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THE TIMELESS PRECIOUS METAL GOLD

KIRKLAND LAKE GOLD INC. (TSX:KGI): FOLLOW-UP NO 3 / August 18, 2006

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KIRKLAND LAKE GOLD INC: RETURN ON CAD 10,000 INVESTMENT					
Purchase Date	No. of Shares	Purchase Price	Cost (CAD)	Price Today	Value Today
January 18, 2005	2'000	4.90	9'800.00		
Total	2'000	4.90	9'800.00	6.70	13'400.00
Profit					3,600.00
Profit (in %)					38%



SHARES OUTSTANDING / FULLY DILUTED	MARKET CAP
49,132,377 / 51,605,262	CAD 354.2 Million
52 WEEK LOW / HIGH	AVERAGE TSXV
CAD 3.40 to 9.25	96,500 (200-day)
RECOMMENDATION	RISK RATING
BUY	HIGH

FIVE MAJOR GOLD PROPERTIES IN ONTARIO, CANADA

Business Summary

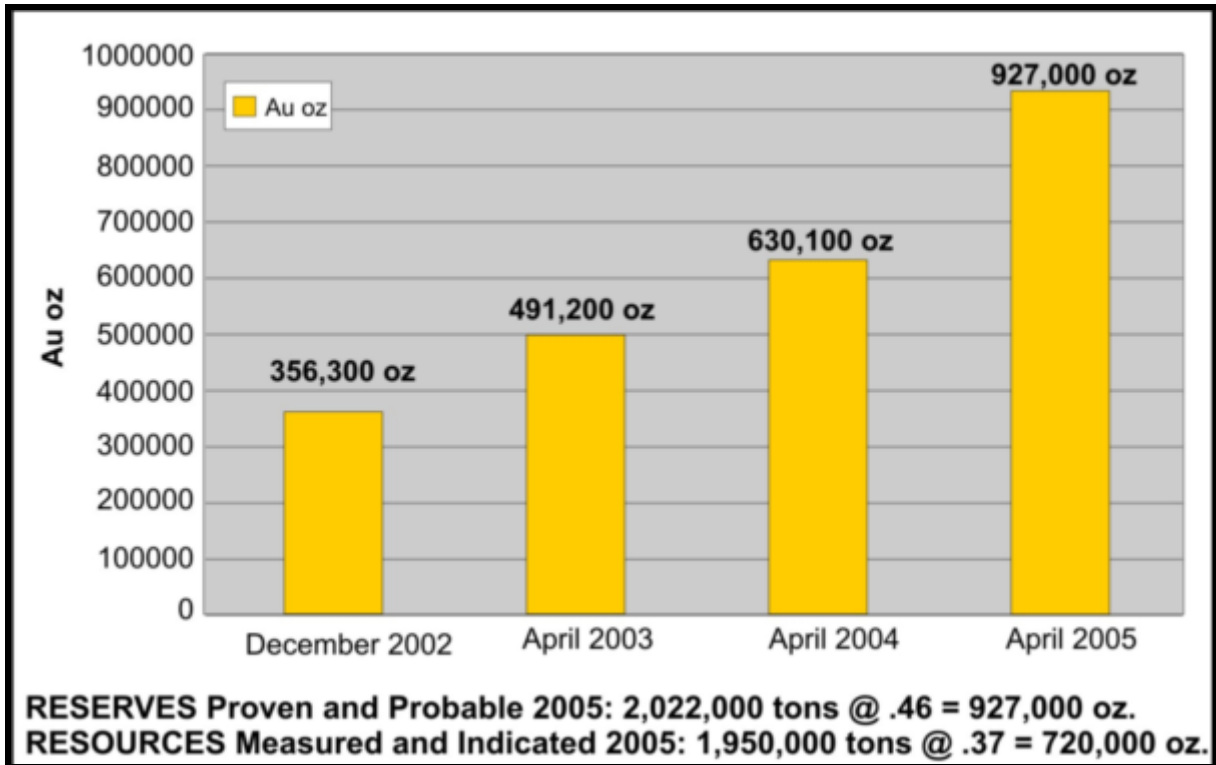
Kirkland Lake Gold Inc. is a Canadian gold mining company that owns & operates the five major gold properties in **Kirkland Lake, Ontario**:

1. the Macassa,
2. Kirkland Minerals,
3. Teck-Hughes,
4. Lake Shore and
5. Wright Hargreaves

mines. These mines historically produced 22 million ounces of gold.

