

Kirkland Lake Gold Ltd. (KL)

Presented by
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1

1

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2

2

What KL does:

- Based in Canada
- Gold mining, development and exploration
- Operates three mines
 - One in Victoria, Australia
 - Two in Ontario, Canada

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3

3

The KL mines:

- Fosterville—Victoria, Australia
 - Record production this year
- Macassa—Ontario, Canada
 - Production down 24%
- Detour Lake—Ontario, Canada
 - Acquired—1/31/20
- Holt Complex

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4

4

Gold as a Commodity:

- Problem: Commodity prices fluctuate with the price of the material.
(Oil, wheat, pork bellies)
- Growth investors want the price to go up

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5

5

Sales>>Earnings>>Price appreciation

Some causes:

- New customers
- New sales locations
- New products
- New uses of existing product
- New promotions
 - Stock Up—Feb. 10, 2021

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6

6

Uses of Gold:

- Jewelry
- Financial (coinage, bullion, backing)
- Electronics
- Computers
- Dentistry
- Medical

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7

7

Uses: (cont.)

- Aerospace
- Awards and status symbols
- Glassmaking
- Gilding and gold leaf

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8

8

Commodity sources:

Most from the earth

Grown on earth (wheat, corn, cows, pigs)

Extracted from earth (oil, gold, water, all nongas elements)

Damage to the ground? Workers?

Digging process

Extraction, processing, smelting excretions and detritus

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9

9

Environmental Problems:

- Toxic waste
 - Cyanide
- Acid Mine Drainage
 - Lasts forever
- Artisanal, small scale mines
 - Mercury pollution
 - Amazon forest destruction

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10

10

Challenge for KL

- Produce more of superior product
- Lower costs including environmental
- Sell product at highest price
- Achieve growing profit
 - meaning--
- Profit from management of process as opposed to the inherent value of the gold

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11

11

Strengths:

- KL is strong financially
- KL mines produce high quality gold
- KL has won environmental awards, beats industry and country standards
- Operates in strong geopolitical countries

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12

12

Weaknesses:

- Limited, hard to find supply of gold
- High price
- High standards, (wages, safety, environmental) are more expensive

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13

13

Opportunities:

- Worldwide exploration ongoing
- Expansion of use in electronics, computers and glassmaking
- Expansion of aerospace industry
- New unknown uses

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14

14

Threats:

- All viable deposits found
- Continuous search for substitutes
- Redesigns reduce amount of gold in products
- Mines inherently damage environment
- Environmental understanding increases

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15

15

Now let's look at the SSG

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16

16