

# Wesdome Announces Updated Mineral Resource Estimate for Kiena Mine Complex With a Significant Increase in Indicated Mineral Resources in the A Zones

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TORONTO, Dec. 15, 2020 - [Wesdome Gold Mines Ltd.](#) (TSX: WDO) (Wesdome; or the Company) is pleased to announce an updated Mineral Resource Estimate (MRE) at its 100% owned Kiena Mine Complex, in Val d'Or, Quebec. This estimate shall form the basis on which the Kiena Prefeasibility Study (PFS) is founded. The company plans to complete the PFS in H1 of 2021, and contingent upon those results, decide on the potential next steps and timing of the Kiena Mine restart.

## HIGHLIGHTS

- Definition drilling increased Kiena Deep A Zones Indicated Resources by 77% from 405,100 ounces to 717,400 ounces of gold since 2019, at a similar cut-off grade of 3.0 g/t Au.
- Inferred Resources in the Kiena Deep A Zones of 120,400 ounces.
- Kiena Mine Complex Mineral Resources total 796,000 ounces of Indicated and 656,000 ounces of Inferred.

Mr. Duncan Middlemiss, President and CEO, commented, "We are pleased with our drilling efforts that have converted a large portion of the existing A Zones inferred resources to indicated resources in spite of the lower than planned drilling metres due to the operational disruptions attributed to the COVID-19 restrictions. Our focus changed to conversion of the A Zones inferred resources into indicated resources, as the timeliness of our restart decision is paramount to the company's objective of adding another producing asset.

We are also pleased with the limited amount of exploration drilling that has extended the A Zones over 880 metres (m) down plunge. The A Zones remain open at depth and there exists additional potential to add ounces per vertical meter by exploring the adjacent VC and B Zones at depth as these would be accessible off the down ramp. Currently the deepest portion of the resource resides at the 1686m elevation and will be ramp accessible.

In addition to the update of the Kiena Deep and VC zones, all previous polygonal resources were converted to 3D block model during this MRE update in order to be consistent across the Kiena Mine Complex. This resulted in a small reduction of inferred ounces in some zones, but the total resources across the property are now more reflective of how these zones may be mined in the future.

We have restarted the Kiena mill to process the A Zone development material and assess the current resource estimate based on grade capping levels. The recent development and processing of the A Zone will be used to inform the ongoing prefeasibility study on aspects of the geological model, geomechanics, and milling parameters. The PFS is on schedule to be released in the first half of 2021.

With a large portion of the definition drilling completed, the underground drilling will continue with seven drills; however, the focus will be on near mine exploration and zone extensions, of which there are numerous targets. In addition, we are currently ramping up a large surface exploration program, with the aim of unlocking additional value on the Kiena property.

Comparison of 2020 MRE vs 2019 MRE for Kiena Deep A Zones

INDICATED

INFERRED

3.0 g/t cut-off	Tonnes	Gold Grade (g/t)	Gold Ounces	Tonnes	Gold Grade (g/t)	Gold Ounces
2019 MRE	679,200	18.6	405,100	676,300	15.3	332,000
2020 MRE	1,252,200	17.8	717,400	307,400	12.0	118,700
Difference	+84%	-4%	+77%	-55%	-22%	-64%

#### HIGHLIGHTS OF MINERAL RESOURCE ESTIMATE (MRE); December 15, 2020

#### Kiena Deep A Zones Mineral Resource Estimate Sensitivity Table (namely zones ZA, ZA1, ZA2 and H1ZA)

	INDICATED			INFERRED		
	Tonnes	Gold Grade (g/t)	Gold Ounces	Tonnes	Gold Grade (g/t)	Gold Ounces
4.5 g/t	1,056,500	20.4	694,000	239,500	14.4	110,600
4.0 g/t	1,115,300	19.6	702,000	258,700	13.6	113,200
3.5 g/t	1,182,100	18.7	710,100	281,700	12.8	116,000
3.0 g/t	1,252,200	17.8	717,400	307,400	12.0	118,700
2.8 g/t	1,279,400	17.5	719,900	325,700	11.5	120,400
2.5 g/t	1,330,700	16.9	724,300	341,900	11.1	121,800

#### Kiena Complex Mineral Resource Estimate by Area (2.8 g/t Au cut-off)

AREA	INDICATED			INFERRED		
	Tonnes	Gold Grade (g/t)	Gold Ounces	Tonnes	Gold Grade (g/t)	Gold Ounces
Kiena Deep	1,279,400	17.5	719,900	325,700	11.5	120,400
S50	146,600	4.5	21,400	100,000	3.7	12,000
VC	137,700	4.8	21,200	169,500	5.3	28,600
ZB	-	-	-	74,000	4.1	9,800
South Zones	63,200	4.2	8,400	211,900	3.9	26,700
Presquile	-	-	-	255,600	6.7	55,100
Dubuisson	-	-	-	744,600	6.7	160,200
Martin	163,100	4.8	25,000	109,100	4.3	15,000
North West	-	-	-	285,800	4.0	37,100
Wesdome*	-	-	-	1,129,400	5.3	191,400
TOTAL	1,789,900	13.8	795,900	3,405,600	6.0	656,200

\*Reported at 3.6 g/t Au cut-off

#### MINERAL RESOURCE UPDATE

The updated mineral resource estimate includes drill data as of September 18, 2020. It includes an additional 213 drill holes for a total of 60,865 m drilled since August 6, 2019 (close-out date for September 25, 2019 resource). Of which, an additional 122 new drill holes in Kiena Deep for a total of 35,280 m in the update of the Kiena Deep Zones. The drilling information was used to update the interpretation of the geologic model, geometry of the mineralized zones and domains resulting in a higher degree of confidence in the resource estimate.