Since the December 2002 reserves were released, the Company has increased the reserves by 160% to 2,022,000 tons with an average grade of **0.46 ounces (13 gram) per ton containing a total of 927,000 ounces of gold.**

On October 8, 2003 the Company started a \$21 million, 3 year exploration program targeted at adding 15,000,000 tons of ore to reserves and resources.



OPERATING CASH FLOW PROJECTION THRU F 2008

<u>Revenue from Production</u>	<u>IV Qtr Fiscal 2006</u>	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>
Tons Milled	45,000	180,000	200,000
Head Grade (Oz/ Ton)	0.4500	0.4640	0.4845
Ounces Produced	19,643	81,000	94,000
	C\$ 11,785,500	C\$ 48,600,000	C\$ 56,400,000
Operating Costs	C\$ 6,672,150	C\$ 24,300,000	C\$ 26,000,000
Operating Income	C\$ 5,113,350	C\$ 24,300,000	C\$30,400,000
Other Expenses (Exploration, Royalties, G&A)	C\$2,200,454	C\$ 6,000,000	C\$ 6,200,000
Cash Flow before Changes in N/C Working Capital	C\$ 2,912,454	C\$ 18,300,000	C\$ 24,200,000
Operating Cost per Ton	C\$148.27	C\$135.00	C\$130.00

EXPLORATION STRATEGY

- Fall 2003 Launched a three year, \$21 m. exploration program – original ore horizon, parallel breaks and north south structures
- First two years succeeded in lifting the mineralization at #3 shaft to above the -3000' level and discovery entirely new mineralized areas using wide spaced drilling.
- Next two years will be directed at converting exploration success to reserve/resources blocks with closer spaced drilling
- Resources development will be accelerated with drilling from drill bays on the new -5300' level drift
- Cost of drilling between C\$ 14-17 per foot
- Highlights of Exploration to follow in next six slides:

Recent News: Kirkland Lake Gold Inc.: Initial Drilling from New Drill Bays on the 5300 L South Cross Cut Intersects High Grade Gold Mineralization-3.34 Ounces of Gold per Ton Over 16.8 Feet

Kirkland Lake Gold Inc. announced an update on exploration from the new 5300 L drift to the south of the #3 shaft.

The Company has advanced the 5300 level exploration drift 1,452 feet and excavated four new drill bays to facilitate drilling using smaller, mobile air machines. **Initial drilling from this new drift has intersected multiple zones of mineralization.** Drill hole 53-466, drilled horizontally from the drift and ahead of the advancement, has intersected five mineralized zones, one of which **assayed 3.34 ounces** of gold per ton ("opt") uncut or 1.71 (cut) over a core length of 16.8 feet. This mineralization appears to be related to the Lower D North Zone.

"The new 5300 L drift to the south is now fulfilling one of its intended roles as a drill platform for smaller, high productivity air machines. With two machines working, up to six exploration holes are completed each month and will serve to bring in new resources and reserves quickly," said Stewart Carmichael, Chief Exploration Geologist. Chief Geologist Mike Sutton also commented "The drift itself has now intersected some of the intervening ore zones on the way to the New South Zone; these ore zones display very good continuity, high grades, and are much more extensive than previously thought."

Highlights of the current results:

