CALLS FOR INDEPENDENT OPERATIONAL REVIEW

TORONTO, June 9, 2016 /CNW/ - Resolute Performance Fund ("Resolute" or "we"), an investment fund managed by Resolute Funds Limited, the largest shareholder of Wesdome Gold Mines Ltd. (TSX: WDO) ("Wesdome" or the "Corporation"), today calls on Wesdome to commission an independent review to assess the Corporation's mining operations and to develop concrete solutions to address the operational issues plaguing the Corporation.

Resolute is the largest shareholder of Wesdome, holding 33,350,000 shares or approximately 25.7% of the outstanding shares. We are a long-term investor, having made our initial investment in Wesdome in April 2010. Over the past six years Resolute has been a huge supporter of the Corporation and our interest is, and has always been, to maximize shareholder value. We are a patient investor, but our patience has been stretched to the limit by Wesdome's failure to address its ongoing operational issues.

In its press releases and management proxy circular, Wesdome is trying to deflect attention from its operational issues and make Resolute, our investment manager Thomas Stanley, and the Corporation's independent director Rostislav Raykov the issue. Do not be misdirected.

The real issue is the operations of Wesdome. Over the last five quarters, operational results have been poor and are deteriorating. In 2015, Wesdome lost $0.04 per share compared to a profit of $0.11 per share in 2014. Gold production in 2015 dropped to 50,470 oz from 52,757 oz in 2014. This year has started off significantly worse. Gold production dropped to only 8,036 oz in the first quarter of 2016. At the same time, the Corporation's cash burn was $7.3 million. All-in sustaining costs have soared to $2,501 in the first quarter of 2016, almost double the $1,368 all-in sustaining costs reported in the third quarter of 2015.

Wesdome has done three equity financings in the last nine months. One in October 2015, one in December 2015, and one in April 2016, cumulatively diluting the stock by 17.3 million shares. We fear that if the operational issues are not resolved and the cash burn continues, more dilutive financings will be required in the short term in light of anticipated capital expenditure requirements.

Since October 2015 Resolute has been trying to get explanations from Wesdome with respect to the operational issues and to understand the path forward to correct them. Unfortunately Wesdome has been unwilling, either privately or publicly, to adequately address these issues. None of the correspondence we received from Wesdome's Special Committee addressed the operational issues nor have their press releases, including their latest one issued yesterday. Resolute raised its concerns privately with Wesdome several months ago. It was only Wesdome's failure to provide concrete answers to our concerns that lead us to reluctantly make this issue public.

Wesdome failed badly in meeting its 2015 guidance. Despite this, Philip Ng, Wesdome's Chief Operating Officer, received a discretionary bonus of $92,000. This concerns us. Wesdome has now failed to meet its guidance for first quarter 2016. Consequently, we have concerns about the credibility of Wesdome's guidance for 2016.

Wesdome continues to publicly berate its independent director Rostislav Raykov. From our perspective Mr. Raykov has been one director actually focusing on resolving the operational issues and has been asking the tough questions. That is why Resolute is supporting Mr. Raykov and intends to vote for Mr. Raykov's election to the board at the upcoming shareholders meeting.

Wesdome has accused Resolute of wanting a fire sale. Let us be clear, we don't desire a fire sale. Resolute is, however, fully prepared to consider a sale of the Corporation at the right price. We have seen no concrete plan to address the pressing operational issues at Wesdome no matter how many times we have asked. If Wesdome is unable to demonstrate that they have the ability to run their mines properly, the Corporation should be sold, at the right price, to someone who can.

In its March 2016 corporate presentation, Wesdome states that it is "Operating Two of Canada's High Grade Gold Mines" with Eagle River underground ranking second and Mishi Open Pit ranking third. With these quality assets, it is incumbent on the Corporation to develop a clear understanding of why operations have fared so poorly and how the situation can be improved. In light of Wesdome's apparent failure or inability to do so, we are calling for the Corporation to commission an independent review to assess its operational issues, to consider what plans, if any, the Corporation has to address these issues, and to develop practical concrete solutions that can be promptly implemented to remedy the situation.

Wesdome has set the time and date of the upcoming shareholders' meeting as 11am EST on June 14, 2016 and a deadline for submission of proxies of Friday, June 10, 2016 at 11:00am EST.

At the shareholders meeting, Resolute intends to vote:

FOR the election of Nadine Miller, Rostislav Raykov, Barry Smith and Rowland Uloth; and

WITHHOLD on the election of Duncan Middlemiss, Charles Page and Bill Washington.

About Resolute Performance Fund and Resolute Funds Limited

Resolute Funds Limited, a Toronto-based investment management firm, is the investment manager of the Resolute Performance Fund, the sole fund it manages. The Resolute Performance Fund is an open-end investment trust that was established on June 2, 2005. The objective of the Fund is to provide superior investment returns over the long term by investing primarily in Canadian equity securities with growth potential. Tom Stanley is the President and Chief Investment Officer of Resolute Funds Limited. Mr. Stanley previously managed the Resolute Growth Fund, a Canadian public mutual fund, from December 3, 1993 to June 2, 2006.

Information in Support of Public Broadcast Exemption

Resolute is not hereby seeking to be a proxyholder of any other shareholder at the upcoming shareholder meeting. Nonetheless, Resolute is relying on the exemption under section 9.2(4) of National Instrument 51-102 – Continuous Disclosure Obligations to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations.

This solicitation is being made by Resolute, and not by or on behalf of the management of Wesdome.

The address of Wesdome is 8 King Street East, Suite 811, Toronto, Ontario, M5C 1B5.

If proxies are solicited for the Wesdome shareholders' meeting, they may be solicited by mail, telephone, email or other electronic means as well as by newspaper or other media advertising, and in person by managers, directors, officers and employees of Resolute or its investment manager, who will not be specifically remunerated therefor. In addition, Resolute may solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws, conveyed by way of public broadcast, including through press releases, speeches or publications, and by any other manner permitted under applicable Canadian laws. Resolute has engaged the services of The Laurel Hill Advisory Group Company ("Laurel Hill") to assist Resolute in an advisory role in connection with the meeting of shareholders of Wesdome, however, Laurel Hill will not be soliciting proxies on behalf of Resolute. All costs incurred for the solicitation will be borne by Resolute.

Shareholders of Wesdome have the power to revoke proxies previously given by them. Revocation of proxies for registered shareholders of Wesdome can be effected by an instrument in writing (which includes a proxy bearing a later date) signed by a shareholder or the shareholder's attorney duly authorized in writing (in the case of a corporation, such instrument must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation) which is either delivered to Computershare c/o Proxy Dept., at 100 University Avenue, 8th Floor Toronto, Ontario M5J 2Y1, Canada any time up to and including the close of business on the last business day preceding the day of the shareholder meeting, or any adjournment thereof, or deposited with the meeting Chair prior to the hour of commencement on the day of the meeting. A beneficial shareholder of Wesdome who has submitted a proxy may revoke it by contacting the intermediary through which the beneficial shareholder's common shares are held and following the instructions of the intermediary respecting the revocation of proxies.

To the knowledge of Resolute, neither Resolute nor any of its managers, directors or officers, or any associates or affiliates of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter currently known to be acted upon at the meeting of Wesdome shareholders other than the election of directors.

SOURCE Resolute Funds Limited