Wesdome release Q4 and full year results.

Wesdome Gold Mines Ltd {TSX: WDO}

Released fourth quarter and full-year 2019 financial results. The company’s full consolidated financial statements and management’s discussion and analysis are available on SEDAR and on the company’s website.

Wesdome earns $40.94-million in 2019

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Mr. Duncan Middlemiss reports

WESDOME ANNOUNCES 2019 FOURTH QUARTER AND FULL YEAR FINANCIAL

RESULTS

Wesdome Gold Mines Ltd. has released fourth quarter and full-year 2019 financial results. The company's full consolidated financial statements and management's discussion and analysis are available on SEDAR and on the company's website.

Key highlights of 2019:

- Production increased by 28 per cent over 2018.
- Cash costs decreased by 9 per cent over 2018.
- Eagle River complex free cash flow generation was $48.4-million.
- Company free cash flow (1) generation was $6.6-million, net of investing $25.1-million into the Kiena complex.
- Net income increased 2.7 times over 2018, and adjusted net income (1) increased 2.5 times over 2018.
- Operating cash flow increased by 1.5 times over 2018.
- The company increased Eagle River reserves by 36 per cent net of 91,066 ounces of depletion.
- The company increased Eagle River reserve grade by 20 per cent to 14.4 grams per tonne.
- The company increased Eagle River measured and indicated resources by 258 per cent, or 3.6 times over 2018.
- The company increased Kiena mineral indicated resources at the Deep A zone by 4.1 times over 2018.
- The company concluded a $45.0-million secured credit facility.

(1) Refer to the company's 2019 annual management's discussion and analysis on pages 29 to 36, entitled "Non-IFRS Performance Measures" for the reconciliation of these non-international financial reporting standard measurements to the financial

statements.

Duncan Middlemiss, president and chief executive officer, commented: *"In 2019, we continued to decrease costs and build up free cash flow, largely driven by an almost doubling of production at Eagle River over the last three years. Cash costs of $825 per ounce ($621 (U.S.) per ounce) and all-in sustaining costs of $1,293 per ounce ($975 (U.S.)) per ounce were both below guidance, due to higher grades.*

"Eagle River reserves increased by 36 per cent net of production, and reserve grade increased by 20 per cent. Measured and indicated resources increased by 258 per cent. Looking ahead, in 2020, we plan to further increase production at Eagle River complex, with guidance of 90,000 to 100,000 ounces, and increase the exploration and definition drilling to 105,500 metres (2019: 71,000 metres).

"The Eagle River operations generated $48.4-million of free cash flow, of which the majority was reinvested in major exploration programs at Kiena.

"Kiena indicated resources at the Deep A zone increased by 308 per cent over the initial estimate in 2018. The Kiena project is also advancing very well. The [preliminary economic assessment] is on track to be completed in second quarter 2020, and concurrently, we are drilling 85,000 metres in 2020 (2019: 59,000 metres). After the PEA, we plan to update our resource statement to incorporate an additional 60,000 metres of drilling since our last update and complete a prefeasibility study, which will establish reserves.

"Company-wide in 2019, we generated $6.6-million in free cash flow, or five cents per share, compared to $2.8-million or two cents per share in 2018. On behalf of management and the board of directors, I would like to thank both teams at Eagle River and Kiena for a job done very well and safely. We experienced

a 30-per-cent improvement in our safety performance, and of all the achievements in 2019, we are especially proud of that one.”.

Operating and financial highlights of the full-year 2019 results include:

- Gold production of 91,688 ounces from the Eagle River complex (2018: 71,625 ounces):
    - Eagle River underground: 122,405 tonnes at a head grade of 23.1 grams per tonne gold for 88,617 ounces produced (2018: 67,315 ounces);
    - Mishi open pit: 46,405 tonnes at a head grade of 2.5 g/t Au for 3,072 ounces produced (2018: 4,310 ounces);
- Revenue of $164.0-million (2018: $116.0-million) from 88,423 ounces of gold sold at an average sales price of $1,853 per oz (2018: 70,480 ounces at an average price of $1,645 per oz);
- Cash costs (1) of $825 per oz or $621 (U.S.) per oz (2018: $905 per oz or $699 (U.S.) per oz);
- All-in sustaining costs (1) (AISC) of $1,293 per oz or $975 (U.S.) per oz (2018: $1,276 per oz or $985 (U.S.) per oz);
- Earned mine profit (1) of $90.9-million (2018: $52.1-million);
- Operating cash flow of $71.1-million or 52 cents per share (1) (2018: $46.3-million or 34 cents per share);
- Free cash flow (1) of $6.6-million or five cents per share (1) (2018: $2.8-million or two cents per share);
- Adjusted net income (1) of $38.6-million or 28 cents per share (2018: $14.9-million or 11 cents per share);
- Earnings before interest, taxes and depreciation and amortization (EBITDA) for 2019 of $80.7-million (2018:

$43.3-million);
- Cash position at the end of the year of $35.7-million;
- Mineral reserves at Eagle River of 550,000 contained gold ounces (1,186,000 tonnes at 14.4 g/t Au), of which 72 per cent is located in the high-grade 300 zone;
- Indicated and measured mineral resources at Eagle River increased to 111,000 contained gold ounces (380,000 tonnes at 9.0 g/t Au);
- Mineral reserves at Mishi of 10,500 contained gold ounces (116,000 tonnes at 2.8 g/t Au).

Operating and financial highlights of fourth quarter 2019 results include:

- Eagle River complex gold production of 21,332 ounces (fourth quarter 2018: 17,254 oz):
    - Eagle River underground: 23,257 tonnes at a head grade of 28.6 g/t Au for 20,894 ounces produced (fourth quarter 2018: 16,712 ounces);
    - Mishi open pit: 9,108 tonnes at a head grade of 1.9 g/t Au for 438 ounces produced (fourth quarter 2018: 542 ounces);
- 22,100 gold ounces sold (fourth quarter 2018: 18,077 oz);
- Cash costs (1) of $786 per oz ($595 (U.S.) per oz) (fourth quarter 2018: $937 per oz or $710 (U.S.) per oz);
- AISC (1) of $1,305 per oz or $988 (U.S.) per oz (fourth quarter 2018: $1,371 per oz or $1,038 (U.S.) per oz);
- Earned mine profit (1) of $25.8-million (fourth quarter 2018: $12.5-million);
- Operating cash flow of $15.8-million or 11 cents per share (1) (fourth quarter 2018: $8.6-million or six cents per share);

- Free cash outflow (1) of $3.3-million or (two cents) per share (fourth quarter 2018: free cash outflow of $4.5-million or (three cents) per share);
- Adjusted net income (1) of $12.1-million or nine cents per share (fourth quarter 2018: $2.6-million or two cents per share).