of approximately \$35 million that were contingent upon the closing of the transaction were paid in Q1 2020 and will be reflected on the Company's consolidated statement of operations and comprehensive income for that period.



**KIRKLAND LAKE GOLD**

## **Management's Discussion & Analysis**

**For the years ended December 31, 2019 and 2018**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") dated February 19, 2020 for Kirkland Lake Gold Ltd. (the "Company" and as defined in the section entitled "Business Overview") contains information that management believes is relevant to an assessment and understanding of the Company's consolidated financial position and the results of its consolidated operations for the years ended December 31, 2019 and 2018. The MD&A should be read in conjunction with the Consolidated Financial Statements for the years ended December 31, 2019 and 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

## FORWARD LOOKING STATEMENTS

This MD&A may contain forward-looking statements and should be read in conjunction with the risk factors described in the "Risk and Uncertainties" and "Forward Looking Statements" sections at the end of this MD&A and as described in the Company's Annual Information Form for the year ended December 31, 2018 (Annual Information Form for the year ended December 31, 2019 to be released in March 2020). Additional information including this MD&A, the audited Consolidated Financial Statements for the year ended December 31, 2019, the Company's Annual Information Form for the year ended December 31, 2018, and press releases have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR"), the Electronic Data Gathering, Analysis and Retrieval system ("EDGAR"), and are available online under the Kirkland Lake Gold Ltd. profile at [www.sedar.com](http://www.sedar.com), [www.sec.gov/edgar](http://www.sec.gov/edgar), [www.asx.com.au](http://www.asx.com.au) and on the Company's website ([www.klgold.com](http://www.klgold.com)).

## NON – IFRS MEASURES

Certain non-IFRS measures are included in this MD&A, including free cash flow, operating cash costs and operating cash costs per ounce sold, sustaining and growth capital expenditures, all-in sustaining costs ("AISC") and AISC per ounce sold, average realized gold price per ounce sold, adjusted net earnings and adjusted net earnings per share, earnings before interest, taxes and depreciation and amortization ("EBITDA") and working capital. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that these measures, in addition to information prepared in accordance with IFRS, provides investors with useful information to assist in their evaluation of the Company's performance and ability to generate cash flow from its operations. Accordingly, these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

The following additional abbreviations may be used throughout this MD&A: General and Administrative Expenses ("G&A"); Plant and Equipment ("PE"); Gold ("Au"); Troy Ounces ("oz"); Grams per Tonne ("g/t"); Million Tonnes ("Mt"); Tonnes ("t"); Square Kilometre ("km<sup>2</sup>"); Metres ("m"); Tonnes per Day ("tpd"); Kilo Tonnes ("kt"); Estimated True Width ("ETW"); and Life of Mine ("LOM"). Throughout this MD&A the reporting periods for the three months ended December 31, 2019 and December 31, 2018 are abbreviated as Q4 2019 and Q4 2018, while the reporting period for the three months ended September 30, 2019 is abbreviated as Q3 2019. In addition, the reporting periods for the twelve months ended December 31, 2019 and December 31, 2018 are abbreviated as FY 2019 and FY 2018, respectively.

## REPORTING CURRENCY

All amounts are presented in U.S. dollars ("\$") unless otherwise stated. References in this document to "C\$" are to Canadian dollars and references to "A\$" are to Australian dollars. Unless otherwise specified, all tabular amounts are expressed in thousands of U.S. dollars, except per share or per ounce amounts.

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## BUSINESS OVERVIEW

Kirkland Lake Gold Ltd. (individually, or collectively with its subsidiaries, as applicable, the "Company" or "Kirkland Lake Gold") is a growing, Canadian, U.S. and Australian-listed, gold producer with six wholly owned operating mines in Canada and Australia. The Company's production is anchored by two high-grade, low-cost underground mining operations: the Macassa mine ("Macassa") located in northeastern Ontario, Canada and the Fosterville mine ("Fosterville") located in the state of Victoria, Australia. The Company also owns and operates the Holt Complex, which includes three wholly owned operating mines, the Taylor mine ("Taylor"), Holt mine ("Holt") and Holloway mine ("Holloway"), as well as a central milling facility, the Holt mill. The Holt Complex is located in northeastern Ontario. Also located in Northern Ontario is the Detour Lake open-pit mine ("Detour Lake"), which the Company acquired effective January 31, 2020. Detour Lake produced 159,109 ounces in Q4 2019 and 601,566 ounces in FY 2019. Results from Detour Lake are not included in the Company's Q4 and FY 2019 consolidated results. The Company's business portfolio also includes assets in the Northern Territory of Australia. These assets, which are comprised of the Cosmo mine ("Cosmo"), Union Reefs mill ("Union Reefs") as well as a number of exploration properties, were placed on care and maintenance effective June 30, 2017. The Company is currently conducting an advanced exploration program in the Northern Territory, which includes significant exploration drilling, underground development and, as of October 2019, and testing processing through the Union Reefs mill. On February 19, 2020, the Company announced that the Holt Complex and assets in the Northern Territory were being designated as non-core with plans to review all strategic options to maximize the value of these assets.

The Company conducts extensive exploration activities on its land holdings in Canada and Australia. The current exploration programs are focused on extending known zones of mineralization and testing for new discoveries in order to increase the level of Mineral Resources and Mineral Reserves in support of future organic growth.

Kirkland Lake Gold is focused on delivering superior value for its shareholders and maintaining a position within the mining industry as a sustainable, growing low-cost gold producer. Over the last two years, the Company has achieved both significant production growth and improved unit costs, which has resulted in higher levels of profitability and cash flow. Through the advancement of development and exploration programs, the continued extension of mine life at existing deposits and the utilization of excess milling capacity at each of its operations, Kirkland Lake Gold is well positioned to achieve further increases in shareholder value.

In addition to the Company's portfolio of wholly owned assets, Kirkland Lake Gold has made strategic investments in the common shares of other public issuers in instances where the Company could gain exposure to prospective mineral properties that offer the potential for future profitable gold production. Should the exploration programs of public issuers in which the Company has invested result in the establishment of a sufficiently attractive economic deposit, the Company may elect to acquire additional interests in such deposits.

## ACQUISITION OF DETOUR GOLD CORPORATION

Subsequent to the end of 2019, the Company acquired all issued and outstanding shares of Detour Gold Corporation ("Detour Gold") on January 31, 2020, through a plan of arrangement announced on November 25, 2019 (the "Arrangement"). Pursuant to the Arrangement, Detour Gold shareholders received 0.4343 of a common share of Kirkland Lake Gold in exchange for each Detour Gold share held immediately prior to closing of the Arrangement. In aggregate, the Company issued approximately 77,217,129 common shares of Kirkland Lake Gold to former Detour Gold shareholders as consideration for their Detour Gold shares. In addition, all outstanding stock options of Detour were exchanged under the agreement. The Company is authorized to issue up to an additional 343,485 common shares upon exercise of the stock options held by the former options holders of Detour. With the completion of the transaction, Detour Gold has become a wholly owned subsidiary of Kirkland Lake Gold, and the Company is now the owner and operator of Detour Lake, a large-scale, open-pit gold mine in Northern Ontario. The acquisition adds a third cornerstone asset to the Company's portfolio, with 2019 production at Detour Lake of 601,566 ounces. Like Macassa and Fosterville, Detour Lake combines free cash generating operations with significant in-mine growth potential and attractive regional exploration upside.

**EXECUTIVE SUMMARY**

The MD&A document provides a detailed review of information relevant to an assessment and understanding of the Company's consolidated financial position and the results of its consolidated operations. This section is intended to assist readers interested in a condensed, summary review of the Company's performance for the three and twelve months ended December 31, 2019. This section should be read in conjunction with the remainder of the MD&A, which discusses among other things, risk factors impacting the Company.

<i>(in thousands of dollars, except per share amounts)</i>	<b>Three Months ended December 31, 2019</b>	Three Months Ended December 31, 2018	<b>Year Ended December 31, 2019</b>	Year Ended December 31, 2018
Revenue	<b>\$412,379</b>	\$280,320	<b>\$1,379,988</b>	\$915,911
Production costs	<b>71,169</b>	64,604	<b>281,034</b>	267,432
Earnings before income taxes	<b>232,042</b>	149,336	<b>798,182</b>	394,310
Net earnings	<b>\$169,135</b>	\$106,535	<b>\$560,080</b>	\$273,943
Basic earnings per share	<b>\$0.81</b>	\$0.51	<b>\$2.67</b>	\$1.30
Diluted earnings per share	<b>\$0.80</b>	\$0.50	<b>\$2.65</b>	\$1.29
Cash flow from operating activities	<b>\$247,100</b>	\$207,283	<b>\$919,390</b>	\$548,790
Cash investment on mine development and PPE	<b>\$114,319</b>	\$117,712	<b>\$456,423</b>	\$293,590

	<b>Three Months Ended December 31, 2019</b>	Three Months Ended December 31, 2018	<b>Year Ended December 31, 2019</b>	Year Ended December 31, 2018
Tonnes milled	<b>462,372</b>	412,260	<b>1,670,478</b>	1,671,401
Grade (g/t Au)	<b>19.1</b>	17.8	<b>18.5</b>	13.9
Recovery (%)	<b>98.3%</b>	97.8%	<b>98.1%</b>	96.9%
Gold produced (oz)	<b>279,742</b>	231,217	<b>974,615</b>	723,701
Gold Sold (oz)	<b>278,438</b>	225,692	<b>979,734</b>	722,277
Average realized price (\$/oz sold) <sup>(1)</sup>	<b>\$1,481</b>	\$1,237	<b>\$1,405</b>	\$1,263
Operating cash costs per ounce (\$/oz sold) <sup>(1)</sup>	<b>\$255</b>	\$286	<b>\$284</b>	\$362
AISC (\$/oz sold) <sup>(1)</sup>	<b>\$512</b>	\$567	<b>\$564</b>	\$685
Adjusted net earnings <sup>(1)</sup>	<b>\$185,303</b>	\$105,010	<b>\$576,414</b>	\$273,969
Adjusted net earnings per share <sup>(1)</sup>	<b>\$0.88</b>	\$0.50	<b>\$2.74</b>	\$1.30
Free cash flow <sup>(1)</sup>	<b>\$132,781</b>	\$89,571	<b>\$462,967</b>	\$255,200

<sup>(1)</sup> Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

**Full-Year 2019 ("FY 2019") Highlights**



<sup>(1)</sup> Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.



**Strong growth in production and sales:** Gold production of 974,615 ounces, an increase of 35% from full-year 2018 ("FY 2018") mainly reflecting a 59% improvement in the average grade at Fosterville, where production grew to 619,366 ounces from 356,230 ounces for FY 2018. Gold sales totalled 979,734 ounces, 36% higher than 722,277 ounces in FY 2018 with the increase in production accounting for the year-over-year growth.

**Solid improvement in unit costs:** Production costs in FY 2019 totaled \$281.0 million versus \$267.4 million in FY 2018. Operating cash costs per ounce sold averaged \$284 in 2019, a 22% improvement from FY 2018 largely reflecting the favourable impact of higher grades on sales volumes at Fosterville, where operating cash costs per ounce sold improved to \$119 from \$200 the previous year. All-in sustaining costs ("AISC") per ounce sold averaged \$564 for FY 2019, 18% better than the FY 2018 average, mainly reflecting the favourable impact of higher sales volumes at Fosterville on both operating cash costs and sustaining capital expenditures on a per ounce sold basis.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

**51% growth in revenue:** Revenue of \$1,380.0 million, a \$464.1 million or 51% increase from FY 2018, with higher sales volumes contributing \$325 million of the increase and a higher average gold price (\$1,405 per ounce in FY 2019 versus \$1,263 per ounce in FY 2018) providing a \$139 million favourable impact.

**Strong cash flow generation:** Net cash provided by operating activities in FY 2019 totaled \$919.4 million, an increase of \$370.6 million or 68% from 2018, with higher levels of net earnings largely driving the increase from the previous year. Free cash flow in FY 2019 was a record \$463.0 million, an increase of \$207.8 million or 81% from \$255.2 million in FY 2018.

**Cash position increases 113%:** Cash at December 31, 2019 totaled \$707.2 million, an increase of \$375.0 million or 113% from \$332.2 million at December 31, 2018. The increase in cash during 2019 resulted from the strong growth in net cash provided by operating activities, which was only partially offset by higher net cash used for investing activities, largely reflecting progress with the Company's key growth projects during 2019, and an increase in net cash used for financing activities due to higher dividend payments and share repurchases in FY 2019 versus the previous year.

**Adjusted net earnings double from FY 2018:** Net earnings of \$560.1 million (\$2.67 per share) compared to net earnings of \$273.9 million (\$1.30 per share) for FY 2018. Adjusted net earnings totalled \$576.4 million (\$2.74 per share) versus \$274.0 million (\$1.30 per share) for FY 2018. The favourable impact of significantly higher revenue and lower expensed exploration and evaluation costs were the main drivers of higher adjusted net earnings in FY 2019 compared to the previous year. The primary difference between net earnings and adjusted net earnings in FY 2019 was the exclusion from adjusted net earnings of a \$12.9 million after tax foreign exchange revaluation loss primarily arising from the revaluation of a US dollar cash balance held in one of the Company's Australian entities, which is treated as an adjusting item as it is not reflective of the Company's earnings. The main difference between net earnings and adjusted net earnings in FY 2018 related to the exclusion from adjusted net earnings of a mark-to-market loss on the fair valuing of the Company's warrant investments, a foreign exchange gain, in line with the adjustment made in 2019, as well as the impact of purchase price allocation adjustments on inventory.

**Continued exploration success:** Exploration success in FY 2019 included significantly extending the South Mine Complex to both the east and west and intersecting high-grades zones along the Amalgamated Break at Macassa, and extending mineralized structures and intersecting quartz with visible gold mineralization at multiple locations at Fosterville, similar to the mineralization found in the Swan Zone.

**Peak growth capital expenditures reflect significant progress:** Growth capital expenditures (Non-IFRS Measure, see Non-IFRS Measures section later in this MD&A) of \$172.1 million, including \$76.6 million related to the #4 Shaft project at Macassa, which had reached a depth of 1,200 feet by the end of 2019 and was advancing on schedule and budget.

**Focused on value creation for shareholders:** Increased quarterly dividend twice in FY 2019, including a 50% increase to \$0.06 per share effective with the Q4 2019 dividend payment. In addition, the Company repurchased 1,127,000 common shares during FY 2019 through its normal course issuer bid ("NCIB") for a total of \$42.8 million (C\$56.7 million).

**Q4 2019 Highlights**



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

**Record quarterly gold production:** Gold production in Q4 2019 of 279,742 ounces, a 21% increase from 231,217 ounces in Q4 2018 and 13% higher than 248,400 ounces the previous quarter ("Q3 2019") with the growth from both prior periods coming from Fosterville, reflecting a record average grade of 49.3 g/t in Q4 2019 versus 39.7 g/t and 41.8 g/t in Q4 2018 and Q3 2019, respectively. Gold sales totalled 278,438 ounces, 23% higher than 225,692 ounces in Q4 2018 and an increase of 9% from 256,276 ounces the previous quarter.

**Continued solid unit cost performance:** Production costs in Q4 2019 totaled \$71.2 million versus \$64.6 million in Q4 2018 and \$73.7 million in Q3 2019. Cash operating costs per ounce sold averaged \$255 in Q4 2019, an 11% improvement from both \$286 in Q4 2018 and \$287 the previous quarter largely reflecting the favourable impact of higher sales volumes at Fosterville, where cash operating costs per ounce sold improved to \$106 versus \$139 for the same period in 2018 and \$115 in Q3 2019. AISC per ounce sold averaged \$512 in Q4 2019 compared to \$567 in Q4 2018 and \$562 the previous quarter, with improved operating cash costs per ounce sold and the impact of \$3.7 million of capitalized depreciation in Q4 2019 largely accounting for the improvement compared to both prior periods.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

**Revenue growth of 47%:** Revenue in Q4 2019 totaled \$412.4 million, a \$132.1 million or 47% increase from Q4 2018, with a higher average gold price (\$1,481 per ounce in Q4 2019 versus \$1,237 per ounce in Q4 2018) providing \$68 million of the increase and strong growth in sales volumes having a \$65 million favourable impact. Revenue in Q4 2019 was \$30.9 million or 8% higher than the previous quarter, reflecting higher sales volumes, which contributed all of the increase in revenue compared to the previous quarter. The average gold price of \$1,481 per ounce was largely unchanged from Q3 2019.

**Cash position increases 15%:** Cash at December 31, 2019 totaled \$707.2 million, an increase of \$91.4 million or 15% from \$615.8 million at September 30, 2019.

**Continued strong cash flow generation:** Net cash provided by operating activities in Q4 2019 totaled \$247.1 million compared to \$207.3 million in Q4 2018 and \$316.8 million the previous quarter, with the reduction from the previous quarter mainly related to changes in non-cash working capital and higher levels of cash income taxes paid. Free cash flow in Q4 2019 totaled \$132.8 million versus \$89.6 million in Q4 2018 and record free cash flow of \$181.3 million in Q3 2019.

**Adjusted earnings per share increase 76%:** Net earnings in Q4 2019 of \$169.1 million (\$0.81 per share) compared to net earnings of \$106.5 million (\$0.51 per share) in Q4 2018 and \$176.6 million (\$0.84 per share) the previous quarter. Adjusted net earnings totaled \$185.3 million (\$0.88 per share) versus \$105.0 million (\$0.50 per share) for Q4 2018 and \$167.5 million (\$0.80 per share) in Q3 2019. Adjusted net earnings per share increased 76% from Q4 2018 and 11% from the previous quarter. The increase in adjusted net earnings compared to Q4 2018 reflected higher revenue, improved unit costs and lower expensed exploration and evaluation costs, partially offset by an increase in corporate G&A expense. The increase from the previous quarter reflected higher revenue and a lower effective tax rate, partially offset higher corporate G&A expense and expensed exploration and evaluation costs. The difference between net earnings and adjusted net earnings in Q4 2019 related to the exclusion from adjusted net earnings of a \$16.1 million after income tax foreign exchange revaluation loss, consistent with the adjustment made in FY 2019.

**Encouraging exploration results were released during Q4 2019 including:**

- *Macassa:* Drilling at Macassa further extended the South Mine Complex to the east and west from existing Mineral Resources and expanded previously identified areas of high-grade mineralization along the Amalgamated Break.
- *Fosterville:* Extending the Swan Zone by 80 metres, demonstrating the continuity of the Lower Phoenix mineralized structure for 950 metres down-plunge of the Swan Zone; identifying continuity of mineralization in the Cygnet zone over a 650 strike length and 300 metre vertical depth; and intersecting high-grade mineralization up to 500 metres down-plunge of existing Mineral Resources at Robbin's Hill.
- *Northern Territory:* Drill results included intersecting high-grade mineralization 350 to 550 metres below surface at the Lantern Deposit, as well as down-plunge from current mining horizons below the 500-metre level; identifying new areas of gold mineralization at Union Reefs; and intersecting high-grade mineralization with early-stage drilling at Pine Creek.

**Growth capital expenditures of \$35.0 million:** Total growth capital expenditures in Q4 2019 totaled \$35.0 million, including \$22.7 million at Macassa (\$17.3 million related to the #4 Shaft project).

**50% increase in quarterly dividend:** Q4 2019 dividend increased 50% to US\$0.06 per share, which was paid on January 13, 2020 to shareholders of record on December 31, 2019.

**Share repurchases totalling \$30.0 million:** 727,200 shares repurchased through the NCIB in Q4 2019 for \$30.0 million (C\$39.5 million).

## 2019 PERFORMANCE AGAINST FULL-YEAR 2019 GUIDANCE

2019 Guidance (as at November 6, 2019)<sup>(1)</sup>

(\$ millions unless otherwise stated)	Macassa	Holt Complex <sup>(2)</sup>	Fosterville	Consolidated
Gold production (kozs)	240 - 250	120 - 130	570 - 610	950 - 1,000
Operating cash costs/ounce sold (\$/oz) <sup>(3)</sup>	\$400 - \$420	\$920 - \$940	\$130 - \$150	\$285 - \$305
AISC/ounce sold (\$/oz) <sup>(3)</sup>				\$520 - \$560
Operating cash costs <sup>(3)</sup>				\$290 - \$300
Royalty costs				\$30 - \$35
Sustaining capital <sup>(3)</sup>				\$170 - \$190
Growth capital <sup>(3)(4)</sup>				\$175 - \$185
Exploration and evaluation <sup>(5)</sup>				\$120 - \$140
Corporate G&A <sup>(6)</sup>				\$30 - \$35

(1) Full-year 2019 guidance as at November 6, 2019

(2) Production and operating cash cost guidance for the Holt Complex for full-year 2019 includes results for the Holloway mine, which resumed operations during Q1 2019, as one of three mines included in the Holt Complex.

(3) See "Non-IFRS Measures" set out starting on page 39 of this MD&A for further details. The most comparable IFRS Measure for operating cash costs is production costs, as presented in the Consolidated Statements of Operations and Comprehensive Income, and total additions and construction in progress for sustaining and growth capital. Operating cash costs per ounce and AISC per ounce sold are comparable to production costs on a unit basis. Operating cash costs, operating cash cost per ounce sold and AISC per ounce sold reflect an average US\$ to C\$ exchange rate of 1.32 and a US\$ to A\$ exchange rate of 1.43.

(4) Growth capital expenditure guidance for full-year 2019 excludes \$19.8 million of capital expenditures related to the Macassa #4 shaft project, which are being recorded as capital expenditures in 2019, but were paid in cash on an advanced basis in 2018. Growth capital expenditures excludes capitalized exploration.

(5) Exploration and evaluation expenditures guidance for full-year 2019 include both expensed and capitalized exploration expenditures. All capitalized expenditures related to the Northern Territory are included in exploration and evaluation expenditures consistent with the advanced exploration program being carried out in the Northern Territory in 2019.

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

## FY 2019 Results

(\$ millions unless otherwise stated)	Macassa	Holt Complex <sup>(2)</sup>	Fosterville	Consolidated
Gold production (kozs)	241,297	113,952	619,366	974,615
Operating cash costs/ounce sold (\$/oz) <sup>(1)</sup>	\$414	\$904	\$119	\$284
AISC/ounce sold (\$/oz) <sup>(1)</sup>				\$564
Operating cash costs <sup>(1)</sup>				\$278.4
Royalty costs				\$36.4
Sustaining capital <sup>(1)</sup>				\$192.4
Growth capital <sup>(1)(3)</sup>				\$172.1
Exploration and evaluation <sup>(4)</sup>				\$159.2
Corporate G&A <sup>(5)</sup>				\$36.3

(1) See "Non-IFRS Measures" set out starting on page 39 of this MD&A for further details. The most comparable IFRS Measure for operating cash costs is production costs, as presented in the Consolidated Statements of Operations and Comprehensive Income, and total additions and construction in progress for sustaining and growth capital. Operating cash costs per ounce and AISC per ounce sold are comparable to production costs on a unit basis. Operating cash costs, operating cash cost per ounce sold and AISC per ounce sold reflect an average US\$ to C\$ exchange rate of 1.33 and a US\$ to A\$ exchange rate of 1.44.

