

# Wesdome Announces Q3 Financial Results

[Wesdome Gold Mines \(TSX: WDO\)](#)

Announced its third quarter financial results.

The company recorded a loss for the quarter, and AISC were US\$1,698, although these will reduce once full production resumes. Guidance is now at the low end of expectations for 2022.



Wesdome Gold Mines – Eagle River underground mine

<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\$1.35 B @ C\$9.5</b>
<b>Location</b>	<b>Ontario and Quebec, Canada</b>

# Wesdome Announces 2022 Third Quarter Financial Results

09/11/2022

TORONTO, Nov. 09, 2022 (GLOBE NEWSWIRE) – **Wesdome Gold Mines Ltd. (TSX: WDO)** (“Wesdome” or the “Company”) today announces its third quarter financial results.

## Key operating and financial highlights of the Q3 2022 results

## include:

- Gold production of 22,883 ounces, including 5,208 Kiena pre-commercial ounces, is a **22% decrease** over the same period of the previous year (Q3 2021: 29,344 ounces):
  - Eagle River Underground milled 52,247 tonnes at a head grade of 10.7 grams per tonne for 17,405 ounces produced, a 26% decrease over the same period in the previous year (Q3 2021: 23,621 ounces).
  - Mishi Open Pit milled 3,595 tonnes at a head grade of 2.8 grams per tonne for 270 ounces produced (Q3 2021: 212 ounces).
  - Kiena milled 16,112 tonnes at a head grade of 10.2 grams per tonne for 5,208 pre-commercial ounces produced.
- Revenue of \$61.8 million, an 8% decrease over the same period of the previous year (Q3 2021: \$67.5 million).
- Ounces sold were 27,500 at an average sales price of \$2,246/oz (Q3 2021: 30,000 ounces at an average price of \$2,249/oz).
- **Cash margin<sup>1</sup> of \$17.0 million, a 52% decrease** over the same period of the previous year (Q3 2021: \$35.3 million).
- **Operating cash flows decreased by 62% to \$12.9 million** or \$0.09 per share<sup>1</sup> as compared to \$33.9 million or \$0.24 per share for the same period in 2021.
- **Free cash outflow of \$23.2 million, net of an investment of \$22.8 million in Kiena**, or (\$0.16) per share<sup>1</sup> (Q3 2021: free cash outflow of \$9.1 million or (\$0.06) per share<sup>1</sup>).
- **Net loss of \$3.9 million** or (\$0.03) per share (Q3 2021: Net income – \$14.5 million or \$0.10 per share) and Net loss (adjusted)<sup>1</sup> of \$3.9 million or (\$0.03) per share (Q3 2021: \$17.4 million or \$0.12 per share)
- **Cash position at the end of the quarter of \$24.7**

million.

- **Cash costs<sup>1</sup> of \$1,628/oz or US\$1,247/oz, an 52% increase over the same period in 2021 (Q3 2021: \$1,072/oz or US\$851/oz);**
- **AISC<sup>1</sup> increased by 48% to \$2,217/oz or US\$1,698/oz over the same period in 2021 (Q3 2021: \$1,495 or US\$1,186 per ounce).**

1. Refer to the Company's 2021 Annual Management Discussion and Analysis section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the consolidated financial statements.

## **Duncan Middlemiss, President and CEO commented;**

*"During Q3, we are pleased to have made significant advancements on the build out at Kiena, such as completing the hoist refurbishment project during the July shut down. As well, the remaining key electrical components for the paste plant were delivered and installed, and have been successfully powered.*

*"Post quarter end, construction is being finalized, and pre-commissioning activities have started. We expect the plant to be fully operational in Q4. [Once this is achieved, the Company can declare commercial production at the Kiena mine.](#)*

*"At Eagle, initial mining of the Falcon zone in the volcanic host rock resulted in one stope returning lower grades than forecast. However, ongoing development and drilling*

throughout the year has continued to better define the higher-grade shoots within the Falcon Zone and improved our confidence in forecasting production going forward. Additionally, recent surface and underground drilling, from the 355 m-level exploration drift, has extended the up-plunge extent of the Falcon 7 zone to surface.

“As the mill was on shut down in July for planned mill thickener refurbishment work, production was relatively in line with Q2 2022 with higher production planned for Q4.

“Year to date, previously released combined production of 75,734 ounces positions [the Company is currently tracking to produce near the low end of its 120,000 – 140,000 ounce revised guidance range and the higher end of our cost guidance range, which relies on significant production late in the fourth quarter.](#)

“Costs have been higher than previously guided at the start of the year due to a number of factors, primarily lower grade at Eagle River as a result of grade underperformance in the Falcon Zone, supply chain delays resulting in less ounces produced than budgeted at Kiena, and inflationary pressures.

“The ground conditions in Kiena Deep, specific to the schist and komatiite in the footwall of the A Zone remain challenging, and the equipment delays encountered earlier in the year (now received with the exception of some bolting equipment), have resulted in the development and mining rates being slower to ramp up than originally anticipated.

*“Ramp up activities at Kiena will continue during 2023 as the development deficit incurred is being addressed. With learnings from mining the new Falcon Zone at Eagle in 2022, and as we integrate Kiena, 2023 is expected to be a consolidation year with financial improvement expected as growth capital at Kiena tapers off, and production increases throughout the year.”*

For brevity, this summary has been redacted, 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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