

# Wesdome Gold Q2 Results, Kiena Mill Restarted

Wesdome Gold Mines Ltd. (TSX: WDO)

Announced impressive second quarter ("Q2 2021") financial results, and the successful restart of the Kiena Mill.

Mr. Duncan Middlemiss, President and CEO commented, "Strong gold production in the second quarter of 30,375 ounces drove significant improvement in cost performance".

Wesdome Gold Mines	TSX : WDO
Stage	Production, Development
Metals	Gold
Market cap	C\$1.72 B @ C\$12.80
Location	Ontario and Quebec, Canada



Wesdome Gold Mines – Eagle River underground mine

## WESDOME ANNOUNCES 2021 SECOND QUARTER FINANCIAL RESULTS KIENA MILL SUCCESSFULLY RESTARTED

TORONTO, Aug. 11, 2021 – [Wesdome Gold Mines Ltd. \(TSX: WDO\)](#) (“Wesdome” or the “Company”) today announces second quarter (“Q2 2021”) financial results. All figures are stated in Canadian dollars unless otherwise noted.

## Key operating and financial highlights of the Q2 2021 results include:

- Gold production of 30,375 ounces from the Eagle River Complex, a 21% increase over the same period in the previous year (Q2 2020: 25,142 ounces):
  - Eagle River Underground 63,057 tonnes at a head grade of 15.1 grams per tonne for 29,836 ounces produced, 24% increase over the previous year (Q2 2020: 24,117 ounces).
  - Mishi Open Pit 9,347 tonnes at a head grade of 2.4 g/t Au for 539 ounces produced (Q2 2020: 1,026 ounces).
- Revenue of \$63.9 million, a 17% increase over the previous year (Q2 2020: \$54.8 million).
- Ounces sold were 28,500 at an average sales price of \$2,239/oz (Q2 2020: 23,140 ounces at an average price of \$2,365/oz).
- Cash margin<sup>1</sup> of \$40.6 million, a 18.0% increase over Q2 2020 (Q2 2020 – \$34.3 million).
- Operating cash flow of \$26.9 million or \$0.19 per share<sup>1</sup> as compared to \$30.3 million or \$0.22 per share for the same period in 2020.

## Wesdome Gold Mines management comments

“Strong gold production in the second quarter of 30,375 ounces drove significant improvement in cost performance. Cash costs of \$814 per ounce (US\$663) and AISC of \$1,240

(US\$1,009), a decrease of 24% and 17% respectively over Q1 2021.

“H1 2021 production of 52,939 ounces, and cash costs of US\$745 per ounce and AISC of US\$1,085 per ounce has us well positioned to deliver on both our production and cost guidance for the year at Eagle River Mine Complex (92,000 – 105,000 ounces at cash costs of US\$680 – 770 and AISC of US\$980 – 1,090).

“Cash margins also improved quarter on quarter with \$40.1 million earned in Q2 compared to \$21.8 million in Q1. Cash position increased to \$67.8 million compared to \$63.9 million in the previous quarter.

“During Q2, there were some one-time non-cash items which impacted net income. After announcing a restart of operations at Kiena on May 26, we recorded an impairment reversal charge of \$58.6 million pre-tax (\$36.3 million after-tax), as well, we had an after-tax gain on the disposal of the Moss Lake mineral properties of \$34.5 million. Consequently, net income was \$87.8 million, or \$0.63 per share. Net income adjusted for these one-off items was \$17.0 million, or \$0.12 per share.

“As a result of the above items and also due to a higher capital spending rate at Kiena, free cash outflow for the quarter was \$9.1 million. A total of \$24.1M was spent at Kiena in Q2 in preparation for the production restart that was approved by the Board of Directors of the Company late in May.

“This decision was based on the positive outcome of the independent Pre-Feasibility Study published earlier this year. The investment includes \$13.7 of mine development and restart costs, \$7.2M on mobile and fixed equipment purchases, including headframe bin repairs and hoist system upgrades.

“As a result of the preparatory work the mill was restarted on July 12, and has been successfully processing S50 ore since then. As well, work is underway to prepare the A Zone for its first production stope starting in August, slightly ahead of schedule.

“In addition, \$3.2M was spent in surface and underground exploration, which has confirmed the discovery of the new footwall zone in the Kiena Deep.”

**Mr. Duncan Middlemiss, President and CEO**

[For brevity, this summary has been redacted, to read the full Wesdome Gold news release, please click HERE](#)

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