Wesdome closes Moss Lake Sale to Goldshore

Wesdome Gold Mines Ltd. (TSX: WDO)

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Wesdome Announces Closing of Previously Announced Sale of the Moss Lake Project to Goldshore Resources

TORONTO, May 31, 2021 (GLOBE NEWSWIRE) – Wesdome Gold Mines Ltd. (TSX: WDO) ("Wesdome" or the "Company") is pleased to announce that it has closed the previously announced sale of the Moss Lake Project (the "Transaction") to Goldshore Resources Inc. ("Goldshore").

Wesdome Gold received initial aggregate consideration of $57M, comprised of the following:

- Initial cash payment of $12.5 million;

- 30,085,000 Goldshore common shares acquired through Wesdome's wholly-owned subsidiary Moss Lake Gold Mines Ltd. ("Moss Lake"), having a current aggregate value of $19.6 million and representing 30% of the issued and outstanding common shares of Goldshore following completion of the Transaction on a non-diluted basis;
- $20 million in common shares of Goldshore in the form of milestone payments consisting of:
    - $5 million within 12 months of closing;
    - $7.5 million upon the earlier of (i) Goldshore completing an updated PEA or pre-feasibility study; and (ii) 30 months from closing;
    - $7.5 million upon the earlier of (i) Goldshore completing a feasibility study; (ii) the date on which Goldshore makes a development decision on the Moss Lake Project; and (iii) 48 months from closing;
- The grant to Wesdome of a 1.0% NSR royalty on all metal production from the Moss Lake Project. Goldshore shall have the right to repurchase the NSR royalty for (i) $5.0 million within 30 months of closing; or (ii) $7.5 million between 30 – 48 months from closing. The royalty buyback rights shall expire if not exercised within 48 months of closing.

Wesdome Gold Management Comments

"The monetization of the Moss Lake Project represents another milestone for Wesdome. This transaction bolsters our already strong balance sheet and allows Moss Lake to be advanced, while retaining meaningful exposure to the project as the largest shareholder of Goldshore.

"This is an exciting time for Wesdome, as we move ahead

with the Kiena re-start, less than five years following the discovery of the Kiena Deep A Zone. Wesdome remains focused on advancing our vision of building Canada's next mid-tier gold producer."

Mr. Duncan Middlemiss, President and CEO, Wesdome

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Upon closing of the Transaction, Wesdome and Goldshore entered into an investor rights agreement (the "Investor Rights Agreement"), pursuant to which, among other things, Wesdome was granted the right to nominate 2 members to Goldshore's board of directors. The Investor Rights Agreement also grants Wesdome certain customary registration and pre-emptive rights in respect of future sales of securities by Goldshore.

The Goldshore common shares were acquired by Wesdome as partial consideration for the sale of the Moss Lake Project. Wesdome may increase or decrease its investment, directly or indirectly, in Goldshore from time to time, depending on market conditions or any other relevant factors.

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