

# Wesdome Announces 2021 Fourth Quarter and Full Year Production Results (123,843 Ounces); Provides 2022 Guidance

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TORONTO, Jan. 13, 2022 - [Wesdome Gold Mines Ltd.](#) (TSX: WDO) ("Wesdome" or the "Company") today announces fourth quarter ("Q4") and full year 2021 production results and 2022 guidance. All figures are in Canadian dollars unless otherwise stated.

Production from the Eagle River Complex in Q4 2021 totaled 62,374 tonnes at an average grade of 12.6 grams per tonne ("gpt") and a recovery rate of 98% to produce 24,630 ounces of gold, putting full year 2021 production at 265,267 tonnes at an average grade of 12.2 gpt to produce 101,403 ounces, near the high end of our 2021 production guidance of 92,000 - 105,000 ounces.

At Kiena, Q4 production was 38,000 tonnes at an average grade of 14.1 gpt and a recovery rate of 98% to produce 16,929 ounces. Total production for the year at Kiena was 68,470 tonnes at an average grade of 10.4 gpt at a recovery rate of 98% to produce 22,440 ounces, also near the high end of our guidance range of 15,000 - 25,000 ounces.

## 2021 Highlights:

- Eagle River underground gold production of 228,759 tonnes at an average grade of 13.8 gpt at a recovery rate of 98% to produce 99,120 ounces.
- Total Eagle River Complex production of 101,403 ounces, the first time in the mine's history production exceeded 100,000 ounces.
- Mishi gold production of 36,508 tonnes at an average grade of 2.4 gpt to produce 2,283 ounces.
- Kiena Mine embarked on a construction and mining ramp up as per the May 2021 Pre-Feasibility study - fully funded from cash flow.
- Combined revenue from gold sales of \$262.6 million (which excludes an additional \$3.9 million from a bulk sample at the Kiena Mine).
- Published Kiena Pre-Feasibility Study ("PFS"); IRR 98%.
- Discovered new high grade Footwall Zone at Kiena Complex.
- Initial sill development and production on the Falcon 7 Zone and discovery of North Contact Zone at Eagle River.
- Monetized Moss Lake via vend-in transaction with Goldshore Resources for aggregate consideration of \$57M including \$12.5M upfront in cash and 30% of issued and outstanding shares at closing
- Included in TMX 30 recognition program for the third consecutive year. This flagship program showcases the TSX's 30 top-performing stocks based on dividend adjusted share price appreciation.
- Placed 56<sup>th</sup> overall out of 220 TSX-listed companies in the annual Globe and Mail Board Games report on corporate governance, and in a multi-way tie for 10<sup>th</sup> in the materials category
- In June 2021, the Company released its annual Environmental, Social, and Governance ("ESG") Report, prepared using the Sustainability Accounting Standards Board ("SASB") Metals & Mining Standard and providing an overview of the company's ESG strategies, policies, commitments, and 2020 performance.

Duncan Middlemiss, President and CEO commented, "2021 was an excellent year for Wesdome. We achieved two significant operational milestones, record production at the Eagle River Complex of 101,403 ounces, and the commencement of pre-production and construction activities at the Kiena mine in preparation for commercial production in Q2 2022. These achievements have resulted in further de-risking of the Company with the addition of a second producing Canadian asset which ultimately increases scale and diversifies cash flow sources, both key steps towards becoming a mid-tier Canadian producer.

Looking ahead to 2022, we are guiding total production of 160,000 - 180,000 ounces, a 30% - 45% increase over 2021. We expect costs to be slightly lower than 2021, and are guiding consolidated cash costs per

ounce sold to range between \$875 - \$970 per ounce (US \$700 - \$775), and all-in sustaining costs ("AISC") to range between \$1,270 and \$1,400 per ounce (US\$ 1,015 - \$1,125). Full operating and financial details for 2021 will be provided in the Company's year end financial statements and management discussion and analysis on March 10, 2022.

I would like to thank all of our employees and stakeholders who have made this transformational year possible, despite the obvious challenges of the global pandemic and associated supply chain disruptions. Tough times make tough teams."

	Fourth Quarter				Year-to-Date			
	2021	2020	Variance	% +/-	2021	2020	Variance	% +/-
<i>Amounts are denominated in Canadian dollars</i>								
Ore milled (tonnes)								
Eagle River	56,159	53,551	2,608	5%	228,759	196,441	32,318	16%
Mishi	6,215	3,555	2,660	75%	36,508	39,856	(3,348)	(8%)
Kiena	38,000	0	38,000	100%	68,470	0	68,470	100%
	100,374	57,106	43,268	76%	333,737	236,297	97,440	41%
Head grade (grams per tonne, "g/t")								
Eagle River	13.7	11.7	2.0	17%	13.8	14.2	(0.4)	(3%)
Mishi	2.1	3.5	(1.4)	(40%)	2.4	2.7	(0.3)	(12%)
Kiena	14.1	0	14	100%	10.4	0	10	100%
Gold production (ounces)								
Eagle River	24,267	19,667	4,600	23%	99,120	87,560	11,560	13%
Mishi	363	339	24	7%	2,283	2,718	(435)	(16%)
Kiena	16,929	0	16,929	100%	22,440	0	22,440	100%
Total Gold Production	41,559	20,006	21,553	108%	123,843	90,278	33,565	37%
Production sold (ounces) <sup>3</sup>	37,544	19,890	17,654	89%	118,501	91,229	27,272	30%
Revenue from gold sales (\$ millions) <sup>4</sup>	\$85.4	\$48.3	\$37.1	77%	\$262.6	\$215.3	\$47.3	22%
Average realized price per ounce <sup>2</sup>	\$2,275	\$2,430	(\$155)	(6%)	\$2,250	\$2,360	(\$110)	(5%)