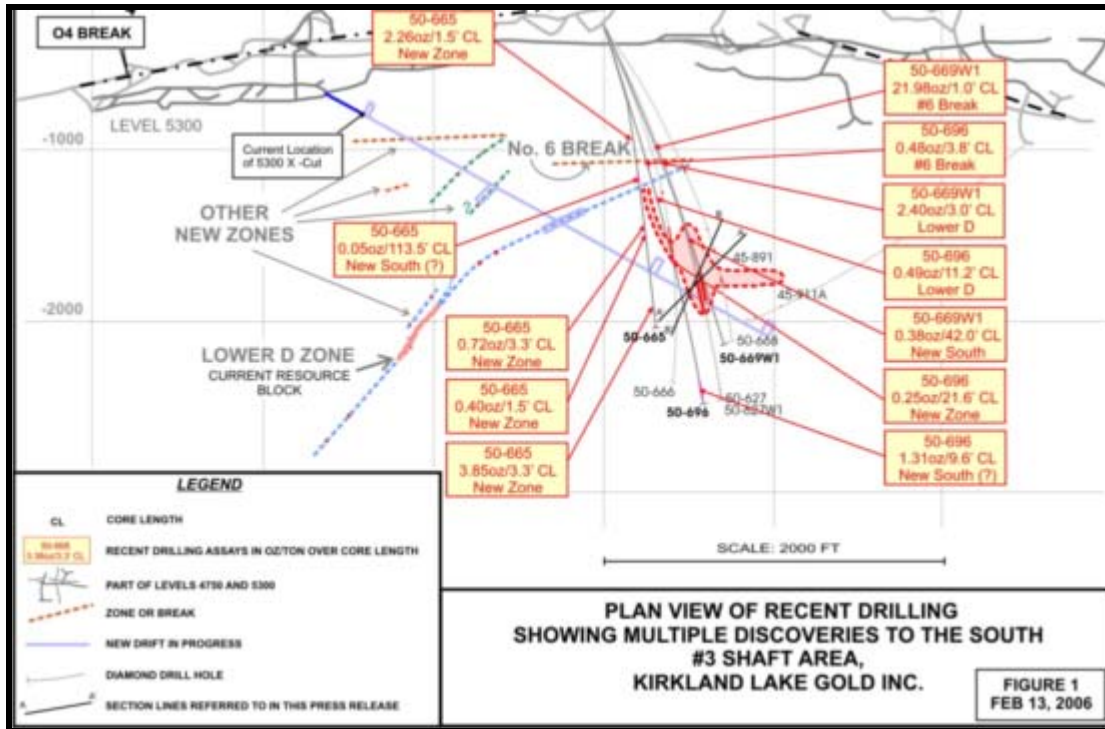
- Drifting on two branches of the Lower D North Zone from the new cross cut has intersected 0.93 opt (cut; 1.23 opt uncut) over 7.3 feet width over a strike length of 86 feet, and 1.35 opt (cut; 2.12 opt uncut) over 6.4 feet width over a strike length of 67 feet. A number of other structures have chip samples as high as 2.43 opt over 6.0 feet width. Muck samples from the two branches and the entire area between have averaged 1419 tons of 0.65 opt (104 samples). One structure exhibits a change in direction and an increase in dip (from 45 degrees to 70 degrees); the intersection of 3.34 opt over 16.8 feet is located on the fold and a test hole into the east wall of the fold grades 0.80 opt over 6 feet. The true width of this zone is unknown.
- The previously termed #6 Splay has been re-named as the #7 Break as it proving to be a much more substantial ore-bearing structure than previously thought. At least two parallel, stacked hangingwall mineralized structures associated with the #7 Break have been intersected from the 5300 X-Cut drilling as well as the Lower D North Zone.
- The cross cut is now within 700 feet of the intended bulk sample area on the New South Zone where a previous intersection returned a 124.4 foot intersection of 1.4 opt.
- The new zones are different than the historically-mined quartz-hosted gold in that they comprise more consistently grading sulphide gold zones along extensive structures and are consistent with previous discoveries to the south including the Lower D Zone (see press releases dated March 29, 2004 and February 14, 2006) and the New South Zone (see press release dated July 11th, 2005).

Fundamental Considerations

Recent exploration results as a result of the \$ 21 million exploration program launched in 2003 confirm that the company has the capacity to add significant amount of reserves and resources over the coming year as has been the case up to now.