(2) Production, cost and expenditure results in 2019 include results for the Holloway mine, which resumed operations during Q1 2019, as one of three mines included in the Holt Complex.

(3) Growth capital expenditures exclude \$19.8 million of capital expenditures related to the Macassa #4 shaft project, which have been recorded as capital expenditures in 2019, but were paid in cash on an advanced basis in 2018. Growth capital expenditures excludes capitalized exploration expenditures.

(4) Exploration and evaluation expenditures include both expensed and capitalized exploration expenditures. All capitalized expenditures related to the Northern Territory are being included in exploration and evaluation expenditures consistent with the advanced exploration program being carried out in the Northern Territory in 2019.

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

- **Gold production** for FY 2019 of 974,615 ounces, in the mid-point of the Company's consolidated production guidance of 950,000 - 1,000,000 ounces. Fosterville exceeded its production guidance for the year of 570,000 - 610,000 ounces,

producing 619,366 ounces driven largely by grade outperformance in the Swan Zone during Q4 2019. Production at Macassa totaled 241,297 ounces in FY 2019, which achieved the mine's production guidance of 240,000 - 250,000 ounces. Production at the Holt Complex totaled 113,952 ounces, below the revised guidance range of 120,000 - 130,000 ounces. Production at Holt Complex was below expected levels due to a slower than expected ramp up at the Holloway mine as well as lower than planned production at both the Holt and Taylor mines. The Company announced in October 2019 that it is reviewing the future plans of the Holt Complex.

- **Production costs** in FY 2019 totaled \$281.0 million. Operating cash costs for the full-year were \$278.4 million, better than full-year 2019 guidance of \$290 - \$300 million.
- **Operating cash costs per ounce sold** for FY 2019 averaged \$284, slightly better than in the low end of full-year 2019 guidance of \$285 - \$305. For FY 2019, Fosterville's operating cash costs per ounce sold averaged \$119, better than the guidance range of \$130 - \$150. Macassa's operating cash costs per ounce sold averaged \$414, in line with full-year guidance of \$400 - \$420. Operating cash costs per ounce sold at the Holt Complex averaged \$904, below the revised target range of \$920 - \$940.
- **AISC per ounce sold** for FY 2019 averaged \$564, above full-year 2019 guidance of \$520 - \$560, but 18% better than the previous year. The level of AISC per ounce sold compared to guidance reflected higher than planned sustaining capital expenditures at both Macassa and the Holt Complex, mainly related to additional investments for capital development, equipment purchases and infrastructure projects, largely involving enhancements to milling facilities.
- **Royalty costs** for FY 2019 totaled \$36.4 million compared to full-year 2019 guidance of \$30 - \$35 million.
- **Sustaining capital expenditures** for FY 2019 totaled \$192.4 million, slightly higher than revised guidance of \$170 - \$190 million. The level of sustaining capital expenditures during FY 2019 reflected higher than planned sustaining capital expenditures at Macassa and the Holt Complex.
- **Growth capital expenditures** totalled \$172.1 million for FY 2019 (excluding capitalized exploration), which compared to revised FY 2019 guidance of \$175 - \$185 million. Of total growth capital expenditures for FY 2019, Macassa accounted for \$113.8 million, with approximately \$76.6 million relating to the #4 shaft project and the remainder largely funding a thickened tails project and the construction of a new tailings impoundment area. FY 2019 was the peak year for capital expenditures related to the #4 Shaft project. Surface setup and construction was completed around mid-year and, by December 31, 2019, the shaft had been sunk to a depth of 1,200 feet. Fosterville accounted for \$48.4 million of growth capital expenditures for FY 2019, mainly related to the mine's three key projects, including the new ventilation system, the paste fill plant and a new water treatment plant.
- **Exploration and evaluation expenditures** for FY 2019 totaled \$159.2 million (including capitalized exploration), which compared to revised full-year 2019 guidance of \$120 - \$140 million. Of total exploration expenditures, approximately \$147.5 million were in Australia, including \$109.9 million in the Northern Territory and \$37.6 million at Fosterville. Exploration expenditures in the Northern Territory related to an ongoing advanced exploration program, including underground development and drilling in support of a potential resumption of operations. In October 2019, the Company commenced test processing of Lantern Deposit material at the Union Reefs mill as part of the advanced exploration program. Production during Q4 2019 at the Union Reefs mill totaled 8,700 ounces at an average grade of 2.06 g/t. Exploration expenditures in Canada in FY 2019 totaled \$11.6 million, of which \$5.7 million related to drilling at Macassa largely designed to extend the South Mine Complex and identify and expand high-grade zones along the Amalgamated Break.
- **Corporate G&A** expense for FY 2019 totaled \$36.3 million compared to revised full-year 2019 guidance of \$30 - \$35 million.

## 2020 FULL YEAR GUIDANCE (as at December 18, 2019)

(\$ millions unless otherwise stated)	Macassa	Holt Complex	Fosterville	Consolidated
Gold production (kozs)(1)	240 - 250	120 - 140	590 - 610	950 - 1,000
Operating cash costs/ounce sold (\$/oz)(2)	\$470 - \$490	\$790 - \$810	\$130 - \$150	\$300 - \$330
AISC/ounce sold (\$/oz)(2)				\$570 - \$630
Operating cash costs (\$M)(2)				\$310 - \$320
Royalty costs (\$M)				\$58 - \$62
Sustaining capital (\$M)(2)				\$165 - \$175
Growth capital (\$M)(2)				\$70 - \$80
Exploration (\$M)(3)				\$120 - \$140
Corporate G&A (\$M)(4)				\$40 - \$45

(1) Production and unit-cost guidance for 2020 as issued in a press release dated December 18, 2019. The guidance does not include results for the Northern Territory.

(2) See "Non-IFRS Measures" set out starting on page 39 of the MD&A for the year ended December 31, 2019 for further details. 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, and total additions and construction in progress for sustaining and project capital. Operating cash costs, operating cash cost per ounce sold and AISC per ounce sold reflect an average US\$ to C\$ exchange rate of 1.30 and a US\$ to A\$ exchange rate of 1.43.

(3) Exploration expenditures include capital expenditures related to infill drilling for Mineral Resource conversion, capital expenditures for extension drilling outside of existing Mineral Resources and expensed exploration.

(4) Includes general and administrative costs. Excludes share-based payment expense.

- **Consolidated gold production** in 2020 as at December 18, 2019 was targeted at approximately 950,000 - 1,000,000 ounces, unchanged from full-year 2019 guidance. Production at Fosterville in 2020 is estimated at 590,000 - 610,000 ounces, similar to 2019 guidance of 570,000 - 610,000 ounces and actual production for the year of 619,366 ounces. Production guidance at Macassa in 2020 of 240,000 - 250,000 ounces is unchanged from full-year 2019 guidance and compares to total production in FY 2019 of 241,297 ounces. Production at Holt Complex in 2020 is targeted at 120,000 - 140,000 ounces, which compares to FY 2019 guidance as at November 6, 2019 of 120,000 - 130,000 ounces and total production in FY 2019 of 113,952 ounces. The Company has designated the Holt Complex as a non-core asset and plans to consider strategic options for maximizing the value of the Holt Complex assets.
- **Operating cash costs** for 2020 were estimated at \$310 - \$320 million, which compares to the FY 2019 guidance of \$290 - \$300 million and FY 2019 operating cash costs of \$278.4 million.
- **Operating cash costs per ounce sold** in 2020 were expected to average \$300 - \$330 compared FY 2019 guidance of \$285 - \$305 and FY 2019 operating cash costs per ounce sold of \$284. The Company's low unit operating cash costs will again be driven by Fosterville, where operating cash costs per ounce sold are targeted at \$130 - \$150, unchanged from current full-year 2019 guidance and compared to the FY 2019 average of \$119, which was better than full-year 2019 guidance based on higher than expected average grades during the year. Operating cash costs per ounce sold at Macassa in 2020 are targeted at \$470 - \$490, which compares to full-year 2019 guidance of \$400 - \$420 and the FY 2019 average of \$414. The increase in operating cash costs per ounce sold guidance at Macassa in 2020 reflects lower planned grades in 2020, with the FY 2019 grade of 23.7 grams per tonne exceeding target levels due mainly to grade outperformance early in the year in stopes around the 5700 Level of the South Mine Complex ("SMC"). Operating cash costs per ounce sold guidance for 2020 at the Holt Complex is \$790 - \$810, which compares to FY 2019 guidance of \$920 - \$940 and average operating cash costs per ounce sold for FY 2019 of \$904, with the improvement expected to reflect the impact of higher grades and increased tonnes processed on sales volumes.
- **AISC per ounce sold** were targeted to average \$570 - \$630 in 2020 compared to the FY 2019 average of \$564. The anticipated change from the FY 2019 AISC mainly related to higher operating cash costs, an increase in royalty expense resulting from a new royalty applicable to the Fosterville Mine (see Royalty costs below) and higher expected corporate G&A expense.
- **Royalty costs** in 2020 were estimated at \$58 - \$62 million compared to guidance for 2019 of \$30 - \$35 million and total royalty costs of \$36.4 million for FY 2019. Of expected royalty payments in 2020, approximately \$40 million relate to Fosterville, of which approximately \$24 million results from a new 2.75% royalty introduced by the Victorian Government effective January 1, 2020.

- **Sustaining capital expenditures** in 2020 were targeted at \$165 - \$175 million, which compared to FY 2019 guidance of \$170 - 190 million and below the FY 2019 total of \$192.4 million. Reduced levels of sustaining capital expenditures are expected at both Fosterville and Macassa
- **Growth capital expenditures** were estimated at \$70 - \$80 million in 2020, a reduction from current full-year 2019 guidance of \$175 - \$185 million and total FY 2019 growth capital expenditures of \$172.1 million. Of planned project capital expenditures in 2020, Macassa is expected to account for \$50 - \$55 million, with approximately \$45 million relating to the #4 shaft project. Project capital expenditures at Fosterville in 2020 are estimated at \$20 - \$25 million, which compares to FY 2019 growth capital expenditures of \$48.4 million. The reduction reflects the completion, or near completion, of a number of major projects in 2019, including the paste fill plant and water treatment plant, with a new ventilation system well advanced as of the end of 2019 and on track for completion early in 2020. In addition to completing the ventilation project, major components of the 2020 capital program at Fosterville include expenditures for the completion of a transformer station upgrade and new gold room/refinery, construction of a new surface refrigeration plant, the installation of a second paste fill delivery hole and the extension of paste fill to Harrier.
- **Exploration expenditures** (including both expensed and capitalized expenditures) in 2020 were estimated at \$120 - \$140 million, the same as FY 2019 guidance and compared to total exploration expenditures for FY 2019 of \$159.2 million. Of expected exploration expenditures in 2020, approximately 80% to 85% are expected to be capitalized exploration expenditures. Exploration expenditures at Fosterville are targeted at \$70 - \$80 million, including \$15 - \$20 million related to the underground development for a twin 4.8 km underground exploration drive to connect Robbin's Hill to existing mine infrastructure at Fosterville. The decline is a three-year project that will support underground exploration of Robbin's Hill and other targets and provide valuable infrastructure for future mine operations. In addition, a total of 230,000 metres of underground and surface drilling are planned at Fosterville in 2020, with the primary targets continuing to be the Lower Phoenix system, Cygnet, Harrier, Robbin's Hill and a number of regional targets. At Macassa, total capital and expensed exploration expenditures are targeted at \$40 - \$50 million. Significant exploration development is planned at Macassa in 2020, including work on a new exploration decline to access and explore previously identified high-grade zones near surface along the Amalgamated Break. In addition, development to extend exploration drifts is planned on the 5150, 5705 and 5807 levels mainly in support of drilling to infill and extend the SMC and to evaluate targets at depth along the Amalgamated Break. A total of 270,000 metres of underground and surface drilling is planned at Macassa in 2020, with the primary targets being the SMC, Amalgamated Break and select targets along the Main and '04 breaks.
- **Corporate G&A expense** in 2020 were targeted at \$40 - \$45 million, higher than FY 2019 guidance of \$30 - \$35 million and total corporate G&A costs for FY 2019 of \$36.3 million, mainly reflecting the expansion of corporate capabilities in both Canada and Australia in support of the Company's continued growth.

## ADDITION OF DETOUR GOLD PRODUCTION, UNIT COSTS AND EXPENDITURES TO FULL-YEAR 2020 GUIDANCE

(\$ millions unless otherwise stated)	Macassa	Detour Lake(1)	Holt Complex	Fosterville	Consolidated
Gold production (kozs)(1)	240 - 250	520 - 540	120 - 140	590 - 610	1,470 - 1,540
Operating cash costs/ounce sold (\$/oz)(2)	\$470 - \$490	\$720 - \$740	\$790 - \$810	\$130 - \$150	\$450 - \$470
AISC/ounce sold (\$/oz)(2)					\$820 - \$840
Operating cash costs (\$M)(2)					\$700 - \$720
Royalty costs (\$M)					\$85 - \$90
Sustaining capital (\$M)(2)					\$420 - \$430
Growth capital (\$M)(2)					\$70 - \$80
Exploration (\$M)(3)					\$150 - \$170
Corporate G&A (\$M)(4)					\$50 - \$55

(1) Production and unit-cost guidance for 2020 as issued in a press release dated December 18, 2019 adjusted for the addition of Detour Gold effective February 1, 2020. The guidance does not include results for the Northern Territory.

(2) See "Non-IFRS Measures" set out starting on page 39 of the MD&A for the year ended December 31, 2019 for further details. 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, and total additions and construction in progress for sustaining and project capital. Operating cash costs, operating cash cost per ounce sold and AISC per ounce sold reflect an average US\$ to C\$ exchange rate of 1.30 and a US\$ to A\$ exchange rate of 1.43.

(3) Exploration expenditures include capital expenditures related to infill drilling for Mineral Resource conversion, capital expenditures for extension drilling outside of existing Mineral Resources and expensed exploration.

(4) Includes general and administrative costs. Excludes non-cash share-based payment expense.

As a result of the acquisition of Detour Gold on January 31, 2020, a number of revisions were made to the Company's FY 2020 guidance. Consolidated production guidance for 2020 is increased from 950,000 - 1,000,000 ounces to 1,470,000 - 1,540,000 ounces. The change reflects the addition of 520,000 - 540,000 ounces from Detour Lake, representing expected production over the 11 months of 2020 following the closing of the Company's acquisition of Detour Gold on January 31, 2020. Operating cash cost and AISC per ounce sold guidance is increased to \$450 - \$470 from \$300 - \$330 previously and \$820 - \$840 from \$570 - \$630, respectively. Among other revisions, sustaining capital expenditure guidance increases to \$420 - \$440 million from \$165 - \$175 million reflecting the addition of Detour Lake, where all capital expenditures are recorded as sustaining capital. The increase in exploration expenditure guidance reflects the Company's intention to invest aggressively in exploration drilling at Detour Lake over the next year. Corporate G&A guidance increases to \$50 - \$55 million from \$40 - \$45 million previously due to added costs related to the addition of Detour Lake mine.

## THREE-YEAR PRODUCTION GUIDANCE

On December 18, 2019, the Company released three-year production guidance for the Macassa and Fosterville mines. Production at Macassa is targeted to increase to over 320,000 ounces by 2022 reflecting initial production from the #4 Shaft and potential production from the planned Macassa surface ramp. Production at Macassa is expected to grow to well over 400,000 ounces beginning in 2023. Production at Fosterville is expected to maintain the strong production levels achieved in 2019 over the next three years as mining continues to advance in the high-grade Swan Zone, with the potential for production to commence from Robbin's Hill in 2023.

Three-Year Production Guidance<sup>1</sup>

	Macassa	Fosterville
2020 (kozs)	240 - 250	590 - 610
2021 (kozs)	240 - 250	550 - 600
2022 (kozs)	320 - 340	550 - 600

(1) Three-year production guidance does not include any production from Detour Lake, the Holt Complex or Northern Territory.



Macassa: Production at Macassa in 2020 is expected to be similar to 2019 levels, with 2020 guidance of 240,000 - 250,000 ounces. Production in 2021 is should remain similar to 2020, with significant growth in production expected to commence in 2022 reflecting initial production from the #4 Shaft and potential production from the planned Macassa surface ramp. Production in 2022 is targeted at 320,000 - 340,000 ounces, with production then expected to grow to over 400,000 ounces in 2023.

Fosterville: After achieving substantial growth in 2019 with the ramp up of production from the high-grade Swan Zone, production at Fosterville is expected to sustain levels at 550,000 - 600,000 ounces per year over the next three years. Production guidance for Fosterville includes 590,000 - 610,000 ounces in 2020 and 550,000 - 600,000 ounces in both 2021 and 2022, with the potential existing for a new source of production at Robbin's Hill commencing in 2023.

### CONSOLIDATED MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES AS AT DECEMBER 31, 2019

On February 19, 2020, the Company released Mineral Reserve and Mineral Resource estimates as at December 31, 2019, with the comparison period being December 31, 2018. Included in the Company's Mineral Reserve and Mineral Resource estimates are Mineral Reserves and Mineral Resources related to the acquired assets of Detour Gold Corporation as at December 31, 2019.

#### Highlights of the December 31, 2019 Mineral Reserves and Mineral Resource estimates include:

- Consolidated Mineral Reserves increase 257% to 20,470,000 ounces with addition of 14,846,000 ounces of open-pit Mineral Reserves at Detour Lake Mine.
- Mineral Reserves at Macassa increase 9% to 2,453,000 ounces, including Mineral Reserves at depth of 2,360,000 ounces at an average grade of 22.1 g/t, and 93,000 ounces at an average grade of 10.7 g/t in near-surface zones along the Amalgamated Break. Development from surface is commencing towards the near-surface zones with the aim of establishing a second mining front at Macassa.
- Mineral Reserves at Fosterville of 2,320,000 ounces include 2,100,000 ounces @ 21.8 g/t in the Lower Phoenix and Harrier systems (including 1,560,000 ounces @ 38.6 g/t at Swan Zone) and 218,000 ounces @ 5.5 g/t above 650 metres below surface at Robbin's Hill. Twin development ramps are being driven to Robbins Hill, which is expected to become a second mining operation at Fosterville. Exploration expenditures at Fosterville are estimated at \$70 - \$80 million in 2020, with the focus being on drilling and development in areas where quartz veining with visible gold has been intersected.
- Mineral Reserves at Holt Complex increase 9% to 702,000 ounces @ 4.0 grade, Northern Territory Mineral Reserves grow 20% to 128,000 ounces @ 4.0 g/t.

Mineral Reserves and Mineral Resources as at December 31, 2019. For Kirkland Lake Gold assets as at December 31, 2019, Mineral Reserves and Mineral Resources were estimated using a long-term gold price of US\$1,300/oz (C\$1,700/oz; A\$1,765/oz). For Detour Lake Mineral Reserves and Mineral Resources as at December 31, 2019, the long-term gold price is assumed to be US\$1,000/oz with an assumed exchange rate of US\$1.0:C\$1.10. All Mineral Resource estimates are provided exclusive of Mineral Reserves. Comparisons to previous Mineral Reserves and Mineral Resources in this press release are to estimates as at December 31, 2018. For more historical comparisons, Mineral Resource estimates for the Australian operations prior to the mid-year 2017 Mineral Reserve and Mineral Resource estimates for Fosterville, released in June 2017, were calculated inclusive of Mineral Reserves and, therefore, are not directly comparable to the December 31, 2019 and December 31, 2018 estimates. Detailed footnotes for the December 31, 2019 Mineral Reserve and Mineral Resource estimates are provided later in this press release.

## CONSOLIDATED MINERAL RESERVE ESTIMATE (EFFECTIVE DECEMBER 31, 2019)

Proven and Probable	December 31, 2019			Depleted Oz	December 31, 2018		
	Tonnes (000's)	Grade (g/t)	Gold Ozs (000's)		Tonnes (000's)	Grade (g/t)	Gold Ozs (000's)
Macassa	3,320	22.1	2,360	246	3,190	21.9	2,250
Macassa Near Surface	273	10.7	93	—	—	—	—
Holt Complex <sup>(1)</sup>	5,432	4.0	702	120	4,588	4.4	644
Hislop <sup>(1)</sup>	176	5.8	33	—	176	5.8	33
<b>Total CDN Underground</b>	<b>9,200</b>	<b>10.8</b>	<b>3,190</b>	<b>367</b>	<b>7,950</b>	<b>11.4</b>	<b>2,920</b>
Detour Lake Pit	397,680	0.99	12,640				
West Detour Pit	54,920	0.94	1,660				
North Pit	5,950	0.98	187				
Detour Low Grade Fines	18,900	0.59	360				
<b>Total CDN Open Pit</b>	<b>477,450</b>	<b>0.97</b>	<b>14,846</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total CDN Operations</b>	<b>486,650</b>	<b>1.15</b>	<b>18,030</b>	<b>367</b>	<b>7,950</b>	<b>11.4</b>	<b>2,920</b>
Fosterville	3,000	21.8	2,100	627	2,720	31.0	2,720
Robbins Hill	1,240	5.5	218	—	—	—	—
Northern Territory <sup>(1)</sup>	988	4.0	128	10	666	5.0	107
<b>Total AUS Operations</b>	<b>5,220</b>	<b>14.6</b>	<b>2,450</b>	<b>637</b>	<b>3,390</b>	<b>25.9</b>	<b>2,820</b>
<b>Total</b>	<b>491,900</b>	<b>1.29</b>	<b>20,470</b>	<b>1,004</b>	<b>11,340</b>	<b>15.7</b>	<b>5,740</b>

(1) The Hislop mine is a formerly producing open-pit mine acquired as part of the St Andrew Goldfields acquisition in January 2016. Hislop has not been operated by the Company since the acquisition. The Holloway mine was placed on care and maintenance effective December 31, 2016 and resumed commercial operation in the first quarter of 2019. The Cosmo mine and Union Reefs mill were placed on care and maintenance effective June 30, 2017.

