TSX:WDO

TORONTO, May 16, 2016 /CNW/ - Wesdome Gold Mines Ltd. (TSX: WDO) ("Wesdome" or the "Company") today responds to a press release issued by Resolute Performance Fund, an investment fund managed by Resolute Funds Limited ("Resolute").

Early this morning, one day prior to the Annual Meeting of Shareholders, the Board of Directors of Wesdome received a letter from Resolute detailing concerns with operations and management of the Company and the proposed slate of directors. Subsequently, a press release was issued by Resolute. The slate of directors outlined in the Management Information Circular dated April 1, 2016, includes three new nominees with extensive experience in mining operations, mining company management, technical expertise, and capital markets. There were no objections to the slate by Resolute until today. As well, the two existing directors that Resolute indicated it supports make up 2/3rds of the Governance and Nominating Committee, which recommended these three new director candidates, plus the other five current directors.

In 2013, Resolute instituted with the Company, a reconstitution of board and management. The current board and management have created significant value for all of the Company's shareholders, including Resolute. Wesdome's shares have appreciated approximately 40% on a one year basis, 100% on a two-year basis, and 250% on a three year basis. The Company has been developing a management succession plan and has taken corrective action to improve operations, as communicated in its press release dated May 11, 2016. In the best interest of all its shareholders, management believes the Company should continue with this strategy.

In response to Resolute's concerns, the Board today unanimously created a Special Committee for the purpose of reporting and making recommendations to the Board, and to ensure that any action taken regarding Resolute's concerns are in the best interests of the Company and is fair and equitable to all shareholders. The members of the Special Committee are independent directors Charles Page (Chair) and Barry Smith, along with Rolly Uloth, the CEO.

The Company has postponed the annual meeting to a date no later than June 14, 2016. Further details will be communicated by the Company in a news release.

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 129 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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