Wesdome Announces 2020 Fourth Quarter and Full Year Production Results; Provides 2021 Guidance

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TORONTO, Jan. 14, 2021 - Wesdome Gold Mines Ltd. (TSX: WDO) (“Wesdome” or the “Company”) today announces fourth quarter (“Q4”) and full year 2020 production results and 2021 guidance. All figures are in Canadian dollars unless otherwise stated.

Production from the Eagle River Complex in Q4 2020 totaled 20,006 ounces of gold, putting full year 2020 production at 90,278 ounces, meeting the low end of our unadjusted 2020 production guidance.

2020 Highlights:

- Eagle River gold production of 196,441 tonnes at a head grade of 14.2 grams per tonne and a recovery rate of 97.7% producing 87,560 ounces, 1% lower than 2019
- Mishi gold production of 39,856 tonnes at a head grade of 2.7 grams per tonne and a recovery rate of 77.8%, producing 2,718 ounces of gold, Mishi mining operations finished in Q4. The Mishi stockpile now contains over 40,000 tonnes of ore and is planned to be milled in 2021.
- Operations have successfully maintained Covid-19 free status with extensive screening and protocols since the outset of the pandemic
- Revenue from gold sales of $215.3 million, a 31% increase over 2019 at an average realized sale price of $2,360 per ounce (2019: $1,853)
- Drilling extended the Falcon Zone over 1 km down plunge and is interpreted to connect with Zone 7, currently being mined underground. The recent drilling will be included in the annual resource and reserve update in March 2021
- The high grade 300 East Zone has now been extended from the 750 metre level to the 1400 metre level
- Sold 1,500 ounces to date from the bulk sample at the Kiena Deep A Zone Kiena Mine in Val d’Or, Quebec for revenue of $3.6 million with additional processing remaining and full reconciliation ongoing
- Published Kiena Preliminary Economic Assessment (“PEA”) and advanced Pre-Feasibility Study (“PFS”) to be published in Q2 2021 based on an updated resource estimate completed in December 2020 (Indicated resources increased by 77% to 717,400 ounces)
- Included in TMX 30 recognition program for the second consecutive year. This flagship program showcases the TSX's 30 top-performing stocks based on dividend adjusted share price appreciation

Duncan Middlemiss, President and CEO commented, “First and foremost I would like to extend our thanks and appreciation to all our employees and stakeholders for working safely in the challenging circumstances of the ongoing COVID-19 pandemic, which affected quarterly and yearly results since March. Our performance in the fourth quarter was impacted by certain temporary operational challenges late in the quarter which prevented us from achieving the mid-point of guidance. Specifically, there was a loss of six days of milling in December due to mechanical downtime associated with our cone crusher in the mill and underground we experienced geotechnical challenges affecting the grade performance in one of the stopes. Both issues were remedied within the month; however, these events resulted in reduced gold production. On a positive note, the Company still met its original production guidance at Eagle, and was able to extract and process a bulk sample at Kiena, which considering the challenges we faced with the pandemic throughout, I believe is a significant achievement.

Despite the stoppage of some exploration work during the year due to the pandemic, 2020 was a successful year for exploration. Significant drilling was completed on the newly discovered Falcon Zones and will meaningfully contribute to the upcoming resources and reserves update. This zone has now been interpreted to join the 7 Zone within the mine diorite 1,000 m down plunge from the initial near surface discovery. Kiena exploration was also very successful, and despite a significant reduction in the 2020 drilling program, we were able to increase the A Zones indicated resources by 77% in preparation for the ongoing PFS. The PEA completed in June demonstrated robust economics, low pre-production capital, and a short

timeframe to commercial production.

Looking ahead to 2021, guidance is set at 92,000 – 105,000 ounces at Eagle River, and 15,000 – 25,000 ounces at Kiena (based upon a positive restart decision). The company is also undertaking the largest drilling program in its history. We are now turning our attention to a regional focus while maintaining aggressive in mine exploration. The exploration expenditure of $32M is equally divided, reflecting our strong belief in both the Eagle River and Kiena properties. Both properties have exciting targets which require follow up and have never been afforded the opportunity until now. At Eagle we continue to progress with our desire to fill the mill capacity with high grade underground ore and our 2021 plans include an annual mining rate of over 600 tonnes per day of ore, an increase of 15% versus 2020 once the ventilation upgrade is completed in Q1. Eagle production is now approaching the 100,000 ounce per annum milestone and we consider this as base case moving forward. The Kiena Mine is advancing closer to a potential restart with our PFS, which is ongoing and slated to be completed in Q2 of 2021. The pre-production timeframe is minimal and we could potentially have Kiena in commercial production within 4 – 6 months of a restart decision. The advent of a second producing asset represents an inflection point for the company as it increases scale and diversifies its cash flow sources, both key steps towards becoming a mid-tier Canadian producer.”

