

# Wesdome Announces Third Quarter 2017 Financial Results

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TORONTO, Nov. 09, 2017 (GLOBE NEWSWIRE) -- [Wesdome Gold Mines Ltd.](#) (TSX:WDO) ("Wesdome" or the "Company") today announces third quarter 2017 ("Q3") financial results. All figures are stated in Canadian dollars unless otherwise noted.

Mr. Duncan Middlemiss, President and CEO commented, "At Eagle River, head grades continue to significantly improve over 2016. For the first 9 months of the year the mine has produced at 10.3 grams gold per tonne ("g/t") compared to 7.8 g/t in 2016. We expect grades remain strong in the fourth quarter and in 2018 as we finish developing higher grade stopes, such as the 303 Lens. As of November 8, 2017, our cash position was \$22.6 million, inclusive of \$2.0 million in cash margin<sup>1</sup> from the realization of the 5,981 ounces of gold in process at the quarter end. Cash flows are primarily being reinvested in exploration at both the Eagle River and Kiena Complexes. These investments are yielding excellent results, and setting the path forward for Eagle River to potentially increase tonnage and working faces underground, displacing the lower grade Mishi ore for higher gold production and margins in the near term."

"Additionally, we are very excited to have resumed drilling the Kiena Deep in mid-October from the exploration ramp. Drilling is progressing well; the shorter holes have all reached their intended targets and the time to complete the holes is much quicker. We expect a second drill to be mobilized to the Kiena Deep in early December. The ramp is expected to be fully completed in Q1 2018, confirming our commitment to advancing Kiena Deep to the next level. As well, we are continuing to drill near mine auxiliary targets, such as the immediately accessible S50 and VC Zones."

"We are managing both exploration and development spending within the framework of our balance sheet and cash flows, therefore discretionary spending at Moss Lake has been cut to focus efforts on the further advanced, higher impact Eagle River and Kiena Complexes."

## 2017 THIRD QUARTER HIGHLIGHTS

- Gold production of 15,493 ounces, with contribution of 13,313 ounces from Eagle and 2,181 ounces from Mishi (2016 - 15,667 ounces &ndash; 13,193 ounces from Eagle and 2,474 ounces from Mishi).
- 2017 Guidance remains between 52,000 &ndash; 58,000 ounces (2016: 47,737 ounces produced).
- Total throughput of 83,058 tonnes averaging 903 tonnes per calendar day ("tpd") (2016 &ndash; 80,277 tonnes averaging 873 tpd).
- Sold 13,069 ounces of gold at an average realized price of \$1,619 (US\$1,293) per ounce for revenue of \$21.2 million (2016 &ndash; 15,825 ounces at \$1,740 (US\$1,334) per ounce for revenue of \$27.5 million).
- Production cash costs<sup>1</sup> were \$978 (US\$780) per ounce of gold produced (2016 &ndash; \$846(US\$648) per ounce of gold produced).
- Delivered mine operating profit<sup>1</sup> of \$8.3 million (2016 - \$16.5 million).
- Net income of \$0.3 million or nil on per share basis (2016 - \$7.6 million or 0.06 per share).
- Operating cash flow (adjusted)<sup>1</sup> of \$6.9 million or \$0.05 per share<sup>1</sup> (2016 - \$14.4 million or \$0.11 per share).
- Free cash outflow<sup>1</sup> of \$4.7 million compared to free cash flow in Q3 2016 of \$5.7 million decreased, as a result of the increased exploration activities at all the Company's mining assets. All-in sustaining costs per ounce ("AISC")<sup>1</sup> of \$1,369 (US\$1,093) per ounce of gold produced (2016 - \$1,294 (US\$992) per ounce of gold produced).
- Cash and cash equivalent at September 30, 2017 was \$16.6 million. Cash position increased to \$22.6 million on November 8, 2017, inclusive of \$2.0 million in cash margin<sup>1</sup> earned from the realization of the 5,981 ounces of gold in process at the quarter end.