**Detailed footnotes related to Mineral Reserve Estimates (dated December 31, 2019) - with the exception of Detour:**

- (1) CIM definitions (2019) were followed in the estimation of Mineral Reserves.
- (2) Mineral Reserves were estimated using a long-term gold price of US\$1,300/oz (C\$1,700/oz; A\$1,765/oz).
- (3) Cut-off grades for Canadian Assets were calculated for each stope and included 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 were calculated for each mining block and included the costs of: mining, milling, General and Administration, royalties and capital expenditures and other modifying factors (e.g. dilution, mining extraction, mill recovery).
- (5) Dilution estimates vary by mining methods and ranges from 5% to 50%.
- (6) Extraction estimates vary by mining methods and range from 50% to 100%.
- (7) Mineral Reserves estimates for Canadian Operations were prepared under the supervision of N.Vaz, P. Eng.
- (8) Mineral Reserves estimates for Australian Operations were prepared under the supervision of I.Holland, FAusIMM
- (9) Mineral Reserves are stated at a mill feed reference point.
- (10) Totals may not add up due to rounding.

## CONSOLIDATED MEASURED &amp; INDICATED MINERAL RESOURCES (EFFECTIVE DECEMBER 31, 2019)

Measured & Indicated	December 31, 2019			December 31, 2018		
	Tonnes (000's)	Grade (g/t)	Gold Ozs (000's)	Tonnes (000's)	Grade (g/t)	Gold Ozs (000's)
<b>Canada Ops - Underground</b>						
Macassa	1,616	13.8	717	1,621	17.0	886
Macassa Near Surface	47	7.8	12	167	17.9	96
Holt Complex	7,752	4.2	1,047	9,664	4.1	1,279
Hislop	1,147	3.6	132	1,147	3.6	132
Detour Zone 58N	2,900	5.8	534	—	—	—
Ludgate	—	—	—	522	4.1	68
Canamax	240	5.1	39	240	5.1	39
<b>Total Canada Underground</b>	<b>13,702</b>	<b>5.7</b>	<b>2,482</b>	<b>13,360</b>	<b>5.8</b>	<b>2,500</b>
<b>Canada Ops - Open Pit</b>						
Detour Lake	81,400	1.15	3,003			
West Detour	31,000	0.88	878			
Aquarius	22,300	1.29	926	22,300	1.29	926
<b>Total Canada Open Pit</b>	<b>134,700</b>	<b>1.1</b>	<b>4,807</b>	<b>22,300</b>	<b>1.3</b>	<b>926</b>
<b>Total CDN Operations</b>	<b>148,402</b>	<b>1.5</b>	<b>7,290</b>	<b>35,660</b>	<b>3.0</b>	<b>3,426</b>
		<b>December 31, 2019</b>			<b>December 31, 2018</b>	
Fosterville	12,300	5.3	2,080	11,600	5.0	1,850
Robbin's Hill	3,460	3.5	386	3,210	2.5	256
Northern Territory	17,200	2.5	1,410	22,200	2.5	1,750
<b>Total AUS Operations</b>	<b>32,900</b>	<b>3.7</b>	<b>3,870</b>	<b>36,900</b>	<b>3.3</b>	<b>3,860</b>

## CONSOLIDATED INFERRED MINERAL RESOURCES (EFFECTIVE DECEMBER 31, 2019)

Inferred	December 31, 2019			December 31, 2018		
	Tonnes (000's)	Grade (g/t)	Gold Ozs (000's)	Tonnes (000's)	Grade (g/t)	Gold Ozs (000's)
<b>Canada Ops - Underground</b>						
Macassa	1,039	16.7	557	580	16.8	313
Macassa Near Surface	146	11.5	54	30	15.5	15
Holt Complex	9,097	4.4	1,294	15,820	4.6	2,329
Hislop	797	3.7	95	797	3.7	95
Detour Zone 58N	1,000	4.4	136	—	—	—
Ludgate	—	—	—	1,396	3.6	162
Canamax	170	4.3	23	170	4.3	23
<b>Total Canada Underground</b>	<b>12,248</b>	<b>5.5</b>	<b>2,160</b>	<b>18,792</b>	<b>4.9</b>	<b>2,937</b>
<b>Canada Ops - Open Pit</b>						
Detour Lake	33,600	0.79	855			
West Detour	9,300	0.95	282			
<b>Total Canada Open Pit</b>	<b>42,900</b>	<b>0.82</b>	<b>1,137</b>			
<b>Total CDN Operations</b>	<b>55,148</b>	<b>1.9</b>	<b>3,297</b>	<b>18,792</b>	<b>4.9</b>	<b>2,937</b>
		<b>December 31, 2019</b>			<b>December 31, 2018</b>	
Fosterville	8,450	6.4	1,740	6,930	6.0	1,330
Robbin's Hill	2,670	4.5	383	3,390	4.6	504
Northern Territory	15,200	2.6	1,270	18,100	2.6	1,490
<b>Total AUS Operations</b>	<b>26,400</b>	<b>4.0</b>	<b>3,390</b>	<b>28,400</b>	<b>3.6</b>	<b>3,320</b>

**Detailed footnotes related to Detour's Mineral Reserve and Resource Estimates (dated December 31, 2019):**

- (1) CIM definitions (2019) 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 \$1,300/oz (C\$1,700/oz).
- (5) Mineral Resources were estimated using a range of 3.4g/t to 8.6 g/t cut-off grades for Macassa Mine, a 2.8 g/t cut-off grade for Holt Mine and Holloway Mine, a 2.5 g/t cut-off grade for Holt Near Surface, a 2.6 g/t cut-off grade for Taylor, a 2.5 g/t cut-off grade for Canamax, a 2.2 g/t cut-off grade for Hislop and a 0 g/t cut-off grade for Aquarius.
- (6) Totals may not add up due to rounding.

**Detailed footnotes related to Mineral Resource Estimates for Australian Assets (dated December 31, 2019)**

- (1) CIM definitions (2019) were followed in the estimation of Mineral Resource.
- (2) Mineral Resources are estimated using a long-term gold price of US\$1,300/oz (A\$1,765/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 - 0.7 g/t Au for potentially open pit mineralization and cut-offs of 1.5 to 2.0 g/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.

**Detailed footnotes related to Detour's Mineral Reserve and Resource Estimates (dated December 31, 2019):**

- (1) The Company's mineral reserve and mineral resource statement is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards - For Mineral Resources and Mineral Reserves" adopted by the CIM Council (as amended, the "CIM Definition Standards") in accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mineral reserve and mineral resource estimates reflect the Company's reasonable expectation that all necessary permits and approvals will be obtained and maintained.
- (2) Mineral reserves were estimated using a gold price of US\$1,000/oz and mineral resources were estimated using a gold price of US\$1,200/oz at a \$US/\$CDN exchange rate of 1.10.
- (3) Mineral reserves and resources were based on a cut-off grade of 0.50 g/t Au.
- (4) LG fines (sourced from material grading 0.40 - 0.50 g/t Au) classified as Measured or Indicated were reported as Probable mineral reserves and included in the mine plan. Reported tonnage is defined as material scheduled to be fed from 2021 to the end of the mine as per 2018 life of mine plan.
- (5) Further information, including key assumptions, parameters, and methods used to estimate mineral resources and mineral reserves are described in the Technical Report on the Detour Lake operation, dated Nov 26th, 2018.
- (6) Mineral underground resources for 58N reported at a cut-off grade of 2.2 g/t Au, using a gold price of US\$1,300 per ounce and a \$US/\$CDN exchange rate of 1.25 with an assumed mining dilution of 12%.
- (7) Mineral resources are reported exclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resources are constrained within an economic pit shell.
- (8) Mineral Reserves and Mineral Resource estimates for the Detour Operation was prepared under the supervision of A. Leite, PEng, AUSIMM CP (MIN), MEng, P. Eng.
- (9) Totals may not add due to rounding.

**LONGER-TERM OUTLOOK**

Kirkland Lake Gold is committed to generating returns for shareholders by achieving high levels of operational excellence, effectively allocating capital and growing low-cost, high-margin production. The Company has achieved significant growth over the last three years, growing production from 596,405 ounces in 2017 to 974,615 ounces in FY 2019. The Company continues to target for significant organic growth, including through the completion of the Macassa #4 Shaft project, which is expected to grow production to well over 400,000 ounces per year, continued growth at Fosterville through ongoing exploration success, and by pursuing opportunities for new, profitable production from the Northern Territory assets in Australia as well as at other assets in the Company's portfolio. The Company also pursues growth and value creation through external transactions where it sees an opportunity enhance the value of assets by investing capital and applying the Company's extensive technical expertise. The recent acquisition of Detour Gold Corporation is an important development for the Company as it seeks to generate long-term value and attractive returns. The Company is also committed to returning capital to shareholders through dividends and share repurchases and plans to be more aggressive utilizing its balance sheet strength to deliver value in this way going forward. Kirkland Lake Gold's significant financial strength and solid financial position provides financial flexibility to support the Company's growth plans, including continued aggressive exploration of both near-term and longer-term opportunities on the Company's district-scale land positions in Canada and Australia.

**EXTERNAL PERFORMANCE DRIVERS**

The Company's results of operations, financial position, financial performance and cash flows are affected by various business conditions and trends. The variability of gold prices, fluctuating currency rates and increases and/or decreases in costs of materials and consumables associated with the Company's mining activities are the primary economic factors that have impacted financial results during the three and twelve months ended December 31, 2019. The Company's key internal performance drivers are production volumes and costs which are discussed throughout this MD&A. The key external performance drivers are the price of gold and foreign exchange rates.

***Gold Price***

The price of gold is a significant external factor affecting profitability and cash flow of the Company and therefore, the financial performance of the Company is expected to be closely linked to the price of gold. The price of gold is subject to volatile fluctuations over short periods of time and can be affected by numerous macroeconomic conditions, including supply and demand factors, value of the US dollar, interest rates, and global economic and political issues.

At December 31, 2019, the gold price closed at \$1,515 per ounce (based on the closing price on the London Bullion Market Association ("LBMA") pm fix), which is 2% higher than the closing gold price of \$1,485 per ounce on September 30, 2019 and 18% higher than the closing gold price on December 31, 2018 of \$1,282 per ounce. The Company's average realized gold price for FY 2019 was \$1,405 per ounce, which compared to an average realized gold price of \$1,263 per ounce in FY 2018. The Company's average realized gold price for Q4 2019 was \$1,481 per ounce versus \$1,237 per ounce for the same period in 2018 and \$1,482 per ounce for the previous quarter.

As at December 31, 2019, the Company did not have a precious metals hedging program and management believes the Company is well positioned to benefit from potential increases in the price of gold while continuing to focus on cost management, mine efficiencies and low-cost gold production from its existing mines in order to mitigate against gold price decreases.

The Company is in the process of unwinding the Detour precious metals hedging program which is expected to incur a one-time cash outflow of \$25 - \$30 million during Q1 2020.

***Foreign Exchange Rates***

The Company's reporting currency is the US dollar; however, the operations are located in Canada and Australia, where its functional currencies are the Canadian and Australian dollars, respectively. Consequently, the Company's operating results are influenced significantly by changes in the US dollar exchange rates against these currencies. Weakening or strengthening Canadian and Australian dollars respectively decrease or increase costs in US dollar terms at the Company's

Canadian and Australian operations, as a large portion of the operating and capital costs are denominated in Canadian and Australian dollars.

## Q4 2019 MANAGEMENT'S DISCUSSION AND ANALYSIS

As at December 31, 2019, the Canadian dollar closed at \$0.7701 against the US dollar (compared to \$0.7333 at December 31, 2018) and the Australian dollar closed at \$0.7021 (compared to \$0.7049 at December 31, 2018). The average rates for FY 2019 for the Canadian and Australian dollars were \$0.7538 and \$0.6952, respectively, against the US dollar. The average rate for the Canadian and Australian dollars in FY 2018 were \$0.7715 and \$0.7471, respectively. The average rate for Q4 2019 for the Canadian and Australian dollars were \$0.7578 and \$0.6836, respectively, which compared to the average rates in Q4 2018 of \$0.7566 and \$0.7175, respectively, and for the previous quarter of \$0.7575 and \$0.6852, respectively.

Consistent with gold prices, currency rates can be volatile and fluctuations can occur as a result of different events, including and not limited to, global economies, government intervention, interest rate changes and policies of the U.S., Canadian and Australian governments. As at December 31, 2019, the Company did not have a foreign exchange hedging program in place.

### REVIEW OF FINANCIAL PERFORMANCE

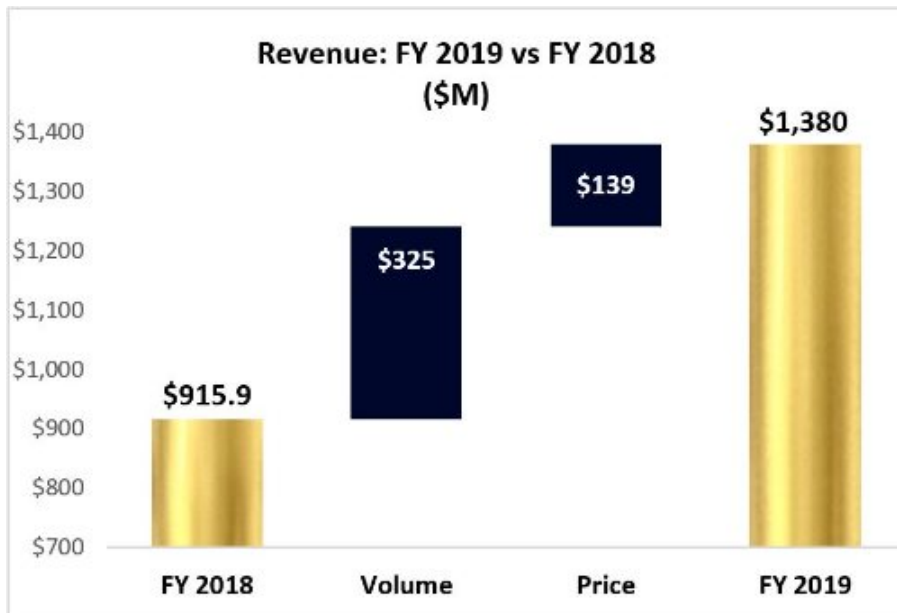
The following discussion provides key summarized consolidated financial and operating information for the three and twelve months ended December 31, 2019 and 2018.

<i>(in thousands except per share amounts)</i>	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue	<b>\$412,379</b>	\$280,320	<b>\$1,379,988</b>	\$915,911
Production costs	<b>(71,169)</b>	(64,604)	<b>(281,034)</b>	(267,432)
Royalty expense	<b>(11,002)</b>	(7,583)	<b>(36,432)</b>	(26,418)
Depletion and depreciation	<b>(52,865)</b>	(37,318)	<b>(168,921)</b>	(133,718)
Earnings from mine operations	<b>277,343</b>	170,815	<b>893,601</b>	488,343
Expenses				
General and administrative <sup>(1)</sup>	<b>(10,576)</b>	(9,316)	<b>(45,365)</b>	(31,565)
Transaction costs	<b>(1,236)</b>	—	<b>(1,236)</b>	—
Exploration	<b>(9,336)</b>	(13,807)	<b>(33,469)</b>	(66,614)
Care and maintenance	<b>(239)</b>	(1,626)	<b>(1,191)</b>	(3,081)
Earnings from operations	<b>255,956</b>	146,066	<b>812,340</b>	387,083
Finance and other items				
Other income (loss), net	<b>(25,166)</b>	1,235	<b>(18,817)</b>	5,130
Finance income	<b>1,948</b>	3,139	<b>6,941</b>	5,714
Finance costs	<b>(696)</b>	(1,104)	<b>(2,282)</b>	(3,617)
Earnings before income taxes	<b>232,042</b>	149,336	<b>798,182</b>	394,310
Current income tax expense	<b>(62,414)</b>	(17,070)	<b>(189,572)</b>	(40,743)
Deferred income tax expense	<b>(493)</b>	(25,731)	<b>(48,530)</b>	(79,624)
Net earnings	<b>\$169,135</b>	\$106,535	<b>\$560,080</b>	\$273,943
Basic earnings per share	<b>\$0.81</b>	\$0.51	<b>\$2.67</b>	\$1.30
Diluted earnings per share	<b>\$0.80</b>	\$0.50	<b>\$2.65</b>	\$1.29

(1) General and administrative expense for 2019 and Q4 2019 (2018 and Q4 2018) include general and administrative expenses of \$36.3 million and \$10.1 million (\$26.3 million and \$8.0 million in 2018) and share based payment expense of \$9.0 million and \$0.5 million (\$5.2 million and \$1.3 million 2018).

Revenue

FY 2019



Change in revenue for any period is derived from two factors, the increase or decrease in sales volumes (volume impact) and the average realized price of gold (rate impact). In FY 2019, revenue totaled \$1,380.0 million, an increase of \$464.1 million or 51% from FY 2018. Of the growth in revenue, \$325 million related to a 36% increase in gold sales, to 979,734 ounces, with higher sales levels at Fosterville accounting for the increase. An 11% increase in the average realized gold price, to \$1,405 per ounce in FY 2019 versus \$1,263 per ounce in FY 2018, provided the remaining \$139 million of the increase in revenue year over year.



Revenue in Q4 2019 totaled \$412.4 million, an increase of \$132.1 million or 47% from \$280.3 million in Q4 2018. Increases in both gold sales and the average realized price both contribution significantly to the improvement. The average realized price in Q4 2019 was \$1,481, a 20% improvement from the same period in 2018, which resulted in \$67 million of additional revenue in Q4 2019. A 23% increase in gold sales, to 278,438 ounces, driven mainly by the impact of higher grades at Fosterville on production and sales levels, contributed the remaining \$65 million of revenue growth in Q4 2019 versus Q4 2018. Compared to the previous quarter, revenue increased \$30.9 million or 8% from \$381.4 million in Q3 2019. The increase in revenue was entirely from higher

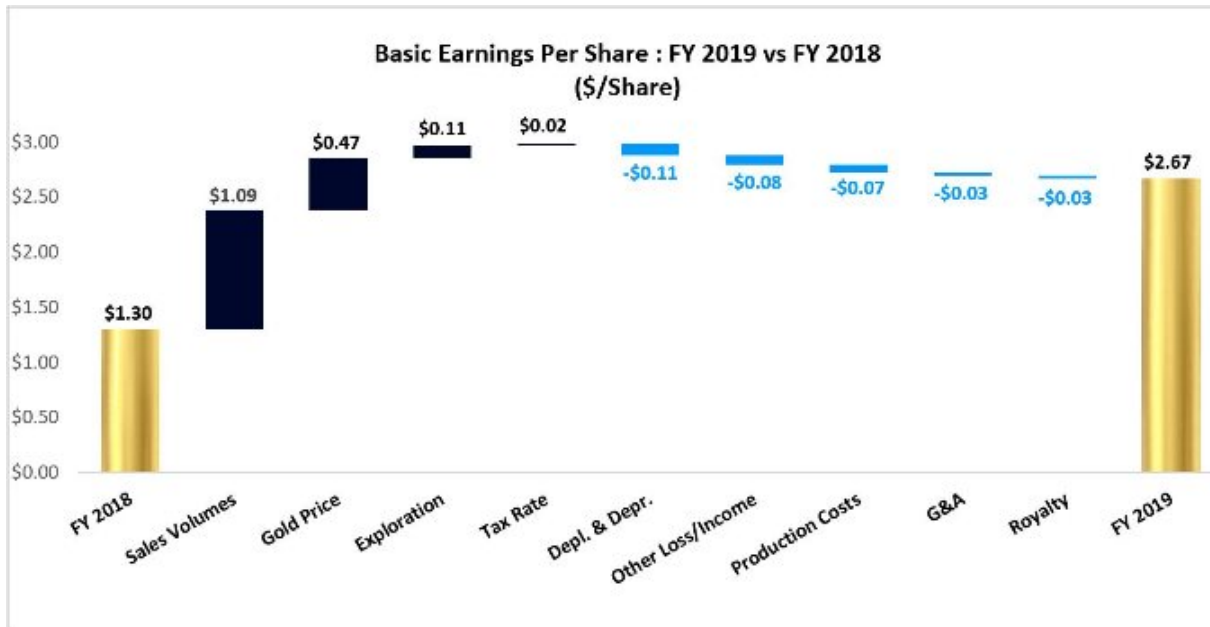


sales volumes, which increased 9% from 256,276 ounces in Q3 2019. The average realized gold price in Q4 2019 was unchanged from the previous quarter.

**Net Earnings and Adjusted Net Earnings**

**Full Year 2019**

Net Earnings



Net earnings in FY 2019 totaled \$560.1 million or \$2.67 per share, which compared to net earnings of \$273.9 million or \$1.30 per share in FY 2018. The most significant factor accounting for the 104% increase in earnings per share was the 51% increase in revenue in FY 2019, which had a favourable impact on the change in earnings per share of \$1.56 (\$1.09 related to the increase in sales volumes and \$0.47 to the increase in the average realized gold price).

Other factors that contributed to the increase in earnings per share included a \$0.11 per share favourable impact from a reduction in expensed exploration costs in FY 2019 versus FY 2018. The reduction in expensed exploration costs resulted from a review of the Company's drilling programs in the second quarter of 2019, which resulted in a determination that, based on the extent to which the Company's drilling is being completed contiguous to, and for the purpose of extending existing mining areas, a greater proportion of expenditures were evaluation in nature and as should be capitalized rather than expensed. Total exploration and evaluation expenditures in FY 2019, including both expensed and capitalized expenditures, increased 63%, to \$159.2 million from \$97.9 million the previous year, with capitalized expenditures accounting for \$125.7 million of FY 2019 exploration and evaluation expenditures versus \$31.3 million in FY 2018.

A reduction in the Company's effective tax rate, to 29.8% in FY 2019 versus 30.5% the previous year, contributed an additional \$0.02 to earnings per share growth year over year. Total income taxes in FY 2019 were \$238.1 million, of which \$189.6 million was current income tax expense and \$48.5 million was deferred tax expense. During FY 2018, the Company recognized \$40.7 million of current income tax expense and \$79.6 million of deferred income tax expense. The significant amount of deferred income tax expense in FY 2018 resulted from the utilization of \$53.3 million of deferred tax assets in respect of loss carryforwards to reduce current income tax expense.

Partially offsetting the factors contributing to an increase in earnings were higher operating expenses, an other loss in FY 2019 versus other income in FY 2018, and increased Corporate G&A costs. Depletion and depreciation costs, production costs and royalty expense all increased in FY 2019 compared to FY 2018. The level of these expenses is linked to production and sales volumes, with higher levels in FY 2019 largely resulting from growth of 35% and 36%, respectively, in total production and sales year over year.

Other loss of \$18.8 million (before income taxes) mainly reflected \$16.2 million (before income taxes) of foreign exchange losses in FY 2019, largely reflecting the strengthening of the Canadian dollar relative to the US and Australian dollars during the year. The primary factor driving other income of \$5.1 million (before income taxes) in FY 2018 resulted from foreign exchange gains of \$16.9 million (before income taxes) due to the Australian and Canadian dollars weakening against the US dollar during FY 2018, which was only partially offset by a pre-tax \$10.9 million mark-to-market loss of fair valuing the Company's warrant investments during the year. The \$18.8 million other loss in FY 2019 versus \$5.1 million of other income in FY 2018 had a \$0.08 unfavourable on the year over year change in earnings per share.

