

TORONTO, May 14, 2015 /CNW/ - [Wesdome Gold Mines Ltd.](#) (TSX: WDO) today announces financial results for the first quarter of 2015. All figures within the release are stated in Canadian dollars unless otherwise stated.

Mr. Rolly Uloth, President and CEO commented, "During the first quarter, emphasis was placed on accelerating underground development to the high grade 300 zone on multiple levels. We expect to break into the 300 zone on the 870 metre level near the end of Q2, 2015 where grades and widths from diamond drilling have determined exceptionally high grade reserves. Mill throughput ramp up continues to improve with the first quarter averaging 657 tonnes per day, a 26% improvement from 2014's rate of 522 tonnes per day despite eight days of mill shut downs. The second quarter thus far has averaged over 900 tonnes per day. Together with higher production rates and higher grades for the balance of the year, we expect to deliver on our 55,000 – 57,000 ounce production guidance."

HIGHLIGHTS

- Eagle River mine produced 39,815 tonnes at a head grade of 7.4 grams per tonne ("g/t") with a mill recovery rate of 94.3% to produce 8,903 ounces (7.0 g/t recovered grade).
- Mining operations resumed at Mishi in the first quarter and 19,288 tonnes at a recovered grade of 2.0g/t of ore was processed to produce 1,237 ounces of gold. For the balance of 2015, we are expecting to process 450 tonnes per day of 2.5g/t-3.0g/t from the Mishi pit.
- Mill throughput increased during the quarter to average 657 tonnes per day, a 26% increase over 2014's average of 522 days, despite 8 days of mill shut down. During the mill downtime, maintenance work was completed which resulted in the mill throughput increasing by over 200 tonnes per day. In Q2 2015, the mill has averaged over 900 tonnes per day.
- Total production for the quarter was 10,140 ounces. Ounces sold were 9,633 at an average sales price of CAD\$1,499 per ounce.
- Revenue for the quarter was \$14.4 million.
- Net income for the quarter was (CAD\$0.8 million) or (CAD\$0.01) per share.
- Operating costs were CAD\$1,338 per ounce, an increase of 32% compared with the prior quarter (CAD\$1,012 per ounce). Lower grades and gold sales figures are the primary drivers in the increase of cash costs per ounce. Improved grades and mill throughput will significantly reduce unit cash costs for the balance of the year.
- We continued to invest aggressively and a total of \$4.8 million was spent on our tailings management area, Eagle River exploration & development to access the 300 zone high grade lenses, Mishi exploration and stripping in the first quarter.
- All-in Sustaining Costs were CAD\$1,971 per ounce, an increase of 44% compared to the previous quarter's figure of CAD\$1,370 per ounce. Mining costs were \$12.9 million for the quarter, which was down 16% from the previous quarter figure of \$15.4 million. While fewer ounces produced in Q1 2015 versus Q4 2014 raised the cost per ounce, mining costs have been stable.
- Free cash flow for the quarter was (CAD\$4.8 million) or (CAD\$0.04) per share.
- Cash and cash equivalents at the end of the quarter were CAD\$9.9 million compared to CAD\$15.4 million in the previous quarter due to investment in the Eagle River mine's future.

ABOUT WESDOME

[Wesdome Gold Mines Ltd.](#) is in its 28th year of continuous gold mining operations in Canada that employ a profit growth approach. The Company is currently producing from its Eagle River and Mishi gold mines in Wawa, Ontario, which have earned consistent free cash flow during times of low gold prices. Wesdome's corporate goal is to build a profitable, long-life, sustainable gold mining Company with modest initial capital costs. This strategy has enabled the Company to acquire strategic property and infrastructure assets in two politically stable and historically proven mining camps. Wesdome has significant upside through ownership of its two other properties, the Kiena Mine Complex in Val d'Or, Quebec and the Moss Lake gold deposit located 100 kilometres west of Thunder Bay, Ontario. These assets are being explored and evaluated to be developed in the appropriate gold price environment. The Company has approximately 111.0 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained herein are made as of the date of this press release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements. The Company has included in this news release certain non-IFRS performance measures, including, but not limited to, mine operating profit, mining and processing costs and cash costs. Cash costs per ounce reflect actual mine operating costs incurred during the fiscal period divided by the number of ounces produced. These measures are

not defined under IFRS and therefore should not be considered in isolation or as an alternative to or more meaningful than, net income (loss) or cash flow from operating activities as determined in accordance with IFRS as an indicator of our financial performance or liquidity. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow

SOURCE [Wesdome Gold Mines Ltd.](#)

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