

TORONTO, ON--(Marketwired - May 03, 2017) - [Wesdome Gold Mines Ltd.](#) (TSX: WDO) ("Wesdome" or the "Company") today announces financial results for the first quarter of 2017. All figures are stated in Canadian dollars unless otherwise noted.

Mr. Duncan Middlemiss, President and CEO, commented, "We enjoyed a strong start to the year producing 15,162 ounces in the quarter. This firmly puts us within our stated production guidance of 52,000 - 58,000 ounces for 2017. Production cash costs this quarter of \$1,056 (US\$798) per ounce were on the lower end of our 2017 cost guidance of \$1,030 - \$1,130 (US\$765 - \$835) per ounce. This is primarily due to higher mined grades and we expect this trend to continue throughout the year. All-in sustaining costs of \$1,474 (US\$1,113) per ounce were also in the lower end of our cost guidance of \$1,450 - \$1,550 (US\$1,075 - \$1,150) per ounce. At Eagle, investments in power and ventilation systems during 2017 will lower mine operating costs and allow for more mining flexibility. During the quarter, we sold 12,320 ounces of gold, however with production being nearly 2,800 ounces higher this affected our net income. These ounces have been booked in the second quarter, at a higher gold price."

"Additionally our exploration efforts at Eagle River are yielding excellent results, and are having positive short term production implications. The 303 Lens is currently being developed on the 844 level in anticipation for production in the fourth quarter this year. On the western limb of the 300 Zone, the up plunge extension of the 300W Zone announced in April means that we will have access to increased stope production from this area for 2017 and beyond."

"At Kiena we have decided to drive an exploration ramp, which will provide us with an enhanced drilling platform to explore the high grade Kiena Deep Discovery. As previously announced, drill access was limited by existing mine infrastructure, making conditions very difficult to reach the intended targets. Completion of the exploration ramp will provide ability to drill shorter holes at better angles, and accelerated access to the Upper Quartz Vein Zone. This project is expected to take 9 - 10 months at a cost of approximately \$7.6 M. This confirms our commitment to advancing the Kiena Deep Discovery to the next level. We will continue exploring with two drills testing upper targets."

2017 FIRST QUARTER HIGHLIGHTS

- Over three and half years without a lost time incident
- Gold production of 15,162 ounces (Q1 2016: 8,036) increased due to higher production from the Eagle River Mine
 - Eagle River Mine underground production of 13,588 ounces (Q1 2016: 6,254) at a head grade of 11.5 grams per tonne ("g/t") (Q1 2016: 5.6) with a mill recovery of 95.3% (Q1 2016: 88.0%)
 - Mishi Open Pit mine production of 1,574 ounces (Q1 2016: 1,782) at a head grade of 1.7 g/t (Q1 2016: 1.8) with a mill recovery of 80.9% (Q1 2016: 85.0%)
- 2017 Guidance remains at 52,000 - 58,000 ounces
- Total mill throughput of 75,219 tonnes (Q1 2016: 76,126) averaging 836 tonnes per calendar day ("tpd") (Q1 2016: 837)
- Revenue of \$20.1 million (Q1 2016: \$13.3 million) on gold sales of 12,320 ounces (Q1 2016: 8,100) at an average realized price of \$1,631 or US\$1,233 per ounce (Q1 2016: \$1,640 or US \$1,193)
- Mine operating profit¹ of \$6.6 million (Q1 2016: loss of \$(1.1) million) increased compared to the comparative quarter due to higher production and sales
- Net income of \$0.7 million (Q1 2016: loss of \$(3.3) million), or \$0.01 per share (Q1 2016: \$(0.03))
- Operating cash flow of \$5.4 million (Q1 2016: \$(2.8) million), or \$0.04¹ per share (Q1 2016: \$(0.02)) increased due to higher production and sales
- Free cash flow¹ of \$(4.2) million improved by \$3.0 million compared to Q1 2016 of \$(7.2) million). The negative outflow in Q1 2017 is due to the heightened combined exploration activities at Eagle River, Kiena and Moss Lake. Q1 2017 exploration was \$5.8 million compared to only \$0.5 million in Q1 2016
- Production cash costs per ounce¹ were \$1,056 or US\$798 (Q1 2016: \$1,766 or US\$1,285). The 40% decrease in unit cost is due to an 89% increase in gold production
- All-in sustaining costs per ounce ("AISC")¹ on a production basis of \$1,474 or US\$1,113 (Q1 2016: \$2,428 or US\$1,767), a decrease of 39% over Q1 2016 due to increased gold production in Q1 2017
- Cash and cash equivalents of \$29.6 million, 4,059 ounces gold in process at market price of \$6.7 million and working capital of \$20.5 million as at March 31, 2017