Corporate G&A expense in FY 2019, on a pre-tax basis, totaled \$45.4 million (including \$9.3 million of share-based payment expense) versus \$31.6 million (including \$5.5 million of share-based payment expense) in FY 2018. The increase in Corporate G&A expense reduced earnings per share by \$0.03 in FY 2019. Higher Corporate G&A expense in FY 2019 largely reflected related to the expansion of corporate capabilities in both Canada and Australia in support of the Company's continued growth. The increase in share-based payment expense in FY 2019 largely resulted from share-price appreciation, resulting in greater mark-to-market values for the Company's outstanding deferred share units, restricted share units and performance share units.

### Adjusted Net Earnings

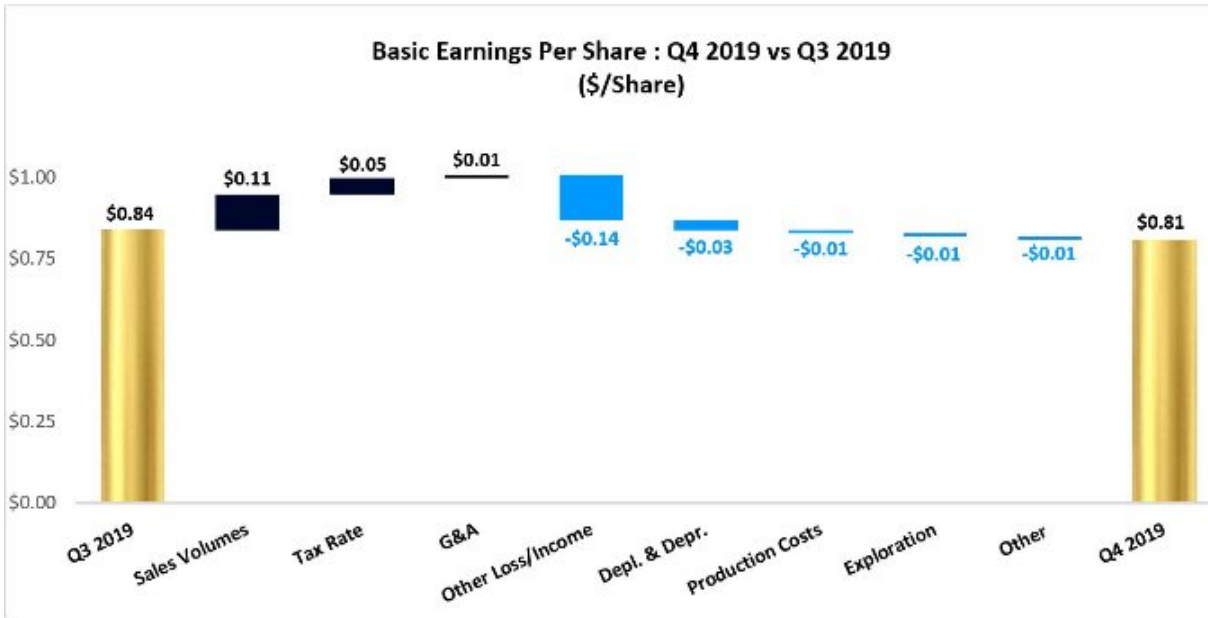
Adjusted net earnings in FY 2019 totaled \$576.4 million or \$2.74 per share versus net earnings of \$560.1 million or \$2.67 per share. The primary difference between adjusted net earnings and net earnings in FY 2019 related to the exclusion from adjusted net earnings of \$16.2 million (\$12.9 million after tax) of foreign exchange losses, resulting from fluctuations in the Canadian and Australian dollars against the US dollar. In FY 2018, adjusted net earnings totaled \$274.0 million or \$1.30 per share, which compared to net earnings of \$273.9 million or \$1.30 per share. The difference between adjusted net earnings and net earnings in FY 2018 resulted from the exclusion from adjusted net earnings of \$10.9 million (\$9.4 million after tax) of mark-to-market losses on the fair valuing of the Company's warrants, \$16.9 million (\$13.2 million after tax) of foreign exchange gains to align with the foreign exchange adjustment made in FY 2019 as well as \$5.4 million (\$3.8 million of after income taxes) related to purchase price allocation adjustments on inventory.

Q4 2019



Net earnings in Q4 2019 totaled \$169.1 million or \$0.81 per share, which compared to net earnings of \$106.5 million or \$0.51 per share in Q4 2018. Strong revenue growth was the primary factor contributing to the increase in net earnings from Q4 2019. The 47% increase in revenue, to \$412.4 million, increased earnings per share by \$0.46 in Q4 2019 versus Q4 2018, with both a higher realized gold price and increased sales volumes each contributing approximately \$0.23 per share to the increase. Other factors contributed to higher earnings were a \$0.02 per share favourable contribution from reduced expensed exploration costs and a \$0.01 per share favourable impact from a lower effective tax rate in Q4 2019 compared to the same period in 2018. The Q4 2019 effective tax rate was 27.1% versus 28.7% in Q4 2018, with the reduction largely resulting from a reduced deferred tax expense of \$0.5 million in Q4 2019, mainly due to revision of estimates in Q4 2019. The Company had current income tax expense in Q4 2019 of \$62.4 million. In Q4 2018, current income tax expense totaled \$17.1 million with deferred income tax expense of \$25.7 million.

Factors that reduced net earnings per share in Q4 2019 versus Q4 2018 included a pre-tax other loss of \$25.2 million versus \$1.2 million (pre-tax) of other income for the same period a year earlier, as well as higher levels of operating expenses, including depletion and depreciation, production costs and royalty expense, as well as increased Corporate G&A costs. The other loss in Q4 2019 mainly reflected foreign exchange losses, while higher operating expenses mainly resulted from increased production and sales volumes. Growth in Corporate G&A was due to the expansion of corporate capabilities in both Canada and Australia in support of the Company's continued growth.



Net earnings in Q4 2019 compared to net earnings of \$176.6 million or \$0.84 per share in the previous quarter. A significant factor impacting the change in earnings per share quarter over quarter was a \$0.14 unfavourable impact from a pre-tax other loss of \$25.2 million in Q4 2019, which compared to \$13.9 million of pre-tax other income in Q3 2019. Both the other loss in Q4 2019 and other income in Q3 2019 related to foreign exchange, with there being \$23.3 million (\$16.1 million after tax) of foreign exchange gains in Q4 2019, reflecting fluctuations of the Canadian and Australian dollar against the US dollar, and a \$13.7 million (\$9.1 million after tax) foreign exchange gain the previous quarter. Increases in depletion and depreciation expense, production costs and Exploration expense also contributed to lower net earnings and earnings per share versus Q3 2019.

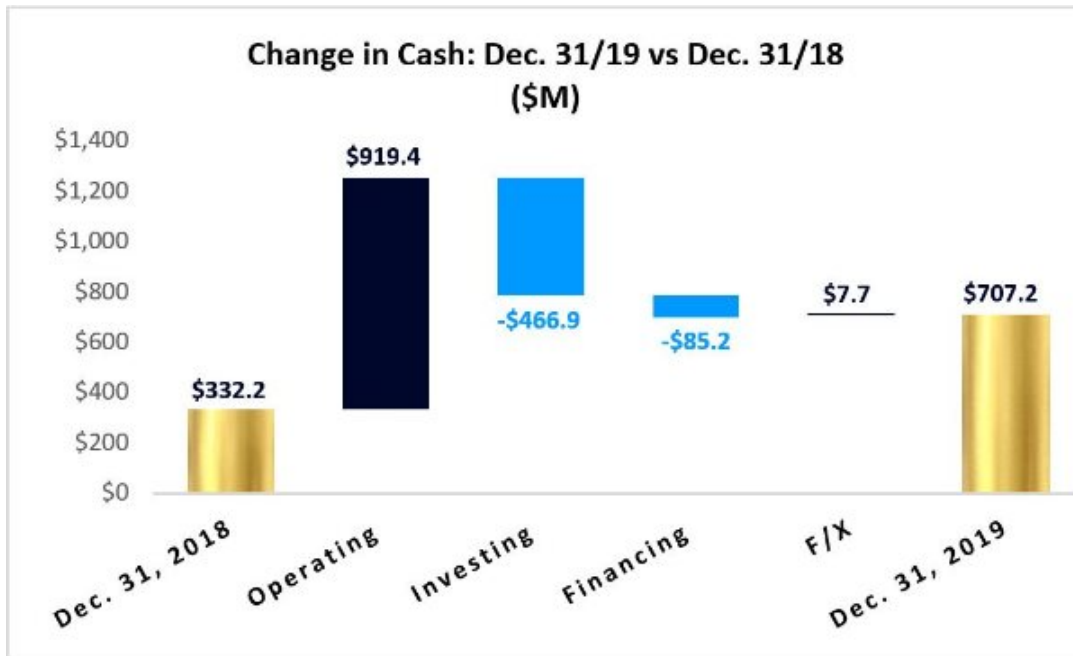
Having a favourable impact on net earnings and earnings per share was the 8% increase in revenue quarter over quarter, to \$412.4 million in Q4 2019, which increased earnings per share by \$0.11 from Q3 2019 and was all related to higher sales volumes. A lower effective tax rate also contributed favourably to earnings. The effective tax rate in Q4 2019 of 27.1% compared to an effective tax rate of 30.5% in Q3 2019. The lower effective tax rate had a \$0.05 positive impact on earnings per share in Q4 2019 compared to Q3 2019.

Adjusted Net Earnings

Adjusted net earnings in Q4 2019 totaled \$185.3 million or \$0.88 per share versus net earnings for the same period of \$169.1 million or \$0.81 per share. The primary difference between adjusted net earnings and net earnings in Q4 2019 related to the exclusion from adjusted net earnings of \$23.3 million (\$16.1 million after tax) of foreign exchange losses resulting from fluctuations in the Canadian and Australian dollars against the US dollar. In Q4 2018, adjusted net earnings totaled \$105.0 million or \$0.50 per share, which compared to net earnings of \$106.5 million or \$0.51 per share. The difference between adjusted net earnings and net earnings in Q4 2018 related to the exclusion from adjusted net earnings of a \$3.5 million mark-to-market gain (\$3.1 million after tax) related to the fair valuing of the Company's warrants and \$5.9 million (\$4.9 million after tax) of foreign exchange revaluation gains to align with the foreign exchange adjustment made in Q4 2019. Adjusted net earnings in Q3 2019 totaled \$167.5 million or \$0.80 per share versus net earnings for the same period of \$176.6 million or \$0.84 per share. The difference between adjusted net earnings and net earnings in Q3 2019 is due to the exclusion of foreign exchange gains of \$13.7 million (\$9.1 million after tax) to align with the foreign exchange adjustment made in Q4 2019.

**Cash Flows**

Full Year 2019



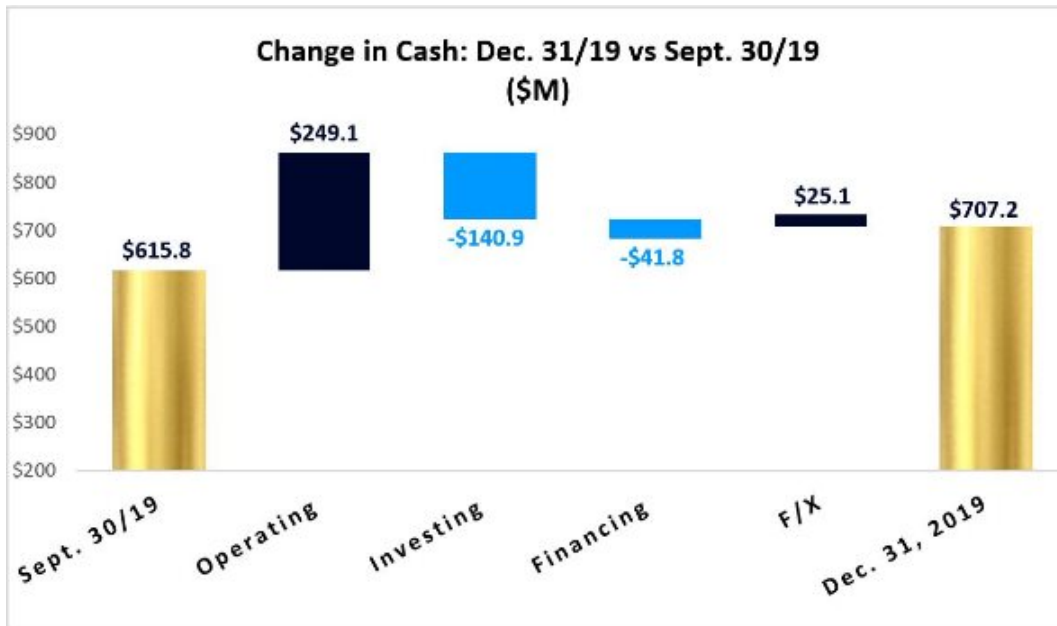
Cash totaled \$707.2 million at December 31, 2019, an increase of \$375.0 million or 113% from December 31, 2018. The increase in cash mainly reflected \$919.4 million of net cash provided by operating activities for the quarter, which compared to \$548.8 million. The increase from FY 2018 resulted from strong growth in earnings as well as the impact of higher non-cash expenses, such as depletion and depreciation costs. These factors were only partially offset by higher cash income taxes paid and changes in non-cash working capital, which was a use of cash in FY 2019 and a source of cash the previous year.

Net cash used in investing activities for FY 2019 totaled \$466.9 million, an increase of \$109.4 million or 31% from FY 2018. The increase reflected higher levels of growth and sustaining capital expenditures in FY 2019, partially offset by a \$31.7 million reduction in cash used for investments in public and private entities during FY 2019 versus FY 2018, as well as the release of \$22.2 million of previously restricted cash during the year. During FY 2019, the Company invested \$34.4 million in private and public entities, including \$24.4 million to acquire 57 million shares (C\$0.57 per share) of Wallbridge Mining Company Limited ("Wallbridge"), representing 9.9% of issued and outstanding common shares, as well as 4.1 million additional shares of Bonterra Resources Inc. ("Bonterra") for \$6.4 million. At December 31, 2019, the Company owned a total of 8.5 million shares of Bonterra, representing 11.3% of total issued and outstanding shares.

Net cash used in financing activities for FY 2019 totaled \$85.2 million, which compared to \$69.0 million for the same period in 2018. The higher level of net cash used for financing activities reflected increases of \$13.1 million and \$12.0 million related to dividend payments and shares repurchased through the Company's NCIB, respectively. The Company increased the quarterly dividend twice during FY 2019, including a 50% increase, to \$0.06 per share, effective the Q4 2019 dividend payment. During FY 2019, the Company repurchased 1,127,000 shares through the NCIB for \$42.8 million (C\$56.7 million).

Free cash flow in FY 2019 totaled \$463.0 million, an 81% increase from FY 2018, reflecting strong growth in net cash provided by operating activities, which more than offset higher levels of cash used for mineral property additions and additions to property, plant and equipment.

## Q4 2019



The Company's cash balance of \$707.2 million at December 31, 2019 increased \$91.4 million or 15% from \$615.8 million at September 30, 2019. The increase in cash resulted from \$247.1 million of net cash being generated from operating activities, which compared to net cash provided by operating activities of \$207.3 million in Q4 2018 and \$316.8 million the previous quarter. The reduction from Q3 2019 mainly reflected the impact of changes in non-cash working capital, which was a significant use of cash in Q4 2019 and a source of cash in Q3 2019, as well as higher levels of cash income tax paid in Q4 2019 (\$21.0 million versus \$5.1 million the previous quarter).

The Company's Q4 2019 and Q3 2019 income tax instalments were based upon the taxable income generated in FY 2018. The Company's FY 2019 taxable income is expected to be significantly higher as compared to FY 2018 due to increased levels of profitability and the absence of loss carry-forwards to shelter the taxable income generated in FY 2019, as was the case in FY 2018. As a result, the Company anticipates paying tax instalments in the first half of 2020 that are substantially higher than any of the tax instalments made during FY 2019, with the largest instalment expected to be paid in Q2 2020, which could exceed \$166 million.

Net cash used for investing activities in Q4 2019 totaled \$139.0 million, which related mainly to growth and sustaining capital expenditures, as well as the \$24.4 million of cash used to acquire 57 million shares of Wallbridge Mining Company Ltd. Net cash used for financing activities totaled \$41.8 million, of which \$30.0 million (C\$39.5 million) was used to repurchase 727,200 shares through the NCIB, with an additional \$8.4 million used for dividend payments.

Free cash flow in Q4 2019 totaled \$132.8 million compared to \$89.6 million in Q4 2018 and \$181.3 million the previous quarter. The change from Q3 2019 resulted from the reduction in net cash provided by operating activities quarter over quarter.

## REVIEW OF OPERATING MINES

*Canadian Mine Operations*Macassa Mine Complex

The Macassa Mine is located in the Municipality of Kirkland Lake, within Teck Township, District of Timiskaming, in the northeast of the province of Ontario, Canada which is approximately 600 km north of Toronto, Canada. Macassa is the Company's flagship Canadian mining operation. Situated in one of Canada's most historic and renowned gold mining districts, the Kirkland Lake Camp, Macassa had proven and probable reserves totaling 3.2 million tonnes grading an average of 21.9 g/t for 2.25 million ounces as at December 31, 2018.

<i>Operating results</i>	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2018
Total Ore Milled (t)	<b>87,573</b>	85,523	<b>324,077</b>	354,469
Average Grade (g/t)	<b>20.5</b>	25.9	<b>23.7</b>	21.6
Gold Contained (oz)	<b>57,672</b>	71,950	<b>246,377</b>	245,819
Recovery (%)	<b>97.8%</b>	98.0%	<b>97.9%</b>	97.7%
Gold Produced (oz)	<b>56,379</b>	69,936	<b>241,297</b>	240,126
Gold Sold (oz)	<b>54,342</b>	71,087	<b>239,240</b>	241,278
Development metres - operating	<b>854</b>	787	<b>3,400</b>	3,742
Development metres - capital	<b>787</b>	1,522	<b>4,580</b>	6,934
Production costs	<b>\$25,615</b>	\$26,325	<b>\$99,227</b>	\$102,845
Operating cash costs per ounce sold <sup>(1)</sup>	<b>\$471</b>	\$370	<b>\$414</b>	\$426
AISC per ounce sold <sup>(1)</sup>	<b>\$721</b>	\$650	<b>\$695</b>	\$713
Total capital expenditures (in thousands)	<b>\$36,662</b>	\$55,871	<b>\$194,157</b>	\$128,225

<sup>(1)</sup> Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

Full Year 2019

Production at Macassa totaled 241,297 ounces, similar to the 240,126 ounces produced in FY 2018 as a 10% improvement in the average grade, to 23.7 g/t, was largely offset by lower tonnes processed compared to the previous year. The increase in the average grade largely resulted from grade outperformance in a number of stopes around the 5700 Level of the South Mine Complex, largely in the first quarter of the year. The reduction in tonnes processed largely reflected lower than expected processing rates during the second quarter of 2019 due mainly to excessive water in the mine during the spring run-off. Gold sales in 2019 totaled 239,240 ounces versus 241,278 ounces in 2018.

Production costs at Macassa totaled \$99.2 million versus \$102.8 million in FY 2018. Both operating cash costs and AISC per ounce sold improved in FY 2019 compared to FY 2018. Operating cash costs per ounce sold averaged \$414 versus \$426 the previous year, while AISC per ounce sold averaged \$695 versus \$713 in FY 2018. Operating cash costs and sustaining capital expenditures were both lower in total dollars in FY 2019 compared to FY 2018, with lower operating cash costs (\$99.1 million versus \$102.7 million) largely due to reduced mining and milling rates and the reduction in sustaining capital expenditures (\$56.1 million versus \$59.9 million a year earlier) reflecting lower infrastructure and mobile equipment procurement costs in FY 2019 versus FY 2018.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

Q4 2019

Production at Macassa in the final quarter of 2019 totaled 56,379 ounces compared to 69,936 ounces in Q4 2018 and 62,945 ounces the previous quarter. The change in production from both prior periods resulted from a lower average grade in Q4 2019, largely reflecting grade underperformance in a small number of stopes, which more than offset the impact of higher tonnes processed. Tonnes processed in Q4 2019 averaged 952 tonnes per day versus 930 tonnes per day in Q4 2018 and 933 tonnes per day the previous quarter.

Production costs in Q4 2019 totaled \$25.6 million versus \$26.3 million in Q4 2018 and \$26.6 million the previous quarter. Operating cash costs per ounce sold averaged \$471 versus \$370 in Q4 2018 and \$425 in Q3 2019. The increase in operating cash costs per ounce sold was mainly related to the impact of a lower average grade on sales volumes compared to both prior periods. AISC per ounce sold averaged \$721 compared to \$650 for the same period in 2018 and \$689 the previous quarter, mainly reflecting the increase in operating cash costs per ounce sold. Sustaining capital expenditures in Q4 2019 totaled \$10.8 million or \$198 per ounce sold, which compared to \$16.7 million or \$235 per ounce sold in Q4 2018 and \$13.2 million or \$211 per ounce sold the previous quarter. The reduction in sustaining capital expenditures in Q4 2019 compared to both prior periods was mainly due to lower costs for mobile equipment procurement paste fill hole development.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

Growth projects: Growth capital expenditures at Macassa for FY 2019 totaled \$113.8 million. Of total growth expenditures, \$76.6 million related to the #4 shaft project, with the remainder primarily related to work on a new tailings impoundment area and thickened tails projects. Growth capital expenditures during Q4 2019 totaled \$22.7 million, of which \$17.3 million related to the #4 shaft project. At December 31, 2019, the #4 shaft had advanced to a depth of 1,200 feet, with the rate of sinking averaging approximately 9.8 feet per day. The project remains on track for phase one completion by the second quarter of 2022 at an estimated capital costs of \$240.0 million.



Holt Mine Complex

The 100% owned Holt Mine Complex consists of three mines: The Holt Mine and Mill and the Holloway Mine, which are both located east of Matheson, approximately 20 km west of the Quebec border, within the Timmins Mining District in northeastern Ontario; and the Taylor Mine located 53 km east of Timmins, Ontario (approximately 68 km by road west of the Holt Mill). Mine production from the three mines is processed at the Holt Mill, on the Holt-Holloway property package. The Holt-Holloway property package is comprised of 48 separate property elements totalling 559 claims for an aggregate area of 11,528 hectares ("ha"). The Taylor Mine consists of 77 claims for a total area covering 3,080 ha. In total, the three mines comprise total proven and probable reserves estimated at 4.6 million @ 4.4 g/t for 643,283 ounces of gold as at December 31, 2018.