## 2017 Third Quarter Exploration and Corporate Development Highlights

- At Eagle, continued drilling has now traced the 300E structure from 750 metre depth to 1,000 metre depth, and remains open up and down plunge. Drilling highlights include 51.93 g/t Au uncut (23.18 g/t Au cut) over 11.96 metres true width.
- Development to date on the 300E Zone has identified seven subzones on the 844 metre level. The combined ore strike length of the subzones is 173.7 m with a weighted average width of 2.85 m and cut and uncut gold grades of 22.62 g/t Au and 34.79 g/t Au.
- Continued drilling to explore the 300W Zone has now traced the mineralization 300 metres up-plunge and remains open to the west and up-plunge.
- Resource definition drilling at Mishi is now complete and returned positive results from two areas located 600 metres and 1,700 metres west of existing open pit mining operations. Currently assessing these occurrences and building them into a long term growth scenario for mining at Mishi.
- A total of 150 metres was developed in the exploration ramp on 1000 metre level at Kiena. The development activities were temporarily suspended in early September following a fatality of a contract worker. The site investigation has concluded and the development resumed in early October. The first drill bay has been completed and drilling of Kiena Deep has begun.
- Also at Kiena, drilling has traced the VC Zone 200 metres below the 670 metre level. It remains open to the west and at depth. Recent drilling returned 262.13 g/t Au or (17.70 g/t cut to 34.28 g/t) over 5.6 metres.
- At Moss Lake, drilling was completed along strike of the Moss Lake gold deposit to significantly extend mineralization beyond the 2.5 kilometre known strike length. The initial drilling has extended known mineralization over a strike length of 4.5 kilometres.
- New management team put in place at the end of the quarter to steer the Company to increase production and profitability.

*Financial Results &ndash; Three and Nine Months 2017 and 2016*

<i>(in \$000, except per share amounts)</i>	Three Months ended September 30		Nine Months ended September 30	
	2017	2016 Restated <sup>5</sup>	2017	2016 Restated <sup>5</sup>
Revenue	21,165	30,134	64,513	61,865
Mine operating profit <sup>1</sup>	8,335	16,538	22,022	19,926
Net income (loss)	296	7,649	1,854	6,186
Net income (loss) adjusted <sup>1</sup>	2,655	8,138	4,884	5,693
Basic net income (loss) per share	0.00	0.06	0.01	0.05
Basic net income (loss) per share adjusted <sup>1</sup>	0.02	0.06	0.04	0.05
Cash flows from operating activities <sup>2</sup>	4,523	13,875	15,165	15,974
Cash flows from operating activities adjusted <sup>1</sup>	6,882	14,364	18,195	15,481
Free cash flow <sup>1</sup>	(4,688)	5,658	(13,572)	(3,679)
Cash and cash equivalents	16,614	28,991	16,614	28,991
Working capital	12,934	20,208	12,934	20,208

*Operational Results &ndash; Three and Nine Months 2017 and 2016*

	Three Months ended September 30		Nine Months ended September 30	
	2017	2016	2017	2016
Eagle tonnes milled	44,421	42,617	117,959	127,761
Mishi tonnes milled	38,638	37,660	114,396	107,953
Total tonnes milled	83,058	80,277	232,355	235,714
Eagle grade (g/t)	9.7	10.1	10.3	7.8
Mishi grade (g/t)	2.0	2.3	1.8	2.1
Eagle mill recovery (%)	96.1	95.6	95.9	93.1
Mishi mill recovery (%)	87.2	87.7	84.9	86.3
Eagle ounces produced	13,313	13,193	37,498	29,657

Mishi ounces produced	2,181	2,474	5,687	6,193
Ounces produced, Eagle <sup>3</sup>	15,493	15,667	43,185	35,850
Ounces sold	13,069	15,825	38,419	35,190
Per ounce data:				
Average realized price <sup>1</sup>	1,619	1,740	1,656	1,684
Production cash costs <sup>1</sup>	978	846	1,090	1,168
All-in-sustaining costs <sup>1,4</sup>	1,369	1,294	1,522	1,681
Average 1 USD to CAD exchange rate	1.2528	1.3047	1.3091	1.3217
USD equivalents:				
Average realized price	1,293	1,334	1,265	1,274
Production cash costs	780	648	833	884
All-in-sustaining costs <sup>1,4</sup>	1,093	992	1,163	1,272

The technical content of this release has been compiled, reviewed and approved by Marc-Andre Pelletier, P. Eng, Chief Operating Officer and Michael Michaud, P.Geo., Vice President, Exploration of the Company and both a "Qualified Person" as defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*

Wesdome Gold Mines 2017 Third Quarter Financial Results Conference Call:

North American Toll Free: + 1 (844) 202-7109  
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 Passcode: 2786049  
 Webcast link: <https://edge.media-server.com/m6/p/redcuxsu>

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

#### ABOUT WESDOME

Wesdome Gold Mines is in its 30<sup>th</sup> 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 133.9 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

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*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.*

Note:

1. Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements.
2. Before changes in working capital.
3. Numbers may not add due to rounding.
4. Per ounce of gold produced.
5. Please reference note 2(c) of the financial statements for a detailed explanation of the restatements of the financial information the three months and nine months ended September 30, 2016.

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