TSX:WDO

TORONTO, May 11, 2016 /CNW/ - Wesdome Gold Mines Ltd. (TSX: WDO) ("Wesdome" or the "Company") today announces financial results for the first quarter of 2016.

2016 FIRST QUARTER SUMMARY

- Gold production of 8,036 ounces
  - Eagle River underground production of 6,254 ounces at a recovered grade of 4.9 grams per tonne ("gpt"), with a reduced mill recovery rate of 88% due to lower head grades
  - Mishi Open Pit mine production of 1,782 ounces at a recovered grade of 1.5 gpt with a mill recovery rate of 85%
- Total mill throughput of 76,126 tonnes averaging 837 tonnes per calendar day
- Revenue of $13.3 million on gold sales of 8,100 ounces at an average realized price of $1,640 (US$1,193) per ounce
- Mine operating loss of $(1.1) million
- Net loss of $(3.3) million, or $(0.03) per share; and net loss of $(2.9) million, or $(0.02) per share, after adjusting for Kiena care and maintenance costs
- Operating cash outflow of $(2.8) million or $(0.02) per share, and after adjusting for Kiena care and maintenance costs operating cash outflow was $(2.3) million or $(0.02) per share
- Production cash costs per ounce were $1,766 (US$1,285)
- All-in sustaining costs per ounce on a production basis were $2,501 (US$1,820)
- Cash and cash equivalents of $8.1 million, 2,261 ounces gold bullion in inventory at market price of $3.6 million and working capital of $4.0 million as at March 31, 2016
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- Exploration drilling extends high grade 7 Zone 150 metres towards surface
- Mineral Reserves at Eagle River and Mishi increase 12% to 431,000 ounces
- Eagle River Inferred Mineral Resources increase 112% to 170,000 ounces reflecting drilling successes of new parallel zones

Rolly Uloth, President and CEO, commented, "First quarter production was negatively impacted by slower than anticipated development rates due to scooptram mechanical issues. Swift action was taken to ensure better productivity and efficiencies going forward. A six yard scooptram was rented until we take delivery of budgeted new equipment in the second quarter. Faulty, complex blast equipment has been removed and replaced, and additional upgrades continued at the mill. As well, we have revised the underground mine design, which is expected to increase stope grades by reducing dilution going forward. Finally, with the recent success of extending the 7 zone towards surface we are currently developing this extension to bring the 7 zone into production, 18-24 months ahead of schedule."

Financial Results – 1st Quarter 2016 and 2015		
	Quarter ended March 31	
	2016	2015
(in $000, except per share amounts)		
Revenue	13,284	14,442
Mine operating (loss) profit	(1,105)	1,557
Net loss	(3,300)	(771)
Net loss adjusted for Kiena	(2,854)	(278)
Basic net loss per share	(0.03)	(0.01)
Basic net loss per share adjusted for Kiena	(0.02)	(0.00)
Cash flows from operating activities	(2,786)	133
Cash flows from operating activities adjusted for Kiena	(2,340)	626
Cash and cash equivalents	8,100	9,929
Working capital	3,972	6,605

Operational Results – 1st Quarter 2016 and 2015		
	Quarter ended March 31	
	2016	2015
Eagle tonnes milled	39,839	39,815
Mishi tonnes milled	36,287	19,289
Total tonnes milled	76,126	59,104
Eagle grade (gpt)	4.9	7.0
Mishi grade (gpt)	1.5	2.0
Eagle ounces produced	6,254	8,903
Mishi ounces produced	1,782	1,237
Total ounces produced	8,036	10,140
Ounces sold	8,100	9,633
Average realized price (CAD$/oz)	1,640	1,499
Average realized price (US$/oz)	1,193	1,208
Production cash costs (CAD$/oz)	1,766	1,345
Production cash costs (US$/oz)	1,285	1,084
All-in-sustaining costs (CAD$/oz)	2,501	1,946
All-in-sustaining costs (US$/oz)	1,820	1,569

The contents of this press release have been verified and approved by the Company's Chief Operating Officer, Philip Ng, P. Eng a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects.

ABOUT WESDOME

Wesdome Gold Mines Ltd. is in its 28th year of continuous gold mining operations in Canada. The Company is currently producing gold at the Eagle River Complex located near Wawa, Ontario from the Eagle River and Mishi gold mines. Wesdome's goal is to expand current operations at both mines over the next four years through mill expansion and exploration. 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 118 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

SOURCE Wesdome Gold Mines Ltd.

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