Beginning in Q1 2019, the Company began reporting production, cost and expenditure results for the Holt Complex as a reporting business segment. Previously, production from the three mines had been reported separately, with costs for processing at the Holt Mill being divided based respective throughput volumes. Prior periods addressed in this MD&A have been restated to combine the results for the three mines into the Holt Complex segment.

On October 9, 2019, the Company announced that it is currently reviewing future plans for the Holt Complex operations.

Holt Complex

<i>Operating results</i>	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2018
Total Ore Milled (t)	252,801	227,940	853,528	860,023
Average Grade (g/t)	4.1	5.3	4.4	4.9
Gold Contained (oz)	33,456	39,046	120,301	134,500
Recovery (%)	94.1%	94.7%	94.7%	94.7%
Gold Produced (oz)	31,469	36,974	113,952	127,345
Gold Sold (oz)	31,883	35,650	115,849	128,905
Development metres - operating	2,605	1,363	8,104	7,006
Development metres - capital	2,183	476	6,191	4,733
Production costs	\$25,220	\$21,737	\$104,888	\$88,844
Operating cash costs per ounce sold <sup>(1)</sup>	\$790	\$610	\$904	\$689
AISC per ounce sold <sup>(1)</sup>	\$1,321	\$927	\$1,353	\$1,050
Total capital expenditures (in thousands)	\$16,665	\$12,307	\$55,118	\$41,983

<sup>(1)</sup> Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

Full Year 2019

Production at the Holt Complex in FY 2019 totaled 113,952 ounces compared to 127,345 ounces in 2018. The reduction versus FY 2018 reflected lower tonnes processed and average grades at Holt Mine and significantly reduced tonnes processed at Taylor. The Holloway Mine produced 12,211 ounces in FY 2019 compared to 942 ounces from processing stockpiles in 2018. After being placed on care and maintenance in December 2016, the Holloway resumed commercial operation during the first quarter of 2019. In October 2019, the Company announced that the future plans for the Holt Complex were under review. Gold sales for FY 2019 totaled 115,849 ounces versus 128,905 ounces the previous year.

Production costs totaled \$104.9 million in FY 2019, including \$21.3 million at the Holloway Mine, compared to \$88.8 million in FY 2018. Operating cash costs per ounce sold averaged \$904 in FY 2019 versus \$689 for the same period in 2018. Excluding the impact of the Holloway mine, where production ramped up throughout FY 2019, operating cash costs per ounce sold averaged \$802 in FY 2019, with the increase reflecting the impact of lower grades at Holt Mine and significantly reduced tonnes processed at Taylor mine on sales volumes from the two mines. AISC per ounce sold averaged \$1,353 in 2019 versus \$1,050 the previous year. AISC per ounce sold at Holloway averaged \$2,557 in 2019 as the mine ramped up production throughout the year. Excluding the impact of Holloway mine, AISC per ounce sold averaged \$1,217 with the increase from FY 2018 related to higher operating cash costs and sustaining capital expenditures on a per ounce sold basis, reflecting the impact of lower sales volumes. On the same basis, that is excluding the impact of the Holloway mine, total AISC for the Holt and Taylor mines totaled \$126.7 million in FY 2019, which compared to \$135.3 million for FY 2018.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

Q4 2019

During Q4 2019, the Holt Complex produced 31,469 ounces, which compared to production of 36,974 ounces in Q4 2018. The change from Q4 2018 largely reflected a lower average grade at both Holt Mine and Taylor Mine, which more than offset the impact of 5,798 ounces of production at Holloway Mine in Q4 2019 following the resumption of commercial operation at Holloway during the first quarter of 2019 (895 ounces produced in Q4 2018 resulting from the processing of stockpiled material). Production in Q4 2019 increased 16% from 27,128 ounces the previous quarter reflecting higher production at the Holt Mine, due to both increased mill throughput and a higher average grade, as well as increased production from Holloway mine, which produced 3,792 ounces in Q3 2019.

Production costs totaled \$25.2 million in Q4 2019, including \$5.4 million at the Holloway Mine, compared to \$21.7 million in Q3 2018 and \$27.8 million (\$7.4 million at Holloway) the previous quarter. Operating cash costs per ounce sold averaged \$790 (\$746 excluding Holloway) versus \$610 for the same period in 2018 and \$1,037 (\$899 excluding Holloway) in Q3 2019. Excluding the impact of the Holloway mine, the increase from Q4 2018 reflected lower sales volumes as total operating cash costs in Q4 2019 were lower than during Q4 2018 (\$19.7 million versus \$21.7 million in Q4 2018). AISC per ounce sold averaged \$1,321 in Q4 2019 (\$1,261 excluding Holloway mine) versus \$927 in Q4 2018 and \$1,543 (\$1,429 excluding Holloway) the previous quarter. Excluding the impact of Holloway mine, the increase in AISC per ounce sold compared to Q4 2018 reflected lower sales volumes as well as an increase in sustaining capital expenditures to \$12.6 million from \$9.9 million for the same period in 2018. Higher sustaining capital expenditures reflected increased costs related to ground support and underground infrastructure.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

On February 19, 2020, the Company announced that the Holt Complex was being designated as non-core. The Company will continue to operate the Holt Complex while it conducts a strategic review to consider options for maximizing the value of the assets.

**Australian Mine Operations****Fosterville Mine**

The Fosterville Mine is located approximately 20 km northeast of the town of Bendigo and 130 km north of the city of Melbourne in Victoria, Australia. With a noteworthy history of gold mining in the region dating back to 1894, the current Fosterville Mine commenced commercial production in April 2005 with a sulphide plant that has produced approximately 1.8 million ounces to date. At December 31, 2018, the mine had total reserves of 2.7 million tonnes at an average grade of 31.0 g/t for a total of 2.7 million ounces.

<b>Operating results</b>	<b>Three Months Ended December 31, 2019</b>	Three Months Ended December 31, 2018	<b>Year Ended December 31, 2019</b>	Year Ended December 31, 2018
Total Ore Milled (t)	<b>121,998</b>	98,797	<b>492,874</b>	456,909
Average Grade (g/t)	<b>49.3</b>	39.7	<b>39.6</b>	24.9
Gold Contained (oz)	<b>193,499</b>	126,043	<b>627,181</b>	366,219
Recovery (%)	<b>99.2%</b>	98.6%	<b>98.8%</b>	97.3%
Gold Produced (oz)	<b>191,894</b>	124,307	<b>619,366</b>	356,230
Gold Sold (oz)	<b>192,213</b>	118,955	<b>624,645</b>	352,094
Development metres - operating	<b>606</b>	516	<b>1,769</b>	2,257
Development metres - capital	<b>1,628</b>	1,950	<b>7,333</b>	7,311
Production costs	<b>\$20,334</b>	\$16,542	<b>\$76,919</b>	\$75,743
Operating cash costs per ounce sold <sup>(1)</sup>	<b>\$106</b>	\$139	<b>\$119</b>	\$200
AISC per ounce sold <sup>(1)</sup>	<b>\$258</b>	\$332	<b>\$291</b>	\$442
Total capital expenditures (in thousands)	<b>\$42,524</b>	\$29,808	<b>\$161,039</b>	\$105,750

<sup>(1)</sup> Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

**Full-Year 2019**

Production at Fosterville in FY 2019 increased 74%, to 619,366 ounces, mainly reflecting a 59% improvement in the average grade, to 39.6 g/t compared to 24.9 g/t the previous year. The improvement in grade mainly resulted from the ramp up in production in the high-grade Swan Zone, which accounted for approximately 89% of ounces produced and 55% of tonnes mined in FY 2019 versus 26% and 9%, respectively, in FY 2018 (production from the Swan Zone commenced in Q3 2018). Also contributing to higher production rates was an 8% increase in tonnes processed, to 492,874 tonnes in FY 2019, reflecting higher productivity from the Phoenix system as a higher amount of operating faces became available throughout the year. Gold sales increased 77%, to 624,645 ounces in FY 2019 reflecting higher production levels during the year.

Production costs at Fosterville totaled \$76.9 million in FY 2019 versus \$75.7 million in FY 2018. Both operating cash costs and AISC per ounce sold were significantly improved in FY 2019 versus the previous year, with the improvement largely related to the favourable impact of a higher average grade on sales volumes. Operating cash costs per ounce sold averaged \$119 per ounce sold, which compared to \$200 per ounce sold in FY 2018. Total operating cash costs in FY 2019 were \$74.6 million versus \$70.4 million for FY 2018, with the increase reflecting the higher volume mined and processed in FY 2019. AISC averaged \$291 per ounce sold versus \$442 per ounce sold a year earlier in FY 2018. Sustaining capital expenditures totaled \$91.0 million or \$146 per ounce sold versus \$76.0 million or \$216 per ounce sold in FY 2018. The increase in total sustaining capital expenditures resulted from higher lateral development costs. Royalty expense in FY 2019 totaled \$17.5 million versus \$9.0 million, reflecting the significant increase in production and sales year over year.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

Q4 2019

The Fosterville Mine produced a record 191,894 ounces in Q4 2019, an increase of 54% from 124,307 ounces in Q4 2018 and 21% higher than 158,327 ounces the previous quarter. The growth in production from both prior periods reflected higher average grades, increased tonnes processed and improved recoveries. The average grade of 49.3 g/t improved 24% from Q4 2018 and 18% from the previous quarter, with the increase from both prior periods largely due to grade outperformance in a number of Swan Zone stopes during Q4 2019. Higher levels of production from the Swan Zone also contributed to the increase in average grade compared to Q4 2018. In addition to a record average grade, the average recovery rate of 99.2% in Q4 2019 was also the highest ever achieved at the Fosterville Mill.

Production costs in Q4 2019 totaled \$20.3 million versus \$16.5 million in Q4 2018 and \$19.2 million the previous quarter. Operating cash costs per ounce sold averaged a record \$106 versus \$139 in Q4 2018 and \$115 in Q3 2019. The improvement related to the favourable impact of a higher average grade on sales volumes in Q4 2019 versus both prior periods. Total operating cash costs in Q4 2019 were \$20.3 million versus \$16.5 million in Q4 2018 and \$19.2 million the previous quarter, with the increase largely reflecting higher volumes mined and processed as well as increased operating development. AISC per ounce sold averaged \$258 compared to \$332 for the same period in 2018 and \$289 the previous quarter. Sustaining capital expenditures in Q4 2019 totaled \$25.3 million or \$132 per ounce sold, which compared to \$19.9 million (\$167 per ounce sold) in Q4 2018 and \$23.8 million (\$143 per ounce sold) the previous quarter. The increase in sustaining capital expenditures compared to Q4 2018 reflected higher levels of lateral and vertical capital development.

Growth projects: Growth capital expenditures at Fosterville in FY 2019 totaled \$48.4 million (excluding capitalized exploration expenditures) (\$11.2 million in Q4 2019). Work on growth projects during FY 2019 focused on completing new paste fill and water treatment plants and establishing new ventilation raises as part of the new ventilation system scheduled for completion early in 2020. A number of smaller projects, including construction of a new power transformer, new refinery and gold room and a thiocyanate destruction plant at the Fosterville mill also continued to move forward during Q4 2019.



(1) Non-IFRS - the definition and reconciliation of these Non-IFRS measures are included on pages 39-45 of this MD&A.

## GROWTH AND EXPLORATION

### Canada

Exploration expenditures for the Canadian operations FY 2019 totalled \$11.6 million (\$1.4 million in Q3 2019). At Macassa, underground drilling during the first nine months of the year continued to focus on Mineral Resource replacement and expansion. Drilling at Taylor in FY 2019 targeted additional expansion of mineralization around the Shaft and West Porphyry deposits.

### Macassa Mine

In 2019, the Company completed approximately 169,280 metres of underground drilling at Macassa, using up to 11 three underground drills on the 3400, 5300, 5600 and 5700 levels. The drilling targeted extensions of the SMC to the east, the west and to depth, as well as areas along the Amalgamated Break near the SMC. In addition, the drilling focused on infill targets within the current resource with the aim of upgrading resources within the SMC, Lower SMC and '04 Break.

Of the 169,280 total underground metres, 54,814 metres were drilled to test the east and west extents of the SMC, with an additional 34,133 metres being drilled to test the Amalgamated Break. In addition, 844 metres of drilling were completed from the 5300 Level to test the Main Break near the former Kirkland Minerals property between the 6000 and 6500 levels, proximal to the location of the #4 shaft. Infill drilling consisted of 7,402 metres of drilling focused on upgrading resources on the '04 Break and 72,087 metres focused on upgrading resources within the SMC and Lower SMC.

In terms of exploration development, after completing 379 metres of development drifting in 2018 in support of future underground exploration drilling to extend the 5300 Level exploration drift to the east, which included the excavation of a new drill bay, an additional 243 metres of development to the east was completed during FY 2019. Development to the west on the 5300 Level was extended an additional 254 metres during FY 2019. The Company also began exploration development heading east on the 5806 decline late in Q3 2019 to target the SMC East and Main Break at depth with a total of 76 metres of development being completed by the end of the year.

On May 2, 2019, the Company announced new high-grade intersections from underground drilling at Macassa. The results highlighted the potential for Mineral Resource growth to the east, west and at depth around the SMC, and also included identification of high-grade mineralization in separate areas along the Amalgamated Break. The new drill results included high-grade intersections up to 60 metres to the east of the SMC and 250 metres to the west of the SMC's current Mineral Resources. The Lower SMC was also expanded to depth. The two areas of high-grade mineralization identified along the Amalgamated Break were deemed significant, given the considerable exploration potential that exists along this Break, with only limited past drilling having been completed.

On September 16, 2019, the Company announced results from additional underground drill holes for 2,207 metres of total drilling. The results included the intersections of high-grade mineralization approximately 200 metres northeast of current Mineral Resources in the SMC, the intersection of high-grade mineralization 275 metres west of existing Mineral Resources in the SMC (25 metres further west than the results announced on May 2, 2019), and the continued intersection of ore-grade mineralization within high-grade zones along the Amalgamated Break up to 175 metres west of Mineral Resources in the SMC.

On December 10, 2019, the Company released results from an additional 45 holes and 15,238 metres of total drilling. The results included a further extension of high-grade mineralization 75 metres to the east of current Mineral Resources in the SMC, and an additional 35 metres to the west. The results also demonstrated the continuity of mineralization in previously announced extensions in both directions of the SMC through successful in-fill drilling, and continued to expand high-grade mineralization associated with the Amalgamated Break.

### Holt Complex

In FY 2019, the Company completed approximately 111,500 metres of underground and surface diamond drilling at the Holt, Holloway and Taylor mines, with the focus being to both identify extension and infill known areas. Results of this drilling have been incorporated into the updated Mineral Resources for the end of 2019.

## Regional Exploration

In FY 2019, the Company completed approximately 42,000 metres of early-stage exploration drilling on a variety of targets at the Nighthawk, Golden Highway and Holloway West properties.

### **Australia**

In 2019, an extensive program of exploration drilling and development focused on supporting the future growth of the Fosterville mine and the Company's efforts to establish an economic deposit or deposits in the Northern Territory that would support a resumption of operations at the Cosmo mine and Union Reefs mill. Total exploration expenditures (including capitalized exploration) during FY 2019 totaled \$147.5 million.

#### Fosterville Mine

An aggressive program of exploration and definition drilling and development was completed in FY 2019. The program involved work to extend known mineralized zones at Swan, Lower Phoenix, Harrier, and Robbin's Hill, and also to test for new mineralized structures within the Company's mining license. In addition, work continued on the LODE ("Large Ore Deposit Exploration") program at Fosterville, which included greenfield exploration work on several targets within Fosterville's existing exploration licenses. Exploration expenditures (including capitalized exploration) at Fosterville for FY 2019 totaled \$37.6 million.

During FY 2019, a total of 152,009 metres of drilling were completed using up to six surface drills and eight underground drills. Underground drilling during the year largely focused on the Lower Phoenix system and targeted extensions to known mineralization. Underground drilling also targeted the Cygnet zone, a zone of mineralization identified in FY 2018, situated footwall to the Swan Zone in the Phoenix system.

In March 2019, Fosterville's mining license was increased substantially as a result of extensions granted by the Victorian Government. As a result of the extensions, Fosterville's mining license now covers approximately 28.5 km<sup>2</sup> compared to approximately 17.2 km<sup>2</sup> previously. The mining license extensions were sought by Fosterville in support of planned exploration work to fully evaluate the Mineral Resource growth potential of the Harrier South and Robbin's Hill targets. Drilling of these targets, where high-grade, visible-gold bearing quartz veins have been intersected, were an important component of Fosterville's FY 2019 exploration program. Underground drilling for extensions to depth at the Harrier system commenced in August 2019, following completion of a 216-metre development drift, which extended off the previous boundary of the mining lease and was completed to facilitate the effective targeting of the Harrier Base mineralised structure at depth where it transects an anticline axial plane

Surface drilling at the Robbin's Hill target extended throughout FY 2019 and focused on two main structures, the Curie Fault (formerly Farley's Fault) and Rubin Fault (formerly Farley's Footwall Fault). On December 10, 2019, The Company announced results from 66 holes or 36,428 metres of total drilling at Robbin's Hill. The results demonstrated the continuity of mineralization at shallow depths within current Mineral Resources as well as the presence of visible gold, and also demonstrated the potential to extend the mineralization up to 500 metres down-plunge with two holes, both of which returned over 45 gram-metre intercepts. On December 18, 2019, The Company announced plans to commence development on a twin 4.8 km underground exploration drive to connect Robbin's Hill to existing mine infrastructure at Fosterville. The decline is a three-year project that will support underground exploration of Robbin's Hill and other targets and provide valuable infrastructure for future mine operations.

Work on the LODE program in Q3 2019 largely focused on the interpretation of geophysical data collected from recent Airborne EM and Gravity surveys over the Fosterville district. This dataset represents the first detailed solid geology interpretation for under cover areas, tying in regional and high-resolution geophysics completed to date and will drive drill targeting to the north of Fosterville. In addition, a regional geochemical soil sampling program was completed during Q3 2019 and RC drilling commenced at the Thunder Swamp prospect in EL006502.

In October 2019, the Government of Victoria announced the release of EL3539 for tender. The Company previously held this exploration licence until its expiry in February 2019. The tender process commenced in January 2020 with applications submitted on February 14, 2020. The Company is applying to re-acquire this license. In the Company's Q2 2019 MD&A, information was presented indicating that drilling on the EL3539 had taken place during the second quarter. In fact, drilling on the property ceased during the first quarter of the year.

Northern Territory

The Cosmo mine and Union Reefs mill were placed on care and maintenance effective June 30, 2017. Since then, the Company has continued work on an extensive exploration program with a focus on drilling and underground exploration development activities in the Northern Territory as the Company works towards a decision of resumption of mining and milling operations.

Exploration programs in the Northern Territory have involved underground development and drilling at the Cosmo mine to improve the understanding of the Lantern Deposit and support resource definition and expansion. In addition, drill programs also commenced at the formerly-producing Prospect open pit at Union Reefs and at other targets on the Northern Territory land position. During FY 2018, the Company also commenced underground development from the existing Cosmo ramp through the Lantern Deposit on three levels, the 920, 610 and 730 levels. A total of 2,900 metres of development were completed during FY 2018 in the three drifts, as well as at a number of other targets in the Cosmo mine area. A total of \$54.7 million of exploration expenditures were incurred in FY 2018 (inclusive of capitalized exploration expenditures and costs related to care and maintenance activities).

During the first quarter of 2019, the Company commenced an advanced exploration program aimed at completing additional drilling and development with the aim of commencing test processing at the Union Reefs Mill before the end of the year. During FY 2019, a total of \$109.9 million of advanced exploration expenditures (both expensed and capitalized) were incurred. Included in the work program for FY 2019 was the completion of approximately 128,000 metres of surface and underground drilling focused on the Lantern Deposit, Liberator target at the Cosmo mine, at Union Reefs around the Union North Line and Millars Deposit and at Pine Creek. In addition, approximately 6,000 metres of underground development was completed at Lantern in support of commencing test processing at Union Reefs Mill. Also during 2019, a rehabilitation program was completed where two former open pits were backfilled with approximately 750,000 tonnes of waste rock located from around the Howley project area.

In October 2019, Union Reefs mill commenced processing of mostly low-grade development heading material as part of a ramp up in operation. By the end of the year, a total of 8,700 ounces had been produced from processing 147,400 tonnes at an average grade of 2.06 g/t. Total gold sales were 7,680 ounces, with proceeds from the sales being used to reduce capitalized exploration expenditures.

In October 2019, the Company commenced trial processing of Lantern Deposit material at the Union Reefs mill as part of the advanced exploration program. By the end of the year, a total of 8,700 ounces had been produced from processing 147,400 tonnes at an average grade of 2.06 g/t. Total gold sales were 7,680 ounces, with proceeds from the sales being used to reduce capitalized exploration expenditures.

On December 18, 2019, results for 154 holes for a total of 61,981 metres were released from drilling at the Lantern Deposit, Union Reefs and Pine Creek. The results included that included the intersection of high-grade mineralization between 350 and 550 metres from surface at the Lantern Deposit; the intersection of high-grade mineralization down-plunge at Lantern below the 550 metre level, demonstrating the potential for high-grade extension below existing mining fronts; the identification of a new area of gold mineralization at Union Reefs South, and the return of intercepts containing significant gold values with the first four holes at Pine Creek.

Entering 2020, advanced exploration work was continuing in the Northern Territory in support of a potential resumption of operations. The Company's work is aimed at establishing a minimum five-year mine plan including at least 100,000 ounces of average annual production at operating cash costs below \$650 per ounce and AISC of better than \$950 per ounce.

On February 19, 2020, the Company announced that the Northern Territory assets had been designated as non-core with the company planning to consider strategic options for maximizing the value of these assets. The advanced exploration program and ongoing rehabilitation work is expected to continue during the strategic review period.

## REVIEW OF FINANCIAL CONDITION AND LIQUIDITY

Kirkland Lake Gold is committed to managing liquidity by achieving positive cash flows from its mine operations to fund operating and capital requirements, including quarterly dividend payments, as well as development projects. The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis; however, there are no significant accounts payable, capital lease obligations, or other payments that are outstanding past their due dates.

As at December 31, 2019, the Company had a positive working capital balance of \$377.7 million, including a cash balance of \$707.2 million, which compares to a working capital of \$205.3 million and cash of \$332.2 million at December 31, 2018. The strong working capital reflects ongoing free cash flow generation from the Company's mine operations and is aided by increased revenues from higher sales volumes and the timing of sustaining and growth capital outlays.

The Company's cash balance supplemented by cash flow from operations are expected to be sufficient to fund operations and capital requirements for at least the next twelve months.

## OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2019, the Company did not have any off-balance sheet items.



## OUTSTANDING SHARE AND CONVERTIBLE EQUITY INFORMATION

### Outstanding Share Information

	As at December 31, 2019	Weighted Average Exercise Price
<b>Authorized:</b> Unlimited number of common shares		
<b>Issued:</b> Fully paid common shares	209,624,480	—
<b>Issued:</b> Stock options	218,489	C\$4.44
<b>Issued:</b> Restricted share units	540,828	—
<b>Issued:</b> Performance share units	511,768	—

Terms of the Company's equity incentive plans are outlined in the Company's audited Consolidated Financial Statements for the year ended December 31, 2019.

## SELECTED ANNUAL INFORMATION

(in thousands, except for per share figures)	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
<b>Financial Results</b>			
Revenue	<b>\$1,379,988</b>	\$915,911	\$747,495
Earnings from mine operations	<b>\$893,601</b>	\$488,343	\$289,129
Loss from discontinued operations	<b>\$—</b>	\$—	(\$24,904)
Net earnings	<b>\$560,080</b>	\$273,943	\$132,426
Basic earnings per share	<b>\$2.67</b>	\$1.30	\$0.64
Diluted earnings per share	<b>\$2.65</b>	\$1.29	\$0.63

(in thousands)	As at and for the year ended December 31, 2019	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
<b>Financial Position</b>			
Cash	<b>\$707,206</b>	\$332,227	\$231,596
Working capital (See Non-IFRS measures)	<b>\$377,685</b>	\$205,285	\$165,346
Mining interests and plant and equipment	<b>\$1,496,926</b>	\$1,117,170	\$1,049,309
Total Assets	<b>\$2,557,617</b>	\$1,710,160	\$1,485,800
Total non-current liabilities	<b>\$323,918</b>	\$254,427	\$197,732
Cash dividends paid	<b>(\$29,470)</b>	(\$16,329)	(\$3,281)

The revenue and consequently the amount of net income and earnings per share is driven largely by the amount of gold produced and sold and is subject to fluctuations in the market price of gold in US dollars and the strength and weakening of the US dollar specifically against the Canadian and Australian dollars. The timing of gold pours, gold sales, gold price fluctuations, ore grade and gold inventory balances also affect quarterly results. Trends observed or averaged over a longer time period may be more representative of the true performance of the business.

## QUARTERLY INFORMATION

The following selected financial data for the last eight fiscal quarters has been prepared in accordance with IFRS and should be read in conjunction with the Company's Condensed Consolidated Interim Financial Statements for each of the periods considered below and the Consolidated Financial Statements for the year ended December 31, 2019.

<i>(in thousands except per share amounts)</i>	2019			
	Three Months Ended			
	December 2019	September 2019	June 2019	March 2019
Revenue	\$412,379	\$381,430	\$281,267	\$304,912
Earnings before income taxes	\$232,042	\$254,119	\$152,432	\$159,589
Net earnings	\$169,135	\$176,604	\$104,195	\$110,146
Basic earnings per share	\$0.81	\$0.84	\$0.50	\$0.52
Diluted earnings per share	\$0.80	\$0.83	\$0.49	\$0.52

<i>(in thousands except per share amounts)</i>	2018			
	Three Months Ended			
	December 2018	September 2018	June 2018	March 2018
Revenue	\$280,320	\$222,701	\$214,653	\$198,237
Earnings before income taxes	\$149,336	\$82,977	\$90,109	\$71,888
Net earnings	\$106,535	\$55,885	\$61,486	\$50,037
Basic earnings per share	\$0.51	\$0.27	\$0.29	\$0.24
Diluted earnings per share	\$0.50	\$0.26	\$0.29	\$0.24

Revenue in Q4 2019 totaled \$412.4 million, an increase of \$132.1 million or 47% from \$280.3 million in Q4 2018. Increases in both gold sales and the average realized price both contribution significantly to the improvement. The average realized price in Q4 2019 was \$1,481, a 20% improvement from the same period in 2018, which resulted in \$67 million of additional revenue in Q4 2019. A 23% increase in gold sales, to 278,438 ounces, driven mainly by the impact of higher grades at Fosterville on production and sales levels, contributed the remaining \$65 million of revenue growth in Q4 2019 versus Q4 2018. Compared to the previous quarter, revenue increased \$30.9 million or 8% from \$381.4 million in Q3 2019. The increase in revenue was entirely from higher sales volumes, which increased 9% from 256,276 ounces in Q3 2019. The average realized gold price Q4 2019 was unchanged from the previous quarter.

Net earnings in Q4 2019 totaled \$169.1 million or \$0.81 per share, which compared to net earnings of \$106.5 million or 0.51 per share in Q4 2018. Strong revenue growth was the primary factor contributing to the increase in net earnings from Q4 2019. The 47% increase revenue, to \$412.4 million, increased earnings per share by \$0.46 in Q4 2019 versus Q4 2018, with both a higher realized gold price and increased sales volumes contributing approximately \$0.23 per share to the increase. Other factors contributed to higher earnings was a \$0.02 per share favourable contribution from reduced expensed exploration costs and a \$0.01 per share favourable impact from a lower effective tax rate in Q4 2019 compared to the same period in 2018.

## COMMITMENTS AND CONTINGENCIES

The contractual cash flow obligations of the Company as at December 31, 2019 are as follows:

As at December 31, 2019	Total	Less than a year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	\$151,760	\$151,760	\$—	\$—	\$—
Lease obligation payments	15,717	10,485	5,054	178	—
Income taxes payable	188,450	188,450	—	—	—
	\$355,927	\$350,695	\$5,054	\$178	\$—

## RELATED PARTY TRANSACTIONS

The remuneration of directors and executive officers is determined by the compensation committee of the Board of Directors. The directors' fees, consulting fees and other compensation of directors and executive officers were as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Officer salaries and short-term benefits	\$10,661	\$8,230
Share based payment expense	4,237	4,478
Directors fees	600	512
Severance payments	461	—
	<b>\$15,959</b>	<b>\$13,220</b>

Related party transactions are measured at the exchange amount which is the consideration agreed to between the parties.

The Company chartered an aircraft owned by a Company controlled by the ex-Chairman of the Board during his tenure at the Company which ended on May 7, 2019. The total expense was \$68 during the year ended December 31, 2019 (year ended December 31, 2018 - \$177).

The Company entered into contracts with wholly-owned subsidiaries of Gekko Systems, a global mineral processing and equipment company. The total expense was \$61 during the year ended December 31, 2019. Ms. Elizabeth Lewis-Gray, a member of the Company's Board of Directors effective September 26, 2019, is the Co-founder, Chair and Managing Director of Gekko Systems.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reporting amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ materially from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are generally recognized in the period in which the estimates are revised.

Our significant judgments, estimates and assumptions are disclosed in note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2019.

**ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

The Company's significant accounting policies are disclosed in note 3 of the audited consolidated financial statements for the year ended December 31, 2019. Effective January 1, 2019, the Company adopted the new IASB issued IFRS 16, Leases ("IFRS 16"), which replaced the existing lease accounting under IAS 17, Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. The impact of adopting the requirements of IFRS 16 is disclosed in note 5 of the audited consolidated financial statements for the year ended December 31, 2019.

The Company has historically equity-settled awards under its Long-term Incentive plan ("LTIP") and accounted for them accordingly, however granted units that vested in 2019 were settled in cash, resulting in a change in the accounting to cash-settled. In accordance with the guidance under IFRS 2 Share-based Payment, the Company made an accounting policy choice to recognize the excess amount as a direct charge to shareholders' equity as opposed to recognizing an expense in the statement of operations on the date of modification, as the excess amount is attributable to prior periods. If the Company had recorded the expense through the statement of operations instead of shareholders' equity, net earnings would have been \$29.2 million lower on a post-tax basis for the year ended December 31, 2019. For further information regarding the impact of this accounting policy choice, refer to note 16 of the audited consolidated financial statements for the year ended December 31, 2019.

## NON-IFRS MEASURES

The Company has included certain non-IFRS measures in this document, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

### Free Cash Flow

In the gold mining industry, free cash flow is a common performance measure with no standardized meaning. The Company calculates free cash flow by deducting cash capital spending (capital expenditures for the period, net of expenditures paid through finance leases) from net cash provided by operating activities.

The Company discloses free cash flow as it believes the measure provides valuable assistance to investors and analysts in evaluating the Company's ability to generate cash flow after capital investments and build the cash resources of the Company. The most directly comparable measure prepared in accordance with IFRS is net cash provided by operating activities less net cash used in investing activities.

Free cash flow is reconciled to the amounts included in the Consolidated Statements of Cash Flows as follows:

<i>(in thousands)</i>	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Three Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
Net cash provided by operating activities	\$247,100	\$207,283	\$316,753	\$919,390	\$548,790
Mineral property additions	(84,440)	(59,865)	(67,900)	(258,010)	(162,673)
Plant and equipment (1)	(29,879)	(52,639)	(67,549)	(198,413)	(112,531)
Additions to other long-term assets	—	(5,208)	—	—	(18,386)
Free cash flow	\$132,781	\$89,571	\$181,304	\$462,967	\$255,200

(1) Excludes lease additions

### Operating Cash Costs and Operating Cash Costs per Ounce Sold

Operating cash costs and operating cash cost per tonne and per ounce sold are non-IFRS measures. In the gold mining industry, these metrics are common performance measures but do not have any standardized meaning under IFRS. Operating cash costs include mine site operating costs such as mining, processing and administration, but exclude royalty expenses, depreciation and depletion and share based payment expenses and reclamation costs. Operating cash cost per ounce sold is based on ounces sold and is calculated by dividing operating cash costs by volume of gold ounces sold.

The Company discloses operating cash costs and operating cash cost per tonne and per ounce as it believes the measures provide valuable assistance to investors and analysts in evaluating the Company's operational performance and ability to generate cash flow. The most directly comparable measure prepared in accordance with IFRS is total production expenses. Operating cash costs and operating cash cost per ounce of gold should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

### Sustaining and Growth Capital

Sustaining capital and growth capital are Non-IFRS measures. Sustaining capital is defined as capital required to maintain current operations at existing levels. Growth capital is defined as capital expenditures for major growth projects or enhancement capital for significant infrastructure improvements at existing operations. Both measurements are used by management to assess the effectiveness of investment programs.

<i>(in thousands)</i>	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Three Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
Sustaining capital	\$52,439	\$46,436	\$48,260	\$192,444	\$173,991
Growth capital <sup>(1)</sup>	68,897	69,518	87,966	317,616	135,148
Total capital expenditures	\$121,336	\$115,954	\$136,226	\$510,060	\$309,139
Finance leases related to IFRS 16	520	—	2,567	6,037	—
Total additions and CIP per financial statements	\$121,856	\$115,954	\$138,793	\$516,097	\$309,139

(1) Growth capital includes capitalized exploration.

### **AISC and AISC per Ounce Sold**

AISC and AISC per ounce are Non-IFRS measures. These measures are intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, the Company's definition conforms to the definition of AISC as set out by the World Gold Council in its guidance note dated June 27, 2013.

The Company defines AISC as the sum of operating costs (as defined and calculated above), royalty expenses, sustaining capital, corporate expenses and reclamation cost accretion related to current operations. Corporate expenses include general and administrative expenses, net of transaction related costs, severance expenses for management changes and interest income. AISC excludes growth capital, reclamation cost accretion not related to current operations, interest expense, debt repayment and taxes.

### **Total cash costs and AISC Reconciliation**

The Company has not restated the 2018 AISC comparatives to reflect the impact of IFRS 16, Leases ("IFRS 16") consistent with the modified retrospective approach adopted by the Company for financial statement purposes upon transition to the new leasing standard effective January 1, 2019. If the Company had applied IFRS 16 in the comparative periods, it would not have resulted in a material impact to the 2018 consolidated or site-by-site AISC comparatives.

The following tables reconciles these non-IFRS measures to the most directly comparable IFRS measures available for the three months and years ended December 31, 2019 and 2018:

Year ended December 31, 2019								
(in thousands, except per ounce amounts)	Holt Mine Complex	Macassa Mine	Total Canadian Operations	Fosterville Mine	Northern Territory	Total Australian Operations	General and administrative	Total Consolidated
Production costs	\$104,888	\$99,227	\$204,115	\$76,919	\$—	\$76,919	\$—	\$281,034
Share-based compensation	(125)	(164)	(289)	—	—	—	—	(289)
Purchase price allocation	—	—	—	(2,314)	—	(2,314)	—	(2,314)
<b>Operating cash costs</b>	104,763	99,063	203,826	74,605	—	74,605	—	278,431
Royalty expense	7,738	11,240	18,978	17,454	—	17,454	—	36,432
Stock-based compensation	125	164	289	—	—	—	9,018	9,307
Rehabilitation and remediation	158	194	352	366	849	1,215	—	1,567
General and administrative expense	—	—	10,787	—	—	11,374	14,186	36,347
Sustaining capital <sup>1</sup>	44,616	56,100	100,716	90,994	—	90,994	734	192,444
Sustaining leases <sup>2</sup>	596	117	713	46	184	230	481	1,424
Capitalized depreciation	(1,270)	(725)	(1,995)	(1,739)	—	(1,739)	—	(3,734)
<b>AISC</b>	\$156,726	\$166,153	\$333,666	\$181,726	\$1,033	\$194,133	\$24,419	\$552,218
Ounces of gold sold	115,849	239,240	355,089	624,645	—	624,645	—	979,734
Operating cash cost per ounce sold	\$904	\$414	\$574	\$119	\$—	\$119	\$—	\$284
Sustaining capital expenditures per ounce sold	\$385	\$234	\$284	\$146	\$—	\$146	\$—	\$196
AISC per ounce sold	\$1,353	\$695	\$940	\$291	\$—	\$311	\$—	\$564

(1) Sustaining capital in YTD 2019 excludes capital costs associated with finance leases that were recognized in the period.

(2) Sustaining leases represent payments associated with lease obligations recognized as at January 1, 2019 due to the adoption of the new leasing standard but excludes payments associated with historical leases as these costs were previously reflected in AISC in the quarter the leases were entered into.

Three months ended December 31, 2019								
(in thousands, except per ounce amounts)	Holt Mine Complex	Macassa Mine	Total Canadian Operations	Fosterville Mine	Northern Territory	Total Australian Operations	General and administrative	Total Consolidated
Production costs	\$25,220	\$25,615	\$50,835	\$20,334	\$—	\$20,334	\$—	\$71,169
Share-based compensation	(30)	(44)	(74)	—	—	—	—	(74)
Purchase price allocation	—	—	—	—	—	—	—	—
<b>Operating cash costs</b>	25,190	25,571	50,761	20,334	—	20,334	—	71,095
Royalty expense	2,170	3,368	5,538	5,464	—	5,464	—	11,002
Share-based compensation	30	44	74	—	—	—	526	600
Rehabilitation and remediation	29	49	78	113	227	340	—	418
General and administrative expense	—	—	2,905	—	—	4,129	3,016	10,050
Sustaining capital <sup>1</sup>	15,622	10,752	26,374	25,331	—	25,331	734	52,439
Sustaining leases <sup>2</sup>	331	108	439	26	66	92	189	720
Capitalized depreciation	(1,270)	(725)	(1,995)	(1,739)	—	(1,739)	—	(3,734)
<b>AISC</b>	\$42,102	\$39,167	\$84,174	\$49,529	\$293	\$53,951	\$4,465	\$142,590
Ounces of gold sold	31,883	54,342	86,225	192,213	—	192,213	—	278,438
Operating cash cost per ounce sold	\$790	\$471	\$589	\$106	\$—	\$106	\$—	\$255
Sustaining capital expenditures per ounce sold	\$490	\$198	\$306	\$132	\$—	\$132	\$—	\$188
AISC per ounce sold	\$1,321	\$721	\$976	\$258	\$—	\$281	\$—	\$512

(1) Sustaining capital in Q3 2019 excludes capital costs associated with finance leases that were recognized in the quarter.

(2) Sustaining leases represent payments associated with lease obligations recognized as at January 1, 2019 due to the adoption of the new leasing standard but excludes payments associated with historical leases as these costs were previously reflected in AISC in the quarter the leases were entered into.

Q4 2019 MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended December 31, 2018								
(in thousands, except per ounce amounts)	Holt Mine Complex(1)	Macassa Mine	Total Canadian Operations	Fosterville Mine	Northern Territory	Total Australian Operations	General and administrative	Total Consolidated
Production costs	\$88,844	\$102,845	\$191,689	\$75,743	\$—	\$75,743	\$—	\$267,432
Share-based compensation	(77)	(166)	(243)	—	—	—	—	(243)
Purchase price allocation	—	—	—	(5,386)	—	(5,386)	—	(5,386)
<b>Operating cash costs</b>	<b>88,767</b>	<b>102,679</b>	<b>191,446</b>	<b>70,357</b>	<b>—</b>	<b>70,357</b>	<b>—</b>	<b>261,803</b>
Royalty expense	8,352	9,074	17,426	8,992	—	8,992	—	26,418
Stock-based compensation	77	166	243	—	—	—	5,216	5,459
Rehabilitation and remediation	117	131	248	168	173	341	—	589
General and administrative expense	—	—	1,470	—	—	—	24,879	26,349
Sustaining capital	38,089	59,880	97,969	76,022	—	76,022	—	173,991
<b>AISC</b>	<b>\$135,402</b>	<b>\$171,930</b>	<b>\$308,802</b>	<b>\$155,539</b>	<b>\$173</b>	<b>\$155,712</b>	<b>\$30,095</b>	<b>\$494,609</b>
Ounces of gold sold	128,905	241,278	370,183	352,094	—	352,094	—	722,277
Operating cash cost per ounce sold	\$689	\$426	\$517	\$200	\$—	\$200	\$—	\$362
Sustaining capital expenditures per ounce sold	\$295	\$248	\$265	\$216	\$—	\$216	\$—	\$241
AISC per ounce sold	\$1,050	\$713	\$834	\$442	\$—	\$442	\$—	\$685

(1) Holt Mine Complex includes Holloway Mine, which was transitioned into Care and Maintenance in December 2016 and resumed operations during Q1 2019.

Three Months Ended December 31, 2018								
(in thousands, except per ounce amounts)	Holt Mine Complex(1)	Macassa Mine	Total Canadian Operations	Fosterville Mine	Northern Territory	Total Australian Operations	General and administrative	Total Consolidated
Production costs	\$21,737	\$26,325	\$48,062	\$16,542	\$—	\$16,542	\$—	\$64,604
Share-based compensation	4	(20)	(16)	—	—	—	—	(16)
Purchase price allocation	—	—	—	—	—	—	—	—
<b>Operating cash costs</b>	<b>21,741</b>	<b>26,305</b>	<b>48,046</b>	<b>16,542</b>	<b>—</b>	<b>16,542</b>	<b>—</b>	<b>64,588</b>
Royalty expense	1,406	3,148	4,554	3,029	—	3,029	—	7,583
Share-based compensation	(4)	20	16	—	—	—	1,294	1,310
Rehabilitation and remediation	11	33	44	28	46	74	—	118
General and administrative expense	—	—	553	—	—	—	7,469	8,022
Sustaining capital	9,882	16,670	26,552	19,884	—	19,884	—	46,436
<b>AISC</b>	<b>\$33,036</b>	<b>\$46,176</b>	<b>\$79,765</b>	<b>\$39,483</b>	<b>\$46</b>	<b>\$39,529</b>	<b>\$8,763</b>	<b>\$128,057</b>
Ounces of gold sold	35,650	71,087	106,737	118,955	—	118,955	—	225,692
Operating cash cost per ounce sold	\$610	\$370	\$450	\$139	\$—	\$139	\$—	\$286
Sustaining capital expenditures per ounce sold	\$277	\$235	\$249	\$167	\$—	\$167	\$—	\$206
AISC per ounce sold	\$927	\$650	\$747	\$332	\$—	\$332	\$—	\$567

(1) Holt Mine Complex includes Holloway Mine, which was transitioned into Care and Maintenance in December 2016 and resumed operations during Q1 2019.

Q4 2019 MANAGEMENT'S DISCUSSION AND ANALYSIS

Three Months Ended September 30, 2019								
<i>(in thousands, except per ounce amounts)</i>	Holt Mine Complex <sup>(1)</sup>	Macassa Mine	Total Canadian Operations	Fosterville Mine	Northern Territory	Total Australian Operations	General and administrative	Total Consolidated
Production costs	\$27,800	\$26,621	\$54,421	\$19,243	\$—	\$19,243	\$—	\$73,664
Share-based compensation	(32)	(40)	(72)	—	—	—	—	(72)
Purchase price allocation	—	—	—	—	—	—	—	—
<b>Operating cash costs</b>	27,768	26,581	54,349	19,243	—	19,243	—	73,592
Royalty expense	2,170	3,216	5,386	5,044	—	5,044	—	10,430
Share-based compensation	32	40	72	—	—	—	2,665	2,737
Rehabilitation and remediation	43	49	92	87	573	660	—	752
General and administrative expense	—	—	2,307	—	—	2,733	2,854	7,894
Sustaining capital	11,230	13,224	24,454	23,806	—	23,806	—	48,260
Sustaining leases	89	3	92	15	63	78	98	268
<b>AISC</b>	\$41,332	\$43,113	\$86,752	\$48,195	\$636	\$51,564	\$5,617	\$143,933
Ounces of gold sold	26,790	62,583	89,373	166,903	—	166,903	—	256,276
Operating cash cost per ounce sold	\$1,037	\$425	\$608	\$115	\$—	\$115	\$—	\$287
Sustaining capital expenditures per ounce sold	\$419	\$211	\$274	\$143	\$—	\$143	\$—	\$188
AISC per ounce sold	\$1,543	\$689	\$971	\$289	\$—	\$309	\$—	\$562

(1) Holt Mine Complex includes Holloway Mine, which was transitioned into Care and Maintenance in December 2016 and resumed operations during Q1 2019.



**Average Realized Price per Ounce Sold**

In the gold mining industry, average realized price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is revenue from gold sales. Average realized price per ounces sold should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The measure is intended to assist readers in evaluating the total revenues realized in a period from current operations.

Average realized price per ounce sold is reconciled for the periods presented as follows:

<i>(in thousands, except per ounce amounts)</i>	<b>Three Months Ended December 31, 2019</b>	Three Months Ended December 31, 2018	Three Months Ended September 30, 2019	<b>Year Ended December 31, 2019</b>	Year Ended December 31, 2018
Revenue	<b>\$412,379</b>	\$280,320	\$381,430	<b>\$1,379,988</b>	\$915,911
Silver	<b>(358)</b>	—	(347)	<b>(1,221)</b>	—
Foreign exchange impact	<b>427</b>	(1,087)	(1,258)	<b>(2,097)</b>	(3,669)
Realized Revenue	<b>\$412,448</b>	\$279,233	\$379,825	<b>\$1,376,670</b>	\$912,242
Ounces sold	<b>278,438</b>	225,692	256,276	<b>979,734</b>	722,277
Average realized price per ounce sold	<b>\$1,481</b>	\$1,237	\$1,482	<b>\$1,405</b>	\$1,263

**Adjusted Net Earnings and Adjusted Net Earnings per Share**

Adjusted net earnings and adjusted net earnings per share are used by management and investors to measure the underlying operating performance of the Company.

