Wesdome issue Q4 and Full Year results

Wesdome Gold Mines {TSX: WDO}

Announced their fourth quarter and full year 2017 financial results.

Mr. Duncan Middlemiss, President and CEO commented, *"Our 2017 results exhibit several operational and financial improvements at Wesdome.*

Q4 and Full Year Financial

Results

TORONTO, March 21, 2018 – **Wesdome Gold Mines {TSX: WDO}** announced their fourth quarter and full year 2017 financial results. Please note all figures are stated in Canadian dollars unless otherwise noted.

Mr. Duncan Middlemiss, President and CEO commented, *"Our 2017 results exhibit several operational and financial improvements at Wesdome. We slightly exceeded the upper end of our production guidance, mined significantly higher head grades, improved profits, and met the mid-point for our cash cost and all-in sustaining cost guidance. Looking ahead, we expect this trend to continue with 2018 costs to decrease a further 10% and gold production to increase by approximately 10% to 62,000 – 68,000 ounces as per our guidance."*

"In 2018 at the Eagle River Complex, we are committing all exploration efforts to the Eagle River Underground Mine, where reserves currently stand at 416,000 ounces at 12.2 grams per tonne. A main goal of this program is to identify additional mineralization along the eastern extension of the 300 and 7 zone parallel structures, located to the north and parallel to the main 8 zone, to create additional workplaces and thereby realize our objective of providing additional high grade ore to the mill. We are beginning a higher grade mining cycle at this operation that should continue for the foreseeable future."

"At Kiena, the exploration ramp is nearing completion and last week we resumed drilling, with two drills on the higher grade

Zone A and Upper Quartz Zone of the Kiena Deep discovery. A third drill is expected to be added in April to this area. The plan at Kiena this year is to complete 50,000 metres of underground drilling, in order to be in a position to generate a potential resource calculation on the Kiena Deep discovery. This will determine timing and next steps at this asset."

Key operating and financial highlights of the full year 2017 results include:

• Gold production of 58,980 ounces from the Eagle River Complex, a 24% increase over the previous year (2016: 47,737 ounces):

- Eagle River Underground 157,250 tonnes at a head grade of 10.6 g/t Au for 50,996 ounces produced, a 27% increase over the previous year (2016: 40,252 ounces).
- Mishi Open Pit 152,591 tonnes at a head grade of 2.0 g/t Au for 7,985 ounces produced, a 7% increase over the previous year (2016: 7,485 ounces).

• Revenue of $96.1 million, a 14% increase over the previous year (2016: $84.0 million).

• Ounces sold 57,770 at an average sales price of $1,643/oz (2016: 48,680 ounces at an average price of $1,676/oz).

• Cash costs[1] of $1,097/oz or US$845/oz, a 10% decrease over the previous year (2016: $1,218/oz or US$919/oz).

• All-in sustaining costs ("AISC") [1] of $1,489/oz or US$1,146/oz, a 12% decrease over the previous year (2016: $1,681/oz or US$1,268/oz).

• Earned mine profit[1] of $31.5 million, a 41% increase over the previous year (2016 – $22.3 million).

• Operating cash flow of $27.2 million or $0.20 per share[1] a 21% increase over the previous year (2016: $22.4 million or $0.18 per share).

• Free cash outflow of $9.3 million or ($0.07) per share[1] (2016: outflow of $4.2 million or ($0.03) per share).

• Net income of $1.3 million or $0.01 per share (2016: $7.8 million or $0.06 per share). Net income (adjusted) [1] before a one-time deferred mining tax adjustment of $3.9 million and a non-recurring $2.2 million restructuring cost was $6.8 million or $0.05 per share.

• Cash position of $22.1 million.

• Wesdome been approved by the Ontario Ministry of Northern Development and Mines ("**MNDM**") for an entry into the Northern Industrial Electricity Rate ("**NIER**") program. Upon acceptance by MNDM, the Company is qualified for a retroactive electricity cost rebate to the extent of approximately $1.0 million for the period of April 1, 2017 and up to December 31, 2017.

• Mineral Reserves at the Eagle River Underground Mine of 416,000 contained gold ounces (1.1 million tonnes at 12.2 g/t Au) (2016 1.2 million tonnes at 9.2 g/t Au for 344,000 ounces).

Key operating and financial highlights of Q4 2017 results include:

• Eagle River Complex gold production of 15,797 ounces (2016: 11,887 ozs).

•19,351 gold ounces sold (2016: 13,490 ozs).

