

TORONTO, Nov. 9, 2015 /CNW/ - [Wesdome Gold Mines Ltd.](http://www.wesdome.com) (TSX: WDO) today announces financial results for the third quarter of 2015. All figures in the release are stated in Canadian dollars unless otherwise noted.

Mr. Rolly Uloth, President and CEO commented, "Wesdome made significant progress during the third quarter both on current operations optimization and planning future growth at the Eagle River Complex. Production costs have decreased quarter over quarter this year, while mill production has steadily increased. With the 300 Zone now in production, we expect this trend to continue in the fourth quarter and into at least 2017 when the 7 Zone begins production. We also enhanced our board with the addition of Charles Page, and appointed a new Chief Financial Officer. With the balance sheet strengthened by a \$5 million private placement subsequent to quarter end, the Company plans on increasing its exploration budget at the Eagle River complex in the near term."

PRODUCTION

- Eagle River mill throughput increases for the fifth consecutive quarter
 - Total tonnes processed during the quarter was 88,185 tonnes or 959 tonnes per day ("tpd") for the quarter. This represents a 6% increase from Q2 2015 (908 tpd) Q3 2015 throughput improved 64% from Q3 2014 (583 tpd)
 - YTD mill availability is at ~88%, up from 74% in 2014 and 66% in 2013
- Produced ounces increased 14% from Q2 2015
 - Combined production of 14,284 ounces
 - Eagle River Mine produced 44,849 tonnes at a head grade of 7.7 gAu/tonne with mill recoveries of 96.1% to produce 10,637 ounces (7.4 gAu/tonne recovered grade)
 - Mishi Mine produced 43,336 tonnes at a head grade of 3.0 gAu/tonne with mill recoveries of 88.2% to produce 3,647 ounces (2.6 gAu/tonne recovered grade)
- Production at the 300 Zone commences
 - Head grades for the month of September increased to 9.0 gAu/tonne, 23% higher than 2015's year to date average of 7.3 gAu/tonne

Operational Highlights

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2015	2014	2015	2014
Gold Produced (oz)	14,284	12,456	36,900	39,776
Gold Sold (oz)	12,408	15,878	33,781	43,042
Realized Gold Price (\$CAN)	1,467	1,407	1,475	1,429
Cash Cost/oz (\$CAN)	994	975	1,147	936
Cash Cost/oz (\$US)	760	895	911	855
AISC/oz (\$CAN)	1,368	1,386	1,599	1,319
AISC/oz (\$US)	1,045	1,273	1,271	1,203

FINANCIAL ¹

- Revenue of \$18.2 million on gold sales of 12,408 ounces at an average sales price of \$1,467 per ounce (US\$1,121)
- Mine operating profit for Q3 2015 was \$5.3 million, an increase of 71% compared to Q2 2015 of \$3.1 million
- Operating cash flow before working capital adjustments was \$3.3 million, a 135% increase over the previous quarter's results of \$1.4 million.
 - Operating cash flow before working capital adjustments and Kiena care and maintenance costs was \$4.3 million, a 104% increase over the previous quarter's results of \$2.1 million
- During the quarter, the Company booked a \$4.9 million expense relating to the mill closure obligation at the Kiena mine, (placed on care and maintenance in July 2013), approved by the Quebec government under new legislation relating to dormant mining operations. As a result, net loss for Q3 2015 was (\$4.3) million or (\$0.04) per share
 - After adjusting for this one-time item, net income would have been \$0.6 million.
- Free cash flow for Q3 2015 was (\$0.6) million or (\$0.01) per share, an improvement of \$1.9 million compared to Q2 2015 of (\$2.5) million or (\$0.02) per share
 - Free cash flow after adjusting for Kiena care and maintenance costs for Q3 2015 was \$0.3 million or \$0.01 per share, an improvement of \$2.2 million compared to Q2 2015 of (\$1.9) million or (\$0.02) per share
- Production cash cost per ounce was \$994 (US\$ 760) per ounce, a decrease of 14% compared to the previous quarter's figure of \$1,161 (US\$945) per ounce
- All-in sustaining costs were \$1,368 (US\$1,045), per ounce a decrease of 14% over the previous quarter's figure of \$1,582 (US\$1,287) per ounce