Adjusted net earnings is defined as net earnings adjusted to exclude the after-tax impact of specific items that are significant, but not reflective of the underlying operations of the Company, including foreign exchange gains and losses, transaction costs and executive severance payments, purchase price adjustments reflected in inventory and other non-recurring items. Adjusted net earnings per share is calculated using the weighted average number of shares outstanding for adjusted net earnings per share.

<i>(in thousands, except per share amounts)</i>	<b>Three Months Ended December 31, 2019</b>	Three Months Ended December 31, 2018	Three Months Ended September 30, 2019	<b>Year Ended December 31, 2019</b>	Year Ended December 31, 2018
Net earnings	<b>\$169,135</b>	\$106,535	\$176,604	<b>\$560,080</b>	\$273,943
Loss (gain) on warrant investment	<b>(920)</b>	3,546	20	<b>18</b>	10,892
Transaction costs	<b>1,236</b>	—	—	<b>1,236</b>	—
PPA adjustment on inventory <sup>(1)</sup>	—	—	—	<b>2,314</b>	5,386
Foreign exchange loss (gain) <sup>(2)</sup>	<b>23,267</b>	(5,864)	(13,667)	<b>16,208</b>	(16,902)
Severance payments	—	—	—	<b>1,239</b>	—
Income tax related to above adjustments	<b>(7,415)</b>	793	4,576	<b>(4,681)</b>	650
Adjusted net earnings	<b>\$185,303</b>	\$105,010	\$167,533	<b>\$576,414</b>	\$273,969
Weighted average shares outstanding - basic ('000s)	<b>210,102</b>	209,755	210,189	<b>210,142</b>	210,692
Adjusted net earnings per share	<b>\$0.88</b>	\$0.50	\$0.80	<b>\$2.74</b>	\$1.30

<sup>(1)</sup> Purchase price allocation represents the allocation of non-cash depletion of mineral interests acquired with the business combinations.

<sup>(2)</sup> Restated to reflect adjustment for foreign exchange loss (gain) during the three months ended December 31, 2018, three months ended September 30, 2019 and year ended December 31, 2018.

**Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA")**

EBITDA represents net earnings before interest, taxes, depreciation and amortization. EBITDA is an indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

The following is a reconciliation of EBITDA to the consolidated financial statements:

<i>(in thousands)</i>	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Three Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
Net earnings	\$169,135	\$106,535	\$176,604	\$560,080	\$273,943
Add back:					
Finance costs	696	1,104	576	2,282	3,617
Depletion and depreciation	52,865	37,318	41,692	168,921	133,718
Current income tax expense	62,414	17,070	50,946	189,572	40,743
Deferred income tax expense	493	25,731	26,569	48,530	79,624
EBITDA	\$285,603	\$187,758	\$296,387	\$969,385	\$531,645

**Working Capital**

Working capital is a Non-IFRS measure. In the gold mining industry, working capital is a common measure of liquidity, but does not have any standardized meaning.

The most directly comparable measure prepared in accordance with IFRS is current assets and current liabilities. Working capital is calculated by deducting current liabilities from current assets. Working capital should not be considered in isolation or as a substitute from measures prepared in accordance with IFRS. The measure is intended to assist readers in evaluating the Company's liquidity. Working capital is reconciled to the amounts in the Consolidated Statements of Financial Position as follows:

<i>(in thousands)</i>	As at December 31, 2019	As at December 31, 2018
Current assets	\$794,630	\$397,912
Current liabilities	416,945	192,627
Working capital	\$377,685	\$205,285

## INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

### *Disclosure Controls and Procedures*

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate to permit timely decisions regarding public disclosure.

Kirkland Lake Gold's management, including the CEO and CFO, have as at December 31, 2019, designed Disclosure Controls and Procedures (as defined in National Instrument 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the Company is made known to them by others, particularly during the period in which the interim or annual filings are being prepared; and information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's CEO and CFO have each evaluated the design and effectiveness of the Company's disclosure controls and procedures and have concluded they are operating effectively as at December 31, 2019.

### *Internal Control over Financial Reporting*

Kirkland Lake Gold's management, including the CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Kirkland Lake Gold's management, under the supervision of the CEO and the CFO, has evaluated the effectiveness of internal control over financial reporting using the framework and set forth in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("2013 COSO Framework"). Based on a review of its internal control procedures at the end of the period covered by this MD&A, management has concluded its internal controls and procedures are appropriately designed and effective as at December 31, 2019.

Kirkland Lake Gold's management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

Due to its inherent limitations, internal controls over financial reporting and disclosure may not prevent or detect all misstatements. Management will continue to monitor the effectiveness of its internal control over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary.

There were no changes to the Company's internal controls during Q4 2019 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting or disclosure controls and procedures. The management team will continue to monitor the effectiveness of the internal controls over financial reporting and disclosure controls and procedures and will make changes to the controls as and when appropriate.

## RISKS AND UNCERTAINTIES

The exploration, development and mining of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Kirkland Lake Gold is subject to several financial and operational risks that could have a significant impact on its cash flows and profitability. The most significant risks and uncertainties faced by the

Company include: the price of gold; the uncertainty of production estimates (which assume accuracy of projected grade, recovery rates, and tonnage estimates and may be impacted by unscheduled maintenance, labour and other operating, engineering or technical difficulties with respect to the development of its projects, many of which may not be within the control of the Company), including the ability to extract anticipated tonnes and successfully realizing estimated grades; changes to operating and capital cost assumptions; the inherent risk associated with project development and permitting processes; the uncertainty of the mineral resources and their development into mineral reserves; the replacement of depleted reserves; foreign exchange risks; changes in applicable laws and regulations (including tax legislation); regulatory; tax matters and foreign mining tax regimes, as well as health, safety, environmental and cybersecurity risks. For more extensive discussion on risks and uncertainties refer to the "Risks and Uncertainties" section in the December 31, 2018 Annual Information Form and the Company's MD&A for the period ended December 31, 2018 filed on SEDAR.

### ***Price of Gold***

The Company's profitability and long-term viability depend, in large part, upon the market price of gold. Market price fluctuations of gold could adversely affect the profitability of the Company's operations and lead to impairments and write downs of mineral properties. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including: global and regional supply and demand for industrial products containing metals generally; and global or regional political or economic conditions.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of the Company's existing mines and projects as well as its ability to finance the exploration and development of additional properties, which would have a material adverse effect on the Company's results of operations, cash flows and financial position. A decline in metal prices may require the Company to write-down mineral reserve and mineral resource estimates, which could result in material impairments of investments in mining properties. Further, if revenue from metal sales declines, the Company may experience liquidity difficulties. Its cash flow from mining operations may be insufficient to meet its operating needs, and as a result the Company could be forced to discontinue production and could lose its interest in, or be forced to sell, some or all of its properties.

In addition to adversely affecting mineral reserve and mineral resource estimates and the Company's results of operations, cash flows and financial position, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project and such reassessment may cause substantial delays or further interruptions which may have a material adverse effect on the Company's results of operations, cash flows and financial position.

### ***Exploration, Development and Operating Risks***

Mining operations are inherently dangerous and generally involve a high degree of risk. Kirkland Lake Gold's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of precious and base metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life and damage to tailings dams, property, and environmental damage, all of which may result in possible legal liability. Although the Company expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Company's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects. Further, the Company may be subject to liability or sustain losses in relation to certain risks and hazards against it cannot insure or for which it may elect not to insure. The occurrence of operational risks and/or a shortfall or lack of insurance coverage could have a material adverse impact on our future cash flows, earnings, results of operations and financial condition.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Kirkland Lake Gold will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices that are highly cyclical, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, exploration

licenses, mining licenses, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Kirkland Lake Gold not receiving an adequate return on invested capital. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. New mining operations may experience problems during the start-up phase, and delays in the commencement of production can often occur.

Mineral exploration is highly speculative in nature. There can be no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves.

The Company's ability to meet development and production schedules and cost estimates for its development and expansion projects cannot be assured. Without limiting the generality of the foregoing, Kirkland Lake Gold is in the process of undertaking permitting efforts with respect to the Macassa Shaft Project, permitting with respect to its new tailings facility at the Macassa Mine, rehabilitation of the current tailings facility at the Macassa Mine, the development and implementation of a paste fill plant for the Fosterville Mine, a water treatment plant refinery upgrade and granting of exploration licenses at the Fosterville Mine. Technical considerations, delays in obtaining government approvals and necessary permits, changes in scope and designs, the inability to obtain financing and/or the unanticipated costs associated with the development and construction of such projects could lead to further delays and delays in current mining operations in developing certain properties. Further, additional permits are required for the development of the West Detour project and continued development of the Detour Lake pit. There can be no assurance that the Company will obtain such permits on its anticipated timeline. Such delays could materially affect the financial performance of the Company.

#### ***Health, Safety and Environmental Risks and Hazards***

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and Company assets. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. Personnel involved in the Company's operations are subject to many inherent risks, including but not limited to, rock bursts, cave-ins, flooding, fall of ground, electricity, slips and falls and moving equipment that could result in occupational illness, health issues and personal injuries. The Company strives to manage all such risks in compliance with local and international standards. The Company has implemented various health and safety measures designed to mitigate such risks, including the implementation of improved risk identification and reporting systems across the Company, effective management systems to identify and minimize health and safety risks, health and safety training and the promotion of enhanced employee commitment and accountability, including a fitness for work program which focuses on fatigue, stress, and alcohol and drug abuse. Such precautions, however, may not be sufficient to eliminate health and safety risks and employees, contractors and others may not adhere to the occupational health and safety programs that are in place. Any such occupational health and personal safety issues may adversely affect the business of the Company and its future operations.

All phases of the Company's operations are also subject to environmental and safety regulations in the jurisdictions in which it operates. These regulations mandate, among other things, water and air quality standards, noise, surface disturbance, the impact on flora and fauna and land reclamation, and regulate the generation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all

required environmental, health and safety permits. In addition, no assurances can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and operations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any non-compliance therewith may adversely affect the Company's business, financial condition and results of operations. Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties.

Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The costs associated with such instances and liabilities could be significant. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduced levels of production at producing properties or require abandonment or delays in development of its mining properties. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The Company may also be held financially responsible for remediation of contamination at current or former sites, or at third party sites. The Company could also be held responsible for exposure to hazardous substances.

In the context of environmental permits, including the approval of reclamation plans, Kirkland Lake Gold must comply with standards, laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the regulatory authority. The reclamation liability on any of Kirkland Lake Gold's properties will be calculated based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its exploration or operating mine sites. The Company may incur costs associated with reclamation activities, which may materially exceed the provisions established by the Company for the activities. In addition, possible additional future regulatory requirements may require additional reclamation requirements creating uncertainties related to future reclamation costs. Should the Company be unable to post required financial assurance related to an environmental remediation obligation, the Company might be prohibited from starting planned operations or required to suspend existing operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect.

### ***Foreign Operations and Political Risk***

Kirkland Lake Gold conducts mining, development and exploration and other activities in Canada and Australia. Inherent risks with conducting foreign operations include, but are not limited to: renegotiation, cancellation or forced modification of existing contracts; expropriation or nationalization of property; changes in laws or policies or increasing legal and regulatory requirements of particular countries including those relating to taxation, royalties, imports, exports, duties, currency, or other claims by government entities, including retroactive claims and/or changes in the administration of laws, policies and practices; uncertain political and economic environments; war, terrorism, sabotage and civil disturbances; delays in obtaining or the inability to obtain or maintain necessary governmental permits or to operate in accordance with such permits or regulatory requirements; currency fluctuations; import and export regulations, including restrictions on the export of gold or other minerals; limitations on the repatriation of earnings; and increased financing costs.

These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect the Company's financial position or results of operations.

***Uncertainty in the Estimation of Mineral Reserves and Mineral Resources***

To extend the lives of its mines and projects, ensure the continued operation of the business and realize its growth strategy, it is essential that the Company continues to realize its existing identified mineral reserves, convert mineral resources into mineral reserves, increase its mineral resource base by adding new mineral resources from areas of identified mineralized potential, and/or undertake successful exploration or acquire new mineral resources.

The figures for mineral reserves and mineral resources contained in this MD&A are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves will be mined or processed profitably. Actual mineral reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretations available at the time. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its mineral reserve estimates from time to time or may render the Company's mineral reserves uneconomic to exploit. Mineral reserve data is not indicative of future results of operations. If the Company's actual mineral reserves and mineral resources are less than current estimates or if the Company fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of mineral reserves and mineral resources occurs from time to time and estimates may change depending on further geological interpretation, drilling results and metal prices, which could have a negative effect on the Company's operations. The category of inferred mineral resource is often the least reliable mineral resource category and is subject to the most variability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven mineral reserves and probable mineral reserves as a result of continued exploration. The Company regularly evaluates its mineral resources and it often determines the merits of increasing the reliability of its overall mineral resources.

***Replacement of Depleted Mineral Reserves***

Given that mines have limited lives based on proven and probable mineral reserves, the Company must continually replace and expand its mineral resources and mineral reserves at its gold mines and discover, develop, or acquire mineral reserves for production. The Company's ability to maintain or increase its annual production of gold will depend in significant part on its ability to bring new mines into production and to expand mineral reserves or extend the life of existing mines.

***Uncertainty Relating to Mineral Resources***

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may be attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated mineral resources as a result of continued exploration.

***Production Estimates***

Kirkland Lake Gold has prepared estimates of future gold production for its existing and future mines. The Company cannot give any assurance that such estimates will be achieved. Failure to achieve production estimates could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial conditions. The realization of production estimates are dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions (including hydrology), the physical characteristics of ores, the presence or absence of particular metallurgical characteristics, and the accuracy of the estimated rates and costs of mining, ore haulage and processing. Actual production may vary from estimates for a variety of reasons, including the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore stopes from those planned; mine failures or slope failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or

unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment. Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of Kirkland Lake Gold or others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing Kirkland Lake Gold to cease production. Mineral resources and mineral reserves are reported as general indicators of mine life, however, this should not be interpreted as assurances of mine life or of the profitability of current or future operations.

The Company is currently, and expects to continue to be, dependent on four mines for all of its commercial production. In particular, the Macassa Mine and the Fosterville Mine accounted for the majority of the Company's annual production in 2019 and are expected to continue to account for all of its commercial production in the near term. Any adverse conditions affecting mining, processing conditions, expansion plans or ongoing permitting at either the Macassa Mine or the Fosterville Mine, could have a material adverse effect on the Company's financial performance and results of operations

### ***Cost Estimates***

Capital and operating cost estimates made in respect of Kirkland Lake Gold's mines and development projects may not prove accurate. Capital and operating cost estimates are based on the interpretation of geological data, feasibility studies, anticipated climatic conditions, market conditions for required products and services, and other factors and assumptions regarding foreign exchange currency rates. Any of the following events could affect the ultimate accuracy of such estimate: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals); and title claims.

Changes in the Company's production costs could have a major impact on its profitability. Its main production expenses are personnel and contractor costs, materials, and energy. Changes in costs of the Company's mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, a change in commodity prices, increased costs (including oil, steel and diesel) and scarcity of labour, and could result in changes in profitability or mineral reserve estimates. Many of these factors may be beyond the Company's control.

The Company prepares estimates of future cash costs, operating costs and/or capital costs for each operation and project. There can be no assurance that such estimates will be achieved and that actual costs will not exceed such estimates. Failure to achieve cost estimates and/or any material increases in costs not anticipated by the Company could have an adverse impact on future cash flows, profitability, results of operations and the financial condition of the Company.

### ***Obligations as a Public Company***

The Company's business is subject to evolving corporate governance and public disclosure regulations that may from time to time increase both the Company's compliance costs and the risk of non-compliance, which could adversely impact the price of the Common Shares.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including, but not limited to, the Canadian Securities Administrators, the TSX, the SEC, NYSE, the Australian Securities and Investment Commission and the ASX. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Government of Canada proclaimed into force the Extractive Sector Transparency Measures Act on June 1, 2015, which mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments starting in 2017 for the year ended December 31, 2016. The Company's efforts to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.



**Compliance Risk**

The Company has documented and tested, during its more recent financial year, its internal control procedures to satisfy the requirements of the *Sarbanes-Oxley Act of 2002* ("SOX"). Both SOX and Canadian legislation require an annual assessment by management of the effectiveness of the Company's internal controls over financial reporting.

The Company may fail to maintain the adequacy of its internal control over financial reporting as such standards become modified, supplemented or amended from time to time and the Company may not be able to conclude the effectiveness of its internal controls over financial reporting. The Company's failure to satisfy SOX and the equivalent Canadian legislation on an ongoing, timely basis, could impact the reliability of the Company's financial statements and may negatively impact the financial performance of the Company. In addition, failure to implement required new controls or improved controls, could impact the Company's operating results or result in a failure to comply with certain reporting obligations. To date the Company has documented and tested its internal controls procedure which it believes to be appropriately designed as at December 31, 2019.

The *Canadian Corruption of Foreign Public Officials Act* and the *U.S. Foreign Corrupt Practices Act* and anti-bribery laws in jurisdictions in which we do business, prohibit companies from making improper payments for commercial advantage or other business purposes. The Company's policies mandate compliance with these anti-bribery laws, which carry substantial penalties. While the Company does not operate in sectors with experienced public and private sector corruption, violations of such laws, or allegations of such violation could have a material adverse effect on the Company's financial position and results of operations.

**Government Regulation**

The Company's business, mining operations and exploration and development activities are subject to extensive federal, state, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, control of toxic substances, reporting and other matters. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted and existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. See also "Foreign Operations and Political Risk".

**Acquisitions and Integration**

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

***Integration of Detour***

As a result of the pursuit and completion of the Arrangement, significant demands will be placed on the managerial, operational and financial personnel and systems of Kirkland and Detour. The Company cannot provide any assurance that their systems, procedures and controls will be adequate to support the expansion of operations and associated increased costs and complexity following and resulting from the Arrangement. The future operating results of the Company will be affected by the ability of its officers and key employees to manage changing business conditions, to integrate the acquisition of Detour, to implement a new business strategy and to improve its operational and financial controls and reporting systems.

The integration requires the dedication of substantial effort, time and resources on the part of management which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. In addition, the integration process could result in disruption of existing relationships with suppliers, employees, customers and other constituencies of both the Company and Detour. There can be no assurance that management will be able to integrate the operations of each of the businesses successfully or achieve any of the synergies or other benefits that are anticipated as a result of the Arrangement. Most operational and strategic decisions and certain staffing decisions with respect to integration have not yet been made. These decisions and the integration of the two entities will present challenges to management, including the integration of systems and personnel of the two entities which may be geographically separated, unanticipated liabilities and unanticipated costs. It is possible that the integration process could result in the loss of key employees, the disruption of the respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of management to maintain relationships with clients, suppliers, employees or to achieve the anticipated benefits of the Arrangement.

The performance of the Kirkland's operations after completion of the Arrangement could be adversely affected if Kirkland cannot retain key employees to assist in the integration and operation of Kirkland and Detour. The consummation of the Arrangement may pose special risks, including one-time write-offs, restructuring charges and unanticipated costs. Although Detour, Kirkland and their respective advisors have conducted due diligence on the various operations, there can be no guarantee that Kirkland will be aware of any and all liabilities of Detour or the Arrangement. As a result of these factors, it is possible that certain benefits expected from the Company's acquisition of Detour may not be realized. Any inability of management to successfully integrate the operations could have an adverse effect on the business, financial condition and results of operations of Kirkland.

***Australian Foreign Investment Law***

Pursuant to Australian law, a person acquiring control or direction, directly or indirectly, of 15% or more of the securities of the Company may be required to obtain prior approval from the Australian Foreign Investment Review Board. An investor who fails to obtain such approval may be subject to fines or may be forced to dispose of a portion of the investment. Investors should consult their own legal advisors prior to making any investment in securities of the Company.

***Additional Capital***

The exploration and development of the Company's properties, including continuing exploration and development projects, and the construction of mining facilities and commencement of mining operations, may require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of a property interest. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and the failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

***Market Price of Securities***

The Common Shares are listed on the TSX, NSYE and the ASX. Securities markets have had a high level of price and volume volatility, and the market price of securities of many resource companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Kirkland Lake Gold include macroeconomic developments locally and globally and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral prices will not occur.

As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the Company's long-term value. In response to periods of volatility in the market price of a company's securities, shareholders may institute class action securities litigation. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Kirkland Lake Gold.

### ***Liquidity Risk***

The Company has in the past and may in the future seek to acquire additional funding by the sale of Common Shares, the sale of assets or through the assumption of additional debt. Movements in the price of the Common Shares have been volatile in the past and may be volatile in the future. Furthermore, since approximately 10.4% of the Common Shares are held by Eric Sprott, the Chairman of the Board, the liquidity of the Company's securities may be negatively impacted.

### ***Community Relations***

The Company's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which Kirkland Lake Gold operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

### ***First Nations and Aboriginal Heritage***

First Nations title claims and Aboriginal heritage issues may affect the ability of the Company to pursue exploration, development and mining on its properties. The resolution of First Nations and Aboriginal heritage issues is an integral part of exploration and mining operations in Canada and Australia and the Company is committed to managing any issues that may arise effectively. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise.

### ***Construction and Development of New Mines***

The success of construction projects and the development of new mines by the Company is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities, the conduct of mining operations (including environmental permits), and the successful completion and operation of ore passes, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements of new mines could delay or prevent the construction and start-up of new mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Company will be successful, that the Company will be able to obtain sufficient funds to finance construction and start-up activities, that the Company will be able to obtain all necessary governmental approvals and permits or that the construction, start-up and ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Company. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Commercial viability of a new mine or development project is predicated on many factors. Mineral reserves and mineral resources projected by feasibility studies and technical assessments performed on the projects may not be realized, and the level of future metal prices needed to ensure commercial viability may not materialize. Consequently, there is a risk that start-up of new mine and development projects may be subject to write-down and/or closure as they may not be commercially viable.

***Availability and Costs of Infrastructure, Energy and Other Commodities***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Kirkland Lake Gold's operations, financial condition and results of operations.

The profitability of the Company's operations will be dependent upon the cost and availability of commodities which are consumed or otherwise used in connection with the Company's operations and projects, including, but not limited to, diesel, fuel, natural gas, electricity, steel and concrete. Commodity prices fluctuate widely and are affected by numerous factors beyond the control of the Company. If there is a significant and sustained increase in the cost of certain commodities, the Company may decide that it is not economically feasible to continue all of the Company's commercial production and development activities and this could have an adverse effect on profitability. Higher worldwide demand for critical resources like input commodities, drilling equipment, mobile mining equipment, tires and skilled labour could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on the Company's operating costs, capital expenditures and production schedules.