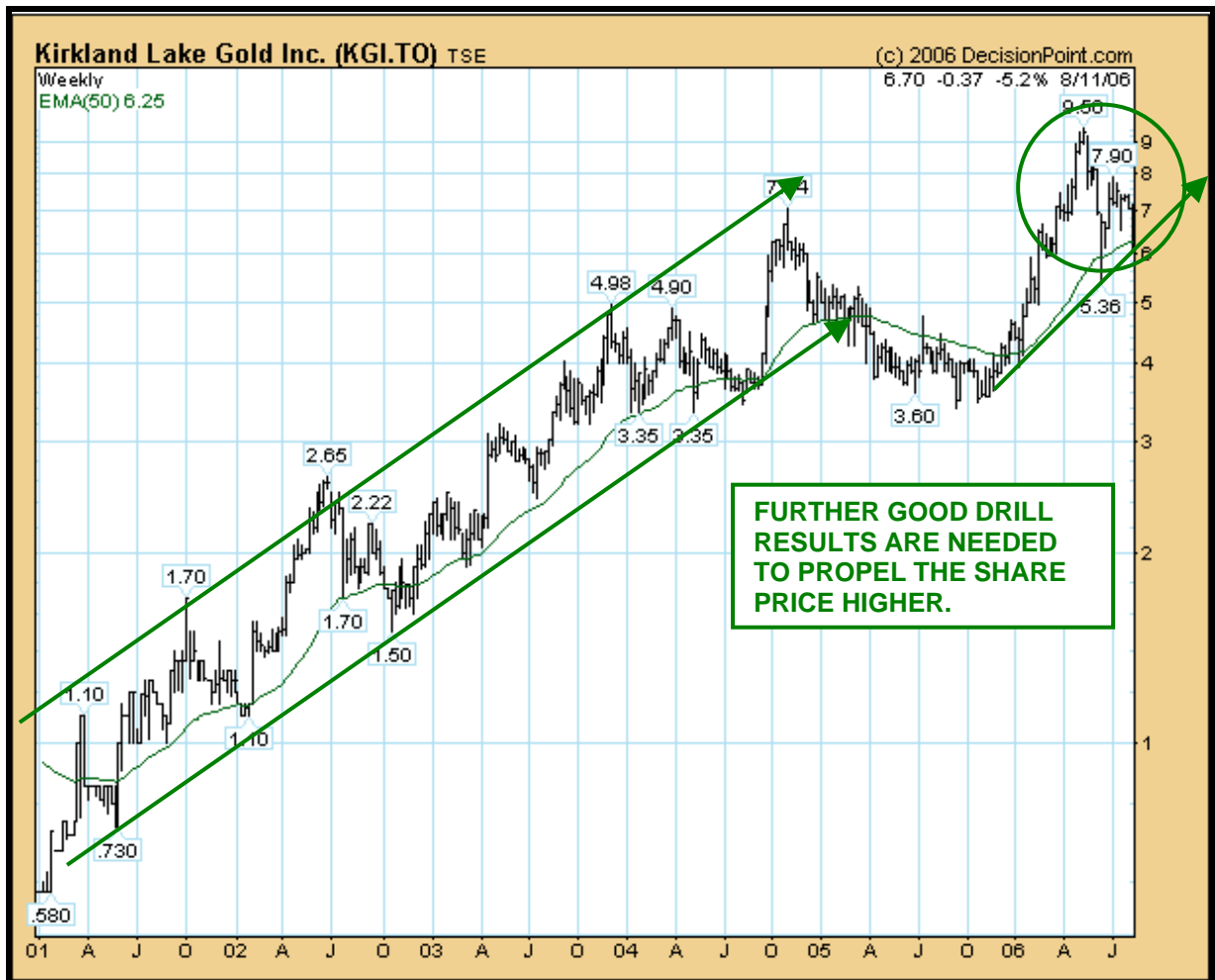
The production of 20,000 ounces of gold (at an average grade expected to reach 0.47 opt) per quarter at a cash cost of less the \$ 290 per ounce will be sufficient to fund all exploration and development costs.

The next two years will be directed at converting exploration success to reserve/resources blocks with closer spaced drilling.



Technical Considerations





“The share price has corrected by about 25% since reaching a high of \$ 7 in November. The present level offers excellent buying opportunities.”, we wrote in January. After the correction from the high of \$ 9.50, we think that the present price level offers again a good entry point.

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THE TIMELESS PRECIOUS METAL FUND

is a shareholder in the company and will benefit from any increase in the company's share price.

Disclosure: The author has not been paid to write this article, nor has he received any other inducement to do so. The author is a shareholder in the company and will benefit from any increase in the company's share price.

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