#### 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, 2021 filed on SEDAR for their calculations.
3. YTD 2021 production sold includes 1,793 ounces of gold sold from the Kiena bulk sample which was processed in Q4 2020 and sold in Q1 2021.
4. YTD 2021 revenue excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

#### 2022 Guidance

*Amounts are denominated in Canadian dollars, or otherwise indicated* Guidance

##### Gold production

Eagle River	95,000 - 105,000 ounces
Mishi	1,000 - 2,000 ounces
Kiena	64,000 - 73,000 ounces
Consolidated	160,000 - 180,000 ounces

##### Head grade (g/t)

Eagle River	12.1 - 13.4
Mishi	2.0 - 2.5

Kiena	10.6 - 11.8
Cash cost per ounce sold <sup>1</sup>	\$875 - \$970 US\$700-US\$775
All-in sustaining cost per ounce sold <sup>1</sup>	\$1,270 - \$1,400 US\$1,015 - US\$1,125

<sup>1</sup> *Operating cost per ounce sold 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.*

## 2022 Budget Highlights

- Commercial production at the Kiena Complex expected in Q2 2022
- The Company is budgeting to spend aggressively on exploration at both assets, including \$13.7 million at Eagle River and \$17.7 million at Kiena
- ESG initiatives are to continue our climate risk assessment, complete GHG inventory assessments at Kiena and Eagle and coordinate emission reduction planning to support target-setting, and continue our work on integrating the Towards Sustainable Mining (TSM) framework
  - Total budget capital spend of \$142.4 million (2021: \$151.6 million)
    - \$88 million growth capital, \$54.4 sustaining capital for both assets
    - A total of \$45.3 million (\$8.3 million growth) at Eagle River including \$13.1 million in underground development, \$4 million on stage 5 of the tailings dam project, and \$13.9 million on various equipment, partially funded through lease facility
    - A total of \$97.1 million (\$79.7 growth) at Kiena including \$13.7 million in underground development, \$15.5 million on the construction of a paste plant facility, \$8 million on an underground ventilation raise, \$8 million on power upgrades, and \$27.8 million on equipment
  - At Eagle River, the 2022 exploration program consists of 65,000 metres of underground exploration drilling using 6 drills and 30,000 metres of surface drilling using 2 surface and fly drills.
  - At Kiena Complex, the 2022 exploration program consists of 45,000 metres of underground drilling using 7 drills and 30,000 metres of surface drilling using 2 barge drills and 1 surface drill.
  - General and corporate administration expenses budgeted to range between \$12.0 million and \$13.0 million

## 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 office. 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 with the emergence of new, highly contagious variants such as Omicron. To date the company has been impacted by this most recent variant outbreak, with employees at both operations and corporate office becoming infected. Impacts of significant numbers of employees being absent have been limited so far however 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.

## 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.

ABOUT WESDOME

Wesdome is Canadian focused with two producing underground gold mines. The Company's goal is to build Canada's next intermediate gold producer, producing over 200,000 ounces from two mines in Ontario and Quebec. The Eagle River Underground Mine in Wawa, Ontario is currently producing gold at a rate of 92,000 - 105,000 ounces per year. The recently re-started Kiena Complex in Val d'or, Quebec is a fully permitted underground mine and milling operation. Wesdome is actively exploring both underground and on surface within the mine areas and more regionally at both the Eagle River and Kiena Complex. The Company also retains meaningful exposure to the Moss Lake gold deposit, located 100 kilometres west of Thunder Bay, Ontario through its equity position in [Goldshore Resources Inc.](#) The Company has approximately 140.9 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

For further information, please contact:

Duncan Middlemiss President and CEO 416-360-3743 ext. 2029 duncan.middlemiss@wesdome.com	or	Lindsay Carpenter Dunlop VP Investor Relations 416-360-3743 ext. 2025 lindsay.dunlop@wesdome.com
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220 Bay St, Suite 1200  
Toronto, ON, M5J 2W4  
Toll Free: 1-866-4-WDO-TSX  
416-360-3743, Fax: 416-360-7620  
Website: [www.wesdome.com](http://www.wesdome.com)

*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.*

&#65279;PDF available:

<http://ml.globenewswire.com/Resource/Download/5c95088b-64af-4528-8b3b-1e4049c674a0>

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