- Cash costs[1] of $1,019/oz (US$801/oz) (2016: $1,215/oz or US$911/oz).

- AISC[1] of $1,284/oz or US$1,010/oz (Q4 2106: $1,631/oz or US$1,222/oz).

- Earned mine profit[1] of $11.6 million (Q4 2016: $5.9 million).

- Operating cash flow of $13.5 million or $0.10 per share[1] (Q4 2016: $7.7 million or $0.06 per share).

- Free cash flow generation of $5.7 million or $0.04 per share [1] (Q4 2016: out flow of $2.2 million or ($0.02) per share).

- Net loss of $0.6 million or nil, on a per share basis. Net income (adjusted)[1] before the one-time mining tax adjustment was $3.4 million or $0.03 per share.

1. Refer to the Company’s 2017 Annual Management Discussion and Analysis on pages 26 – 31, entitled “Non-IFRS Performance Measures” for the reconciliation of these non-IFRS measurements to the financial statements.

Exploration & Corporate Development Highlights for 2017

Eagle River

- At Eagle River, continued drilling has now traced the 300E structure from 750 metres ("m") depth to 1,000 m depth and remains open up and down plunge. Drilling highlights include 51.93 g/t Au (23.18 g/t Au cut) over 11.96 m true width.
- Development to date on the 300E Zone has identified seven subzones on the 844-metre level ("m-level"). The combined ore strike length of the subzones are 173.7 m with a weighted average width of 2.85 m and cut and uncut gold grades of 22.62 g/t Au and 34.79 g/t Au, respectively.
- Continued drilling to explore the 300W Zone has now traced the mineralisation 300 m up-plunge and remains open to the west and up-plunge. Highlights include 41.99 g/t Au cut over 2.72 m true width.
- Resource definition drilling at Mishi completed in 2017 returned positive results from two areas located 600 m and 1,700 m west of the existing open pit mining operations. Wesdome is currently assessing these occurrences and building them into a long-term growth scenario for mining at Mishi.

Kiena
• Development of the Kiena Deep exploration ramp continued with 878 linear metres completed to date and is expected to be completed by the end of March 2018. Early results from Kiena Deep B zone indicate moderate to locally higher gold grades obtained with occasional visible gold observed. Results include 34.37 g/t Au uncut (24.16 g/t cut) over 4.5 m core length (1.6 m true width) in hole 6186. • As the ramp development is continuing, one drill has been actively drilling several auxiliary targets near existing underground development including the S-50 and VC zone sectors and has returned encouraging results, including 6.68 g/t Au uncut (6.02 g/t Au cut) over 37.6 m core length and 17.89 g/t Au uncut (16.3 g/t Au cut) over 6.0 m core length from S-50 zone. • Ramping is expected to be completed in March and will enable the Company to drill the higher grade Kiena Deep A zone shortly thereafter.
Moss Lake
• Drilling at Moss Lake was completed along the strike of the existing resources to significantly extend mineralization over an additional strike length of 4.5 kilometres. The project has been kept on care and maintenance since the fall of 2017 to allow the geological team to focus its attention on the Eagle River Complex and the Kiena gold deposits.
Corporate
• The appointment of two former mining executives as directors and a new management team in mid-year to steer the Company to increase production and profitability.

Technical Disclosure

The technical content of this release has been compiled, reviewed and approved by Marc-Andre Pelletier, P. Eng, Chief Operating Officer, and Michael Michaud, P.Geo., Vice President, Exploration of the Company and each a “Qualified Person” as defined in National Instrument 43-101 –*Standards of*

Disclosure for Mineral Projects.

Cautionary Note to United States Investors Concerning Estimates of Reserves and Resources

The mineral reserve and resource estimates reported in this news release were prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") as required by Canadian securities regulatory authorities. The United States Securities and Exchange Commission (the "**SEC**") applies different standards in order to classify and report mineralization. This news release uses the terms "measured", "indicated" and "inferred" mineral resources, as required by NI 43-101. Readers are advised that although such terms are recognized and required by Canadian securities regulations, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into mineral reserves. In addition, "inferred" mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource exists, is economically or legally mineable or will ever be upgraded to a higher category of mineral resource.

Wesdome Gold Mines 2017 Q4 and Full Year Financial Results Conference Call infomation:

International Dial-In Number: **+1 703 639 1272**
Conference ID: **8836599**

The Webcast can also be accessed under the News and Events section of the Company’s website, please visit www.wesdome.com