Financial Highlights (in \$000 except per share)	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2015	2014	2015	2014
Revenue	18,199	22,342	49,843	61,519
Mine operating profit	5,253	6,984	9,913	23,069
Net loss (income)	(4,294)	2,238	(5,811)	9,287
Net (loss) income/share	(0.04)	0.02	(0.05)	0.09
Operating cash flow	3,333	5,585	4,902	19,077
Operating cash flow (adjusted)	4,268	6,302	6,988	20,638
Operating cash flow/share	0.03	0.05	0.04	0.17
Operating cash flow (adjusted)/share	0.04	0.06	0.07	0.19
Free cash flow	(626)	1,156	(8,455)	6,897
Free cash flow (adjusted)	309	1,873	(6,369)	8,459
Free cash flow/share	(0.01)	0.01	(0.08)	0.06
Free cash flow (adjusted)/share	0.00	0.02	(0.06)	0.08

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The Company has included non-GAAP performance measures: mine operating profit, operating cash flow per share, free cash flow, free cash flow per share, production cost per ounce and all-in sustaining costs in this press release. These are common performance measures in the mining industry which do not have any standardized meaning under IFRS. Refer to the Q3 2015 Management Discussion and Analysis for the reconciliation of these measures to the financial statements.

PRODUCTION EXPANSION

- During the quarter, the Company announced production guidance for years 2016 – 2019, based on a CAD\$1,450 gold price. Guidance for these years are as follows:
 - 2016: 54,000 – 60,000 ounces
 - 2017: 63,000 – 70,000 ounces
 - 2018: 74,000 – 82,000 ounces
 - 2019: 72,000 – 80,000 ounces
- Capital projects relating to expansion include: increasing mill capacity to 1,500 tpd, and the construction of a new tailings facility
- Over the course of 2016 and 2017, the Company plans on doubling its Mishi Open Pit ore concurrently with the construction of expansion capital projects to approximately 20,000 ounces per year. The high strip ratio during the early life of the pit is essentially complete, which will contribute to significantly lower mining costs
- Production for the underground Eagle River mine will increase year over year, with larger increases coming from the mine's three known high grade zones, the 300, 811, and 7 Zones

EXPLORATION

- Drilling 300m west of Mishi Mine cuts to 10.4 gAu/tonne over 18.4m true width at shallow depth. The 2015 drill program is providing the information required to direct and guide future production expansion opportunities
- The Eagle River Underground Mine's three known high grade zones are open up and down plunge and along strike and will be aggressively explored by the Company

APPOINTMENT OF NEW DIRECTOR AND CFO

- In July 2015, the Company appointed Charles Page, P. Geo to the Board of Directors. Mr. Page is a professional geologist with over 30 years' experience in the mineral exploration and mining industry. Most recently, he was president and CEO of Queenston Mining, leading the discovery and development of the Upper Beaver deposit in the Kirkland Lake Gold camp until Queenston's acquisition by Osisko Mining. He is currently a director of [Osisko Gold Royalties Ltd.](#) and [Unigold Inc.](#) Mr. Page holds a Master of Science degree from the University of Waterloo. In addition to this wealth of experience the Company also plans to leverage his experience in the Eagle River camp as his team was credited with the discovery of the No Name Lake Zone on this property
- On September 16, 2015, Brian Ma, then Chief Financial Officer of the Company, tendered his resignation as CFO and was replaced by Hemdat Sawh, CPA. Mr. Sawh is a Certified Professional Accountant, and holds an MBA degree in accounting from York University, a BSc degree in geology from Concordia University and a graduate diploma in geology from McGill University. Mr. Sawh has over 16 years of accounting and auditing experience at Grant Thornton LLP, culminating in the position of principal with a concentration in publicly listed mining companies. Mr. Sawh served as Chief Financial Officer for several TSX listed mining companies with operations in Mexico, Venezuela and Burkina Faso.

ADDITIONAL DISCLOSURE PURSUANT TO FORM 58-101F1

In accordance with the disclosure requirements set out in National Instrument 58-101 Disclosure of Corporate Governance Practices, specifically as it relates to the Company's gender diversity disclosure in accordance with the requirements set out in Form 58-101F1 Corporate Governance Disclosure, the Company has provided additional disclosure in its MD&A regarding its practices in respect of director term limit, the representation of women on the board and in executive officer positions.

The Company has neither adopted term limits for directors, nor a diversity policy or targets regarding the representation of women on the board or in executive officer positions, however the Board considers diversity, including gender, age, experience, education, race and national origin, to be essential to a high functioning board and management team. The Board is committed to advancing women and other individuals representing a diversity of backgrounds into leadership roles through mentoring, continuing education and succession planning processes. Furthermore, in October 2015 the Company engaged an independent, external corporate governance advisor to evaluate its existing governance practices. Upon conclusion of such evaluation, the Board will consider the need for a formal written diversity policy and other measures that will facilitate continued improvement of the Company's diversity practices.

ABOUT WESDOME

[Wesdome Gold Mines Ltd.](#) is in its 28th year of continuous gold mining operations in Canada. 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 116 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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