



World Gold Council | Responsible Gold Mining Principles

2020 Implementation Report

Background

In September 2019, the World Gold Council (WGC), the market development organization for the gold industry, issued the Responsible Gold Mining Principles (RGMPs), setting out a framework for responsible gold mining across the mine life-cycle.

The WGC developed the RGMPs with the aim of setting out clear expectations for consumers, investors and the downstream gold supply chain as to what constitutes responsible gold mining. The RGMPs focus on governance, social and environment issues as defined by 10 principles, which are further divided into 51 sub-principles. The governance principles focus on an absence of corruption, engagement with stakeholders and an ethical supply chain; as the implementation of good governance is considered a precursor to the implementation of the social and environment principles. The social principles focus on health and safety, human rights, labor rights and socio-economic advancement of local communities. The environment principles focus on environmental stewardship, biodiversity, efficient use of water and energy and combating climate change.

The RGMPs are intended to recognize and consolidate existing standards and instruments under single framework, for a gold mining company to apply, however there is inevitably, some overlap with assurance procedures issued by other independent originations (e.g. United Nations Sustainable Development Goals, International Council on Mining and Metals (ICMM), and Mining Association of Canada's Towards Sustainable Mining (MAC-TSM)).

Companies implementing the RGMPs are required to obtain external assurance from a third-party independent assurance provider.

The RGMPs, the assurance framework and the associated guidance are available on the WGC's website [here](#).

Commitment to the RGMPs

Kirkland Lake Gold (KL) believes that being environmentally and socially responsible is essential to KL's operating and financial success and are committed to integrating and promoting sustainability into all facets of KL's business. As a proud member of the WGC, and in order to demonstrate that commitment, KL has endorsed the RGMPs and is committed to alignment with the RGMPs by ensuring:

- Policies, systems, and controls are in place to conform to the RGMPs;
- Independent assurance is provided ensure external confidence and credibility in KL's performance against the RGMPs; and
- KL is transparent in disclosing both conformance and non-conformance with the RGMPs, where non-conformances exist, what steps are being taken to address.

This report is intended to be a public commitment and reflective of KL's first year of performance.

Progress on RGMP Implementation

During Year 1 of implementation, KL established the boundary for implementing the RGMPs which includes all operating mining and processing operations under the direct control of KL. This includes the Macassa mine in Ontario (Canada), the Detour mine in Ontario (Canada), acquired by KL in January 2020, and the Fosterville mine in Victoria (Australia). Exploration sites and projects under development were excluded.

Once the boundary was established, KL initiated a self-assessment of KL's policies, systems, controls, and general performance; vs. RGMP requirements. Self-assessment results and evidence was reviewed first internally, and then by an independent assurance provider to assure the self-assessment process and to make recommendations. Self-assessment results and recommendations were reviewed by senior management and approved by the Executive Vice President, Corporate Affairs and Social Responsibility; and the Vice President, Environment. Accountable persons to address gaps against conformance have been identified.

As the RGMPs were intentionally developed to be a comprehensive and rigorous framework for a gold mining company to apply and integrate; the policies, systems, and controls identified for development in some cases will take time to do so effectively. KL currently expects by the third year after adoption, KL's performance should comprehensively align with the RGMPs. Therefore, in the first and second years, KL will report on progress towards achieving conformance, and the assurance providers' work in these years is adjusted accordingly.

Results

KL was found to be in conformance with the year one assurance requirements set out in the Responsible Gold Mining Principles and Assurance Framework for the Responsible Gold Mining Principles for the reporting period ending September 2020.

Assurance Statement

Perspective Consulting was engaged by KL to provide assurance of the company's conformance with the RGMPs, for the period ending September 2020 (Year 1). Perspective Consulting's Independent Limited Assurance Report for Year 1 can be found in Attachment A and on KL's website (www.kl.gold).

If users of this Report wish to provide any feedback with respect to this report or the Responsible Gold Mining Principles at KL, they can contact info@kl.gold.

Attachments

- A. Independent Limited Assurance Report, Kirkland Lake Gold – Year 1. Perspective Consulting, December 2020



KIRKLAND LAKE GOLD

Attachment A:
Independent Limited Assurance Report

Independent Limited Assurance Report

To the Directors of Kirkland Lake Gold Ltd.

Perspective Consulting was engaged by Kirkland Lake Gold Ltd. (KLG) to provide limited assurance on the company's conformance with the Responsible Gold Mining Principles (RGMP) of the World Gold Council, for the Year 1 period ending September 2020.

Assurance conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention to indicate the KLG's conformance with the Principles as presented in their 2020 Compliance Matrix and additional documentation as described below, is not fairly stated in all material respects. This conclusion is to be read in the context of the remainder of our report.

Assurance scope

The assurance scope consists of a review of the Compliance Matrix self-assessment provided by KLG. on November 10, 2020, along with supporting documentation that is referenced or relied on in the matrix. The illustrative criteria for KLG conformance with the Responsible Gold Mining Principles are set out in the *Guidance on implementing and assuring the RGMPs: supplement to the Assurance Framework*.

Respective responsibilities of the company and the independent practitioner

KLG is responsible for ensuring that the Company designs, implements, operates and monitors activities, processes and controls to ensure compliance with policies and procedures for the preparation of the report on implementing the RGMPs. Perspective Consulting's responsibilities are to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. Guidance for the assurance engagement was also taken from the World Gold Council documents, *Assurance Framework for the Responsible Gold Mining Principles* and *Guidance on implementing and assuring the RGMPs, Supplement to the Assurance Framework*.

The extent of evidence-gathering procedures performed in a limited assurance engagement is less than for a reasonable level of assurance, and therefore a lower level of assurance is provided.

Limited assurance procedures performed

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above noted scope for a Year 1 Assurance. These procedures included:

- Review of the self-assessment compliance matrix provided by KLG on November 10, 2020.

- Review of policies, procedures and supporting documents referenced in the above noted self-assessment.
- Discussion with KLG Corporate Leadership responsible for RGMP implementation.
- Discussion/interview with KLG Vice President responsible for Health & Safety across the organization.
- Interviews with site representatives at each operating site (Macassa, Fosterville, Detour).
- Review of supporting documentation from the sites that was requested in the interviews.

Inherent limitations

Non-financial information, such as KLG's conformance with the Principles, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining conformance. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Independence and competency statement

In conducting our engagement, Perspective Consulting has complied with the independence and other ethical requirements of the Code of Ethics of the Professional Engineers of Ontario. The Assurance evaluation was carried out by a competent person holding a recognized professional certification (P.Eng.) and experienced in the applicable subject matter. We confirm that we satisfy the criteria for assurance providers as set out in the *Assurance Framework for the Responsible Gold Mining Principles*.

James Farrell, P.Eng.



Perspective Consulting Ltd.,

December 21, 2020