The 2019 Preliminary Economic Assessment (PEA) has not been updated in light of the 2020 MRE. The 2020 MRE does not have a negative impact on or otherwise adversely affect the mineral resource inventory that formed the basis of the 2019 PEA.

Notes for Kiena Property Resource Estimate, October 31, 2020

- (1) These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
- (2) The mineral resource estimate follows CIM definitions and guidelines for mineral resources.
- (3) Results are presented in situ and undiluted and considered to have reasonable prospects for economic extraction, below a 100 m crown pillar.
- (4) The resources include 46 zones with a minimum true thickness of 3.0 m (2.4 m for Wesdome zones) using the grade of the adjacent material when assayed or a value of zero when not assayed. High-grade capping varies from 20 to 265 g/t Au (when required) and was applied to composited assay grades for interpolation using an Ordinary Kriging interpolation method based on 1.0 m composite and block size of 5 m x 5 m x 5 m, with bulk density values of 2.8 (g/cm<sup>3</sup>). A three-step capping strategy was applied, where capping value decreased as interpolation search distance increased, in order to restrict high grade impact at greater distance. Indicated resources are manually defined and encloses areas where drill spacing is generally less than 30 m, blocks are informed by a minimum of three drill holes, and reasonable geological and grade continuity is shown.
- (5) The estimate is reported for potential underground scenario at cut-off grades of 2.8 g/t Au (> 40 degree dip) and 3.6 g/t Au (< 40 degree dip, Wesdome zones only). The cut-off grades were calculated using a gold price of US\$1,450 per ounce, a CAD:USD exchange rate of 1.32 (resulting in CAD\$1,914 per ounce gold price); mining cost \$100/t (>40 degree dip); \$150/t (<40 degree dip); processing cost \$40/t; G&A \$25/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.).
- (6) The number of metric tonnes and ounces were rounded to the nearest hundred and the metal contents are presented in troy ounces (tonne x grade/31.10348).
- (7) The QP is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issue not reported in this Technical Report that could materially affect the mineral resource estimate.

## QUALIFIED PERSONS AND TECHNICAL INFORMATION

The updated block model mineral resource estimate was prepared by Karine Brousseau P.Eng (OIQ #121871), Senior Engineer &#8211; Mineral Resources of the Company and a "Qualified Person" as defined in NI-43-101. The mineral resource estimate has been reviewed and audited by BBA Consulting. Pierre-Luc Richard P.Geo (OGQ #1119) of BBA Consulting, is a "Qualified Person" for the resource estimate as defined in NI-43-101 and is considered to be &#8220;independent&#8221; of Wesdome for purposes of NI-43-101.

The full technical report, which is being prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects (&#8220;NI-43-101&#8221;) by BBA Consulting, will be available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company&#8217;s issuer profile within 45 days from this news release. The effective date of the current mineral resource estimate is October 31, 2020.

The technical and geoscientific content of this release has been compiled, reviewed and approved by Bruno Turcotte, P.Geo., (OGQ #453) Senior Project Geologist of the Company and a "Qualified Person" as defined in NI-43-101.

## COVID-19

The health and safety of our employees, contractors, vendors, and consultants is the Company&#8217;s top priority. In response to the COVID-19 outbreak, Wesdome has adopted all public health guidelines regarding safety measures and protocols at all of its mine operations and corporate offices. In addition, our internal COVID-19 Taskforce continues to monitor developments and implement policies and programs intended to protect those who are engaged in business with the Company.

Through care and planning, to date the Company has successfully maintained operations, however there can be no assurance that this will continue despite our best efforts. Future conditions may warrant reduced or suspended production activities which could negatively impact our ability to maintain projected timelines and objectives. Consequently, the Company&#8217;s actual future production and production guidance is subject to higher levels of risk than usual. We are continuing to closely monitor the situation and will provide updates as they become available.

## ABOUT WESDOME

Wesdome has had over 30 years of continuous gold mining operations in Canada. The Company is 100% Canadian focused with a pipeline of projects in various stages of development. The Company's strategy is to build Canada's next intermediate gold producer, producing 200,000+ ounces from two mines in Ontario and Quebec. 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. The Company has approximately 138.9 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol WDO.

#### Cautionary Statements Regarding Estimates of Mineral Resources

This news release uses the terms measured, indicated and inferred resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of resources that are not mineral reserves has not been demonstrated. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing or other relevant issues. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to an indicated or measured mineral resource category. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's CIM Definition Standards on Mineral Resources and Mineral Reserves incorporated by reference into NI 43-101. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for Preliminary Assessment as defined under NI 43-101. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically.

#### Cautionary Note to United States Investors Concerning Estimates of Reserves and Resources

The mineral reserve and resource estimates reported in this news release were prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) as required by Canadian securities regulatory authorities. The United States Securities and Exchange Commission (the SEC) applies different standards in order to classify and report mineralization. This news release uses the terms measured, indicated and inferred mineral resources, as required by NI 43-101. Readers are advised that although such terms are recognized and required by Canadian securities regulations, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into mineral reserves. In addition, inferred mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource exists, is economically or legally mineable or will ever be upgraded to a higher category of mineral resource.

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*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.*

PDF available: <http://ml.globenewswire.com/Resource/Download/f2f1b8e5-76f5-4cfc-8a85-5d6e4f21ba6a>

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