Further, the Company relies on certain key third-party suppliers and contractors for services, equipment, raw materials used in, and the provision of services necessary for, the development, construction and continuing operation of its assets. As a result, the Company's activities at its mine sites are subject to a number of risks, some of which are outside its control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or a contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen event and failure of a supplier or contractor to perform under its agreement with the Company. The occurrences of one or more of these events could have a material effect on the business, results of operations and financial condition of the Company.

***Nature and Climatic Conditions***

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's results of operations and financial position. At the Fosterville Mine, ore is processed by crushing and grinding followed by flotation, bacterial oxidation and carbon in leach (CIL) circuits. Downtime at the Fosterville BIOX<sup>®</sup> plant impacts bacterial activity and gold recovery in the BIOX<sup>®</sup> circuit, which could have a negative effect on the financial condition and results of operation of the mine.

Kirkland Lake Gold has properties located in the Northern Territory, Australia. Typically, the Northern Territory's tropical wet season is from the end of November to the end of March. During the wet season, the properties may be subject to unpredictable weather conditions such as cyclones, heavy rains, strong winds and flash flooding. Kirkland Lake Gold has undertaken several steps to minimize the effects of the wet season on its operations including sealing roads, accommodating the build-up of mined inventory and planning exploration and mining activities around the wet season. Nonetheless, no assurance can be given that the unpredictable weather conditions will not adversely affect mining and exploration activities. In particular, mining, drilling and exploration activities may be suspended due to poor ground conditions, ore haulage activities may be slowed or delayed

as roads may be temporarily flooded, and deposits where the host rock is clayish in nature may have to be mined or processed at slower than anticipated rates and/or mixed with lower grade stockpile ore.

The Company's mining and processing operations are, in some instances, energy intensive. While the Company has initiated numerous processes to reduce its overall carbon footprint, such as the use of electric battery powered mining equipment, the Company acknowledges climate change is an international and community concern. Legislation and regulations relating to emission levels and energy efficiency are becoming more rigorous and may result in increased costs at our Canadian and Australian operations. While the Company has taken measures to manage the use of energy, such regulatory requirements may have an adverse impact on the Company.

### ***Information Technology***

The Company is reliant on the continuous and uninterrupted operations of its information technology ("IT") systems. User access and security of all IT systems are critical elements to the operations of the Company. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Social media and other web-based information sharing applications may result in negative publicity or have the affect of damaging the reputation of the Company, whether or not such publicity is in fact verified, truthful or correct. The Company places a great emphasis on ensuring the highest reputational standards, however, it may not have the ability to control how it is perceived by others. Reputational loss may result in challenges in developing and maintaining community and shareholder relations and decreased investor confidence.

### ***Permitting***

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of permits for the Company's existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property. Any of these factors could have a material adverse effect on the Company's results of operations and financial position.

**Insurance and Uninsured Risks**

Kirkland Lake Gold's business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; labour disputes; unusual or unexpected geological conditions; ground or slope failures; cave-ins; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Kirkland Lake Gold's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

The businesses and properties of Kirkland Lake Gold are insured against loss or damage, subject to a number of limitations and qualifications. Such insurance will not cover all the potential risks associated with a mining company's operations. Kirkland Lake Gold may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Kirkland Lake Gold or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that it may not be insured against or that Kirkland Lake Gold may elect not to insure against because of premium costs or other reasons. The Company may suffer a material adverse effect on its business, results of operations, cash flows and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

**Competition**

The mining industry is intensely competitive in all of its phases and Kirkland Lake Gold competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a global basis. Such competition may result in Kirkland Lake Gold being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Kirkland Lake Gold's prospects for mineral exploration and success in the future.

**Currency Fluctuations**

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs at its operations. Gold is sold throughout the world based principally on a United States dollar price, but most of the Company's operating and capital expenses are incurred in Australian dollars and Canadian dollars. The appreciation of these currencies against the United States dollar would increase the costs of gold production at such mining operations, which could materially and adversely affect Kirkland Lake Gold's profitability, results of operations and financial position.

**Tax Matters**

The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar "holidays" or benefits were to be challenged for any reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

**Foreign Mining Tax Regimes**

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and are subject to constant change. The Company's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Company's operations may be assessed, which could result in significant additional taxes, penalties and interest. In addition, proposed changes to mining tax regimes in foreign jurisdictions could result in significant additional taxes payable by the Company, which would have a negative impact on the financial results of Kirkland Lake Gold.

**Litigation**

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought in the future against Kirkland Lake Gold or one or more of its Subsidiaries or the Company or one or more of its Subsidiaries may be subject to another form of litigation. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. As of the date hereof, no material claims have been brought against the Company, nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, should a material claim be brought against the Company, the process of defending such claims could take away from the time and effort management of the Company would otherwise devote to its business operations and the resolution of any particular legal proceeding to which the Company or one or more of its Subsidiaries may become subject could have a material adverse effect on the Company's financial position and results of operations.

**Title to the Company's Mining Claims and Leases**

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. While the Company has carried out reviews of title to its mining claims and leases, this should not be construed as a guarantee that title to such interests will not be challenged or impugned. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure mine tenure may be severely constrained. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, royalty transfers or claims, including native land claims, other encumbrances and title may be affected by, among other things, undetected defects. The Company has had difficulty in registering ownership of certain titles in its own name due to the demise of the original vendors of such titles when owned by the Company's predecessors-in-title. If these challenges are successful, this could have an adverse effect on the development of the Company's properties as well as its results of operations, cash flows and financial position. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

**Dependence on Outside Parties**

Kirkland Lake Gold has relied upon consultants, engineers, contractors and other parties and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on Kirkland Lake Gold.

**Dependence on Key Management Personnel**

The Company is dependent upon a number of key management personnel. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel. The loss of the services of one or more key employees or the failure to attract and retain new personnel could have a material adverse effect on the Company's ability to manage and expand the Company's business.

**Labour and Employment Matters**

Production at the Company's mining operations is dependent upon the efforts of its employees and the Company's operations would be adversely affected if it fails to maintain satisfactory labour relations. Factors such as work slowdowns or stoppages caused by the attempted unionization of operations and difficulties in recruiting qualified miners and hiring and training new miners could materially adversely affect the Company's business. This would have a negative effect on the Company's business and results of operations; which might result in the Company not meeting its business objectives.

In addition, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition. There are currently no material labour shortages with the Company operating near its budgeted manning levels.

**Conflicts of Interest**

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the Company's directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the OBCA and any other applicable law. In the event that the Company's directors and officers are subject to conflicts of interest, there may be a material adverse effect on its business.

**FORWARD LOOKING STATEMENTS**

Certain statements in this MD&A constitute 'forward looking statements', including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to the future business activities and operating performance of the Company. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, are intended to identify such forward-looking statements. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, among others, the development of the Company's properties and the anticipated timing thereof, expected production from, and the further potential of, the Company's properties, the anticipated timing and commencement of exploration programs on various targets within the Company's land holdings and the implication of such exploration programs (including but not limited to any potential decisions to proceed to commercial production), the ability to lower costs and gradually increase production, the ability of the Company to successfully achieve business objectives, the ability of the Company to achieve its longer-term outlook and the anticipated timing and results thereof, the performance of the Company's equity investments and the ability of the Company to realize on its strategic goals with respect to such investments, the effects of unexpected costs, liabilities or delays, the potential benefits and synergies and expectations of other economic, business and or competitive factors, the Company's expectations in connection with the projects and exploration programs being met, the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating gold prices, currency exchange rates (such as the Canadian dollar versus the US dollar), mark-to-market derivative variances, possible variations in ore grade or recovery rates, changes in accounting policies, changes in the Company's corporate mineral resources, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, risks related to information technology and cybersecurity, timing and costs associated with the design, procurement and construction of the Company's various capital projects, including but not limited to the #4 Shaft project at the Macassa Mine, the ventilation, paste plant, transformer and water treatment facility at the Fosterville Mine, the ability to obtain all necessary permits associated with the



Detour Lake mine, the ability to obtain the necessary permits in connection with all of its various capital projects, including but not limited to the rehabilitation of the Macassa tailings facility and the development of a new tailings facility and the anticipated results associated therewith, the ability to obtain renewals of certain exploration licences in Australia, native and aboriginal heritage issues, risks relating to infrastructure, permitting and licenses, exploration and mining licences, government regulation of the mining industry, risks relating to foreign operations, uncertainty in the estimation and realization of mineral resources and mineral reserves, quality and marketability of mineral product, environmental regulation and reclamation obligations, risks relating to the Northern Territory wet season, risks relating to litigation, risks relating to applicable tax and potential reassessments thereon, risks relating to changes to tax law and regulations and the Company's interpretation thereof, foreign mining tax regimes and the potential impact of any changes to such foreign tax regimes, competition, currency fluctuations, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, and limitations on insurance, as well as those risk factors discussed or referred to in the AIF of the Company for the year ended December 31, 2018 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 statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company 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 be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as otherwise required by applicable law.

Mineral resources are not mineral reserves, and do not have demonstrated economic viability, but do have reasonable prospects for eventual economic extraction. Measured and indicated resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resource. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that Measured or Indicated mineral resources can be upgraded to mineral reserves through continued exploration and positive economic assessment.

### **INFORMATION CONCERNING ESTIMATES OF MINERAL RESERVES AND MEASURED, INDICATED AND INFERRED RESOURCES**

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined 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. These definitions differ from the definitions in SEC Industry Guide 7 under the United States Securities Act of 1993, as amended (the "Securities Act").

Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

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; 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 SEC. Investors are cautioned not to assume that any part or all 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 rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Management's Discussion and Analysis contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

This document uses the terms "Measured", "Indicated" and "Inferred" Resources. US investors are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and 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 pre-feasibility, feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

### TECHNICAL INFORMATION

The technical contents related to Kirkland Lake Gold Ltd. mines and properties, have been reviewed and approved by Natasha Vaz, P.Eng., Vice President, Technical Services, Eric Kallio, P.Geo, Senior Vice President, Exploration and Ian Holland, FAusIMM, Vice President, Australian Operations. Ms. Vaz, Mr. Kallio and Mr. Holland are "qualified persons" as defined in National Instrument 43-101 and have reviewed and approved disclosure of the technical information and data in this MD&A.

Readers are referred to the National Instrument 43-101 ("NI 43-101") 2018 Technical Reports for the Fosterville property entitled, "Updated NI 43-101 Technical Report Fosterville Gold mine in the State of Victoria, Australia" (the "Fosterville Report") and the amended and restated NI 43-101 Technical report for Macassa entitled "Macassa Property, Ontario, Canada, Updated NI 43-101 Technical Report" (the "Macassa Report") effective December 31, 2018 and dated April 1, 2018 and July 19, 2018, respectively.

The Fosterville Report was prepared by Troy Fuller, MAIG, and Ion Hann, FAusIMM, both of whom are "qualified persons" as such term is defined in NI 43-101 and employees of the Company. The Fosterville Report supports the scientific and technical disclosure in the updated Mineral Resource and Mineral Reserve estimates contained in the Company's News Release dated February 21, 2019. The Macassa Report was prepared by Mariana Pinheiro Harvey, P. Eng., Robert Glover, P. Geo, William Tai, P. Eng. and Ben Harwood, P. Geo, all of whom are "qualified persons" as such term is defined in NI 43-101 and employees of the Company. The Macassa Report supports the scientific and technical disclosure in the updated Mineral Resource and Mineral Reserve estimates contained in the Company's News Release dated February 21, 2019. Both the Fosterville Report and the Macassa Report are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).



# KIRKLAND LAKE GOLD

## CORPORATE

### INFORMATION

#### Directors

<b>Jeffrey Parr</b> <sup>(1)(2)(4)</sup>	Chairman of the Board
<b>Anthony Makuch</b> <sup>(3)(5)</sup>	President and Chief Executive Officer
<b>Barry P. Olson</b> <sup>(2)(3)(5)</sup>	Independent Director
<b>Elizabeth Lewis-Gray</b> <sup>(3)(5)</sup>	Independent Director
<b>Jonathan Gill</b> <sup>(1)(3)(4)(5)</sup>	Independent Director
<b>Arnold Klassen</b> <sup>(1) (2) (4)</sup>	Independent Director

#### Board Committees

- (1) Corporate Governance and Nominating Committee*
- (2) Audit Committee*
- (3) Technical Committee*
- (4) Compensation Committee*
- (5) HSE & Corporate Social Responsibility Committee*

#### Management

<b>Anthony Makuch</b>	<b>President and Chief Executive Officer</b>
<b>David Soares</b>	<b>Chief Financial Officer</b>
<b>Alasdair Federico</b>	<b>Executive VP, Corporate Affairs &amp; CSR</b>
<b>Eric Kallio</b>	<b>SVP, Exploration</b>
<b>Natasha Vaz</b>	<b>VP, Technical Services</b>
<b>Ian Holland</b>	<b>VP, Australian Operations</b>
<b>John Landmark</b>	<b>VP, Human Resources</b>
<b>Jennifer Wagner</b>	<b>VP, Legal and Corporate Secretary</b>
<b>Raymond Yip</b>	<b>VP, Business Intelligence</b>
<b>Mark Utting</b>	<b>VP, Investor Relations</b>
<b>Brian Hagan</b>	<b>VP, Northern Territory Operations</b>
<b>Darin Smith</b>	<b>VP, Corporate Development</b>
<b>Duncan King</b>	<b>VP, Mining (Kirkland Lake)</b>
<b>Gord Leavoy</b>	<b>VP, Mineral Processing</b>

#### Company Information

##### Corporate Head Office

200 Bay Street, Suite 3120  
RBC Plaza – South Tower  
Toronto, Ontario M5J 2J1  
Canada

##### Investor Relations

Mark Utting, Vice President, Investor Relations  
T: 416.840.7884  
E: mutting@klgold.com

##### Registrar and Transfer Agent

TSX Trust Company  
200 University Avenue, Suite 300  
Toronto, Ontario M5H 4H1  
Canada  
T: 416.607.7898  
www.tsxtrust.com

##### Auditors

KPMG LLP  
333 Bay Street #4600  
Toronto, Ontario M5H 2S5  
Canada  
T: 416.777.8500  
www.kpmg.ca

## CERTIFICATION

I, Anthony Makuch, certify that:

1. I have reviewed this annual report on Form 40-F of Kirkland Lake Gold Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2020

By: signed "Anthony Makuch"  
Anthony Makuch  
President and Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION

I, David Soares, certify that:

1. I have reviewed this annual report on Form 40-F of Kirkland Lake Gold Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2020

By: signed "David Soares"  
David Soares  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. §1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Kirkland Lake Gold Ltd. (the “Company”) on Form 40-F for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Anthony Makuch, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 30, 2020

*signed “Anthony Makuch”*  
Anthony Makuch  
President and Chief Executive Officer  
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Kirkland Lake Gold Ltd. and will be retained by Kirkland Lake Gold Ltd. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO  
18 U.S.C. §1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Kirkland Lake Gold Ltd. (the "Company") on Form 40-F for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Soares, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 30, 2020

signed "David Soares"  
David Soares  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Kirkland Lake Gold Ltd. and will be retained by Kirkland Lake Gold Ltd. and furnished to the Securities and Exchange Commission or its staff upon request.



KPMG LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5  
Canada  
Tel 416-777-8500  
Fax 416-777-8818

### Consent of Independent Registered Public Accounting Firm

The Board of Directors of Kirkland Lake Gold Ltd.

We consent to the use of:

- our Report of Independent Registered Public Accounting Firm, dated February 19, 2020, addressed to the shareholders and Board of Directors of Kirkland Lake Gold Ltd. (the "Company") on the consolidated financial statements of the Company which are comprised of the consolidated statements of financial position as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive income, cash flows, and changes in equity and for the year then ended, and the related notes; and
- our Report of Independent Registered Public Accounting Firm, dated February 19, 2020, on the effectiveness of internal control over financial reporting as of December 31, 2019,

each of which is included in this annual report on Form 40-F of the Company for the year ended December 31, 2019

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants  
March 30, 2020  
Toronto, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



## CONSENT OF ERIC KALLIO

The undersigned hereby consents to: (i) the inclusion of the information related to the mineral resource estimates for Kirkland Lake Gold Ltd.'s (the "Company") Macassa mine complex located in northeastern Ontario contained in the Company's Annual Information Form for the year ended December 31, 2019 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; (ii) the technical contents related to the Company's mines in the Company's Management's Discussion and Analysis for the years ended December 31, 2019 and 2018 (the "MD&A") being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A and the 40-F.

*signed "Eric Kallio"*

Eric Kallio, P.Geo.

Date: March 30, 2020

## CONSENT OF TROY FULLER

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Report on the Mineral Resources and Mineral Reserves of the Fosterville gold mine located in the state of Victoria, Australia, dated effective December 31, 2018, and of other information related to the Fosterville property, in the Annual Information Form for the year ended December 31, 2019 (the "AIF") of Kirkland Lake Gold Ltd. (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; (ii) the disclosure of mineral reserves estimates for the Fosterville property contained in the Management's Discussion and Analysis for the years ended December 31, 2019 and 2018 (the "MD&A") of the Company being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A, and the 40-F.

*signed "Troy Fuller"*  
Troy Fuller, MAIG

Date: March 30, 2020

## CONSENT OF ION HANN

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Report on the Mineral Resources and Mineral Reserves of the Fosterville gold mine located in the state of Victoria, Australia, dated effective December 31, 2018, and of other information related to the Fosterville property, in the Annual Information Form for the year ended December 31, 2019 (the "AIF") of Kirkland Lake Gold Ltd. (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; (ii) the disclosure of mineral reserves estimates for the Fosterville property contained in the Management's Discussion and Analysis for the years ended December 31, 2019 and 2018 (the "MD&A") of the Company being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A, and the 40-F.

*signed "Ion Hann"*  
Ion Hann, FAusIMM

Date: March 30, 2020

## CONSENT OF IAN HOLLAND

The undersigned hereby consents to: (i) the inclusion of the information related to the mineral reserve estimates for Kirkland Lake Gold Ltd. (the “Company”) mines and properties contained in the Company’s Annual Information Form for the year ended December 31, 2019 (the “AIF”) being filed as an exhibit to the Company’s Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the “40-F”), being filed with the United States Securities and Exchange Commission; (ii) the technical contents related to the Company’s mines in the Company’s Management’s Discussion and Analysis for the years ended December 31, 2019 and 2018 (the “MD&A”) being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A and the 40-F.

*signed “Ian Holland”*  
Ian Holland, FAusIMM

Date: March 30, 2020

## CONSENT OF NATASHA VAZ

The undersigned hereby consents to: (i) the inclusion of the information related to the mineral reserve estimates for Kirkland Lake Gold Ltd.'s (the "Company") Macassa mine complex located in northeastern Ontario contained in the Company's Annual Information Form for the year ended December 31, 2019 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; (ii) the technical contents related to the Company's mines in the Company's Management's Discussion and Analysis for the years ended December 31, 2019 and 2018 (the "MD&A") being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A and the 40-F.

*signed "Natasha Vaz"*

Natasha Vaz, P.Eng.

Date: March 30, 2020

## CONSENT OF SIMON HITCHMAN

The undersigned hereby consents to: (i) the inclusion of the information related to mineral resource estimates for Kirkland Lake Gold Ltd.'s (the "Company") Fosterville gold mine located in the State of Victoria, Australia, contained in the Company's Annual Information Form for the year ended December 31, 2019 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and the 40-F.

*signed "Simon Hitchman"*

Simon Hitchman, FAusIMM (CP), MAIG

Date: March 30, 2020

## CONSENT OF MARIANA PINHEIRO HARVEY

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Report on the Mineral Resources and Mineral Reserves of the Macassa mine complex located in northeastern, Ontario, Canada having an effective date of December 31, 2018 and an original issue date of April 1, 2019 as amended and restated on July 19, 2019, in the Annual Information Form for the year ended December 31, 2019 (the “AIF”) of Kirkland Lake Gold Ltd. (the “Company”) being filed as an exhibit to the Company’s Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the “40-F”), being filed with the United States Securities and Exchange Commission; (ii) the disclosure of mineral reserves estimates for the Macassa property contained in the Management’s Discussion and Analysis for the years ended December 31, 2019 and 2018 (the “MD&A”) of the Company being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A and the 40-F.

*signed “Mariana Pinheiro Harvey”*  
Mariana Pinheiro Harvey, P.Eng.

Date: March 30, 2020

## CONSENT OF ROBERT GLOVER

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Report on the Mineral Resources and Mineral Reserves of the Macassa mine complex located in northeastern, Ontario, Canada having an effective date of December 31, 2018 and an original issue date of April 1, 2019 as amended and restated on July 19, 2019, in the Annual Information Form for the year ended December 31, 2019 (the "AIF") of Kirkland Lake Gold Ltd. (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; (ii) the disclosure of mineral reserves estimates for the Macassa property contained in the Management's Discussion and Analysis for the years ended December 31, 2019 and 2018 (the "MD&A") of the Company being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A and the 40-F.

*signed "Robert Glover"*

Robert Glover, P. Geo.

Date: March 30, 2020



## CONSENT OF WILLIAM TAI

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Report on the Mineral Resources and Mineral Reserves of the Macassa mine complex located in northeastern, Ontario, Canada having an effective date of December 31, 2018 and an original issue date of April 1, 2019 as amended and restated on July 19, 2019, in the Annual Information Form for the year ended December 31, 2019 (the "AIF") of Kirkland Lake Gold Ltd. (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; (ii) the disclosure of mineral reserves estimates for the Macassa property contained in the Management's Discussion and Analysis for the years ended December 31, 2019 and 2018 (the "MD&A") of the Company being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A and the 40-F.

*signed "William Tai"*

William Tai, P.Eng.

Date: March 30, 2020

## CONSENT OF BEN HARWOOD

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Report on the Mineral Resources and Mineral Reserves of the Macassa mine complex located in northeastern, Ontario, Canada having an effective date of December 31, 2018 and an original issue date of April 1, 2019 as amended and restated on July 19, 2019, in the Annual Information Form for the year ended December 31, 2019 (the "AIF") of Kirkland Lake Gold Ltd. (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2019, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; (ii) the disclosure of mineral reserves estimates for the Macassa property contained in the Management's Discussion and Analysis for the years ended December 31, 2019 and 2018 (the "MD&A") of the Company being filed as an exhibit to the 40-F; and (iii) the use of my name in the AIF, the MD&A and the 40-F.

*signed "Ben Harwood"*

Ben Harwood, P.Geol.

Date: March 30, 2020