

# Wesdome Gold CEO Falls on His Sword

## Wesdome Gold (TSX: WDO)

CEO Duncan Middlemiss would appear to have fallen on his sword after submitting his resignation yesterday after a year of poor performance and missed guidance for Wesdome Gold Mines.

The market has reacted to the recent problems at the company and the CEO has resigned. Normally this is likely to be seen as a positive, but in this case it has unnerved investors.



Wesdome Gold Mines- Location map

|                     |                                   |
|---------------------|-----------------------------------|
| <b>Wesdome Gold</b> | <b>TSX : WDO</b>                  |
| <b>Stage</b>        | <b>Production, Development</b>    |
| <b>Metals</b>       | <b>Gold</b>                       |
| <b>Market cap</b>   | <b>C\$891 m @ C\$6.26</b>         |
| <b>Location</b>     | <b>Ontario and Quebec, Canada</b> |

# Wesdome Gold Mines CEO Middlemiss Falls on His Sword

**Wesdome Gold Mines (TSX: WDO)** CEO Duncan Middlemiss would appear to have fallen on his sword after submitting his resignation yesterday, after a year of poor performance and missed guidance by the company.

After a successful 6 year tenure the last year or so has been challenging for WDO, and with the share price falling by over C\$10 from its peak, it seems that Middlemiss has paid the price.

The market has reacted negatively to the recent problems at the company, but the CEO's resignation was very sudden, and unexpected.

Normally this might have been seen as a positive, as a new CEO brings in fresh ideas, and solutions, but in this case it has unnerved investors.

Duncan Middlemiss has really created significant shareholder value at Wesdome, and it looked set to grow into a mid tier producer, but it all started to unravel, and the share price has fallen from around C\$16.50 at its peak to just over C\$6 today.

## What issues caused this?

Two different problems really, supply chain issues delayed the Kiena project near Val-d'Or, Quebec, by up to a year, whilst lower than expected grades at their Eagle River mine in northern Ontario reduced output.

Wesdome reported gold production of 110,850 oz. last year, after stating just last October it was aiming for around 120,000 oz. production, which in itself was the the lower end of its previous guidance.

## Who is the interim CEO?

Warwick Morley-Jepson joined the Wesdome board in 2017, having previously served as executive vice-president and chief operating officer of [Ivanhoe Mines \(TSX: IVN\)](#) and [Kinross Gold \(TSX: K; NYSE: KGC\)](#).

Wesdome described him as a *“seasoned operator with significant experience.”*

# Laurentian Bank Mining Analyst Barry Allan wrote;

*“The unexpected resignation is causing anxiety among investors because Morley-Jepson is little known, and the miner needs stable management to see through its strategy.*

*“The sudden resignation of the president and CEO is too much like falling on his sword at time when Wesdome needs good leadership more than ever,” in a note late Tuesday. “His departure was premature and occurs at an extremely unfortunate time.”*

**[To read the full news release, please click HERE](#)**



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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email [andrew@city-investors-circle.com](mailto:andrew@city-investors-circle.com)

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# Disclosure

At the time of writing the author holds no shares in *Wesdome Gold Mines*.

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