2017 First Quarter Exploration and Corporate Development Highlights

- Eagle River underground drilling results encounter wide, high grade intersections at the 303E Zone
- Eagle River underground drilling results extend the 300W Zone up plunge
- Mishi surface drilling extends zone westward
- Kiena Deep drilling expands its potential to 550 metres laterally and over a depth range of 400 metres. Wesdome continues its accelerated drilling program with the goal of determining the extent, continuity and geometry of the Kiena Deep gold system. Ramp development will commence in Q3 2017
- Moss Lake surface drilling continues with goal of doubling footprint of mineralization
- Marc-Andre Pelletier appointed as Vice-President of Quebec Operations

Financial Results - 1st Quarter 2017 and 2016

	Quarter ended March 31	
	2017	2016
<i>(in \$000, except per share amounts)</i>		
Revenue	20,100	13,284

Mine operating profit (loss) ¹	6,555	(1,105)
Net income (loss)	695	(3,300)
Net income (loss) adjusted ¹	916	(2,854)
Basic income (loss) per share	0.01	(0.03)
Basic income (loss) per share adjusted ¹	0.01	(0.02)
Cash flows from operating activities	5,392	(2,786)
Cash flows from operating activities adjusted ¹	5,613	(2,340)
Free cash flow ¹	(4,199)	(7,190)
Cash and cash equivalents	29,593	8,100
Working capital	20,530	3,972

Operational Results - 1st Quarter 2017 and 2016

	Quarter ended March 31	
	2017	2016
Eagle tonnes milled	38,578	39,839
Mishi tonnes milled	36,641	36,287
Total tonnes milled	75,219	76,126
Eagle grade (g/t)	11.5	5.6
Mishi grade (g/t)	1.7	1.8
Eagle River Mine mill recovery (%)	95.3	88.0
Mishi Mine mill recovery (%)	80.9	85.0
Eagle recovered grade (g/t)	11.0	4.9
Mishi recovered grade (g/t)	1.3	1.5
Eagle ounces produced	13,588	6,254
Mishi ounces produced	1,574	1,782
Total ounces produced	15,162	8,036
Ounces sold	12,320	8,100
Average realized price (CAD\$/oz)	1,631	1,640
Average realized price (US\$/oz)	1,233	1,193
Production cash costs (CAD\$/oz)	1,056	1,766
Production cash costs (US\$/oz)	798	1,285
All-in-sustaining costs (CAD\$/oz)	1,474	2,428
All-in-sustaining costs (US\$/oz)	1,113	1,767
Average 1 USD to CAD exchange rate	1.3236	1.3742

Notes:

¹ Refer to the section entitled "Non-IFRS Performance Measures" in the Q1 2017 Management Discussion and Analysis for the reconciliation of these non-IFRS measurements to the financial statements.

TECHNICAL DISCLOSURE

The technical and scientific disclosure in this press release has been prepared and approved by George Mannard, P. Geo., Vice President, Exploration and Philip Ng, Chief Operating Officer of Wesdome and "Qualified Person" as defined by National Instrument 43-101 disclosure standards.

CONFERENCE CALL DETAILS

Wesdome will be hosting a conference call on May 4, 2017 at 10:00 am ET. Participants are invited to join using the following information:

Wesdome Gold Mines First Quarter 2017 Financial Results Conference Call

North American Toll Free: + 1 (844) 202-7109

International Dial-In Number: +1 (703) 639-1272

Passcode: 10748849

Webcast link: <http://edge.media-server.com/m/p/fnvjm2eb>

Webcast can also be accessed under the News and Events section of the Company's website (www.wesdome.com)

ABOUT WESDOME

Wesdome Gold Mines is in its 30th year of continuous gold mining operations in Canada. The Company is 100% Canadian focused with a pipeline of projects in various stages of development. The Eagle River Complex in Wawa, Ontario is currently producing gold from two mines, the Eagle River Underground Mine and the Mishi Open pit, from a central mill. Wesdome is actively exploring its brownfields asset, the Kiena Complex in Val d'Or, Quebec. The Kiena Complex is a fully permitted former mine with a 930 metre shaft and 2,000 tonne per day mill. The Company has further upside at its Moss Lake gold deposit,

located 100 kilometres west of Thunder Bay, Ontario, which is being explored and evaluated to be developed in the appropriate gold price environment. The Company has approximately 133 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.

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