Amounts are denominated in Canadian dollars	Fourth Quarter				Year-to-Date			
	2020	2019	Variance	% +/(-)	2020	2019	Variance	% +/(-)
Ore milled (tonnes)								
Eagle River	53,551	23,257	30,294	130 %	196,441	122,405	74,036	60 %
Mishi	3,555	9,108	-5,553	(61 %)	39,856	46,405	-6,549	(14 %)
	57,106	32,365	24,741	76 %	236,297	168,809	67,488	40 %
Head grade (grams per tonne, “g/t”)								
Eagle River	11.7	28.6	(16.9)	(59 %)	14.2	23.1	(8.9)	(39 %)
Mishi	3.5	1.9	1.6	85 %	2.7	2.5	0.2	9 %
Gold production (ounces)								
Eagle River	19,667	20,894	-1,227	(6 %)	87,560	88,617	-1,057	(1 %)
Mishi	339	438	-99	(23 %)	2,718	3,072	-354	(12 %)
Total Gold Production	20,006	21,332	-1,326	(6 %)	90,278	91,688	-1,410	(2 %)
Production sold (ounces)	19,890	22,100	-2,210	(10 %)	91,229	88,423	2,806	3 %
Revenue from gold sales ($ millions)	$48.3	$43.2	$5.1	12 %	$215.3	$163.8	$51.5	31 %
Average realized price per ounce [2]	$2,430	$1,954	476	24 %	$2,360	$1,853	507	27 %

Notes:

1. *Numbers may not add due to rounding.*
2. *Average realized price per ounce is a non-IFRS measure and is calculated by dividing the reported revenue from gold sales by the number of ounces sold for a given period. Please reference the Company’s interim management discussion and analysis for the period ended September 30, 2020 filed on SEDAR for their calculations.*

2021 Guidance: Eagle River Complex

Amounts are denominated in Canadian dollars, or otherwise indicated	Guidance
Gold production	
Eagle River	90,000 – 102,000 ounces
Mishi	2,000 - 3,000 ounces
	92,000 – 105,000 ounces
Head grade (g/t)	
Eagle River	13.0 – 15.0
Mishi	2.0 – 2.5

Operating cost per ounce [1]	$900 - $1000 US$680-US$770
All-in sustaining cost per ounce [1]	$1,300 - $1,450 US$980 – US$1,090

1. *Operating cost per ounce and All-in sustaining cost per ounce are non-IFRS measures, please reference the Company’s interim management discussion and analysis for the period ended September 30, 2020 filed on SEDAR for their calculations.*

2021 Highlights

- Subject to positive PFS and approval milestones, Kiena has the potential to ramp up to commercial production in a short 4-6 month timeline.
  ◦ Kiena has the potential to contribute 15,000 – 25,000 ounces of production at a head grade of 12.0 grams per tonne, reducing overall operating and AISC costs commencing with a blend of the lower grade S-50 Zone and high grade A Zones
- The Company is embarking upon its most ambitious exploration program at both Eagle River and Kiena with $16M forecast to be spent at Eagle and $16M at Kiena
- Reconciliation of the Kiena Deep A Zone bulk sample extracted in Q4 of 2020 with additional processing remaining into Q1 2021

Eagle River Complex: Total Capital Budget: $45M - $53M

- The Eagle River sustaining capital is budgeted to range between $23 and $27 million, including $5.5 million in underground exploration
- Growth Capital at Eagle River is budgeted to range between $22 and $26 million, which includes surface exploration, transition to electric underground equipment, Falcon Zone development and completion of the ventilation upgrade.
- Total metres drilled in 2021 are budgeted to range between 164,000 and 174,000 metres for five underground and three surface drill rigs:
  ◦ Underground exploration 60,000 – 70,000 metres
  ◦ Underground definition drilling 50,000 metres
  ◦ Surface exploration drilling 54,000 metres

Kiena Complex: Total Capital Budget: $60-$67 M*

- The 2021 exploration program at Kiena consists of 65,000 metres of underground drilling and 42,000 metres of surface drilling for a total budget of $16.0 million.
- Underground lateral and vertical development budgeted at $12.5 million
- Tailings upgrade and other projects to restart production activities this year: $45 – 50 million, contingent upon positive restart decision

*significant amount of the capital expenditure is based upon a positive restart decision

2021 Other Expenditures

- General and corporate administration expenses budgeted to range between $8.0 million and $9.0 million

Technical Disclosure

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*.

COVID-19

The health and safety of our employees, contractors, vendors, and consultants is the Company’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’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 Qu?bec. 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, Qu?bec. 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 139.4 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

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