WESDOME GOLD MINES LTD.

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2014

MESSAGE TO SHAREHOLDERS

Strong grades and steady production translated to a profitable performance with EBITDA ringing in at $8.2 million, or $0.08 per share. Including an estimated non-cash income tax expense, net income totalled $4.2 million, or $0.04 per share.

Despite seasonally high energy costs due to a severe winter, our mining operations generated free cash flow of more than a million dollars per month.

We are investing aggressively in our milling infrastructure and underground development. The goal is to put us in position to further optimize future production rates and costs. Combined with an accelerated pace of drilling, we aim to significantly extend mine life and have flexibility in the mine plan to adapt to changing gold prices and market conditions.

We have a first rate loyal and experienced operating team focused on a realistic and achievable plan. Morale is upbeat and confident. This shows in the results. A strong start puts us in shape to meet or exceed production guidance of 50,000 ounces this year.

On behalf of the Board,

Rolly Uloth
President and CEO

May 1, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

First Quarter Report
March 31, 2014

The following Management's Discussion and Analysis ("MD&A") dated May 1, 2014 should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the accompanying notes for the three months ended March 31, 2014, the audited annual consolidated financial statements and the accompanying notes for the year ended December 31, 2013, and the related annual MD&A.

The unaudited condensed interim consolidated financial statements and the accompany notes are prepared in accordance with International Accounting Standard ("IAS") 34 – "*Interim Financial Reporting"* as issued by the International Accounting Standards Board ("IASB").

The information contained in this MD&A is current to May 1, 2014, unless otherwise noted. There have been no material changes to disclosures as contained in the "Significant Judgment and Sources of Estimation Uncertainty", "Financial Instruments – Disclosure and Presentation" or "Risks and Uncertainties" sections of the Company's MD&A for the year ended December 31, 2013.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in the cautionary statement below. All figures are in Canadian dollars unless otherwise stated. Additional financial information relating to Wesdome, including the Company's Annual Information Form, can be found on the Company's website www.wesdome.com or on the SEDAR website for Canadian regulatory filings at www.sedar.com. Wesdome trades on the Toronto Stock Exchange under the symbol "WDO". The Company's head office is at 8 King Street East, Suite 1305, Toronto, Ontario, Canada.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, constitute "forward-looking statements" and are based on expectations, estimates and projections as at the date of this MD&A. The words "believe", "expect", "anticipate", "plan", "intend", "continue", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Wesdome to be materially different from the Company's estimated future results, performance or achievements expressed or implied by the forward-looking statements and the forward-looking statements are not guarantees of future performance. Factors that could cause results or events to differ materially from current expectations expressed or implied are inherent to the gold mining industry and include, but are not limited to, those discussed in the section entitled "Risks and Uncertainties". The Company does not intend, and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by applicable laws.

OVERALL PERFORMANCE HIGHLIGHTS

At March 31, 2014, the Company had $12.1 million in working capital, compared to $8.5 million as at December 31, 2013. In the first quarter of 2014, revenue exceeded production costs by $9.7 million and $4.5 million in capital costs were incurred, inclusive of new equipment leases. Cash flow from operations totalled $7.2 million and net earnings of $4.2 million were recorded.

In the first quarter, 13,730 ounces of gold were produced and 15,985 ounces were sold, as strong production in December 2013 was finally realized through gold sales. Overall, the Eagle River Complex produced 19% more gold in the current quarter than the same period in 2013. Total unit production costs per ounce decreased 25.7% to average $977 per ounce for the period, compared to $1,315 during the same period last year. As at March 31, 2014, the Company had 4,778 ounces of gold inventory, compared to 7,034 ounces as at December 31, 2013.

On March 28, 2014, the Company completed an amalgamation with its subsidiary Moss Lake Gold Mines Ltd. ("MLGM"). This allowed the Company to clarify ownership of its exploration properties and to simplify its business.

We are investing aggressively in our milling operations and underground development. The goal is to put us in position to optimize future production rates and costs.

External factors which influenced costs included an extremely cold and snowy winter which resulted in Lake Superior freezing over. Energy costs and snow removal costs increased by about $0.9 million compared to last winter.

On the revenue side, a 10% decline in the $Cdn/$US exchange rate helped us realize favourable gold prices averaging $1,447 per ounce.

RESULTS OF OPERATIONS

Three months ended March 31	**2014**	2013
Eagle River Mine		
Tonnes milled	**30,486**	27,961
Recovered grade (g/t)	**13.0**	11.5
Production (oz)	**12,748**	10,322
Mishi Mine		
Tonnes milled	**12,027**	11,410
Recovered grade (g/t)	**2.5**	3.3
Production (oz)	**982**	1,204
Surface stockpile (tonnes)	**69,416**	56,999
Total Eagle River Complex		
Tonnes milled	**42,513**	39,371
Production (oz)	**13,730**	11,526
Sales (oz)	**15,985**	10,000
Bullion revenue, Eagle River Complex ($000) †	**23,133**	16,469
Production costs ($000)		
Mining and processing costs (cost of sales) *	**(13,411)**	(9,444)
Inventory-related adjustments ††	**(13)**	(1,461)
Mine operating profit ($000) *	**9,709**	5,564
Total Mine Operations		
Production (oz)	**13,730**	14,529
Production costs ($000)		
Eagle River Complex	**13,424**	10,905
Kiena Mine Complex	**-**	8,210
Total production costs	**13,424**	19,115
Gold price realized per ounce	**1,447**	1,648
Production costs per ounce, Eagle River Complex	**977**	946
Total production costs per ounce	**977**	1,315

† Bullion revenue includes minor by-product silver sales

* The Company has included in this report certain non-IFRS performance measures, including mine operating profit, mining and processing costs to applicable sales, and production costs. Production 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.

†† Inventory-related adjustments are adjustments made to production costs in order for the Company's gold inventory to be valued at the lower of production cost on a first-in, first-out basis and at net realizable value, in accordance with its accounting policy under IFRS.

In the first quarter of 2014, bullion revenue exceeded production costs resulting in a mine operating profit of $9.7 million, compared to $5.6 million during the same period in 2013 at the Eagle River Complex. In addition to these direct operating costs, additional cash costs, including royalty payments, corporate and general costs, and interest payments amounted to $1.7 million, which includes $0.5 million of ongoing care and maintenance costs of the Kiena Mine Complex. This compares to $1.2 million in the first quarter of 2013. Furthermore, the Company was the beneficiary of strong realized prices for its gold sales during the quarter, averaging $1,447 per ounce, compared to an average spot price during the quarter of $1,425, contributing an additional $0.4 million directly to the Company's operating income.

At the Eagle River Mine, recovered grades increased to 13.0g Au/tonne. This is a 13% improvement compared to the first quarter of 2013, and a 21% improvement over recovered grades in 2013. A total of 12,748 ounces were produced from the Eagle River Mine, while the Mishi Mine contributed 982 ounces at a recovered grade of 2.5g Au/tonne, reducing the ore stockpile to 69,416 tonnes.

We took delivery of key items such as the drum filters and high density pumps for the mill upgrading project during the quarter. Installation and commissioning in the second quarter will ensure significant throughput increases in the second half, 2014. Additional feed will be sourced primarily from Mishi. The step by step process of scaling infrastructure to meet the sustainable production capacity of mining operations will continue.

Cost increases compared to last year's first quarter can be attributed to $0.9 million of additional hydro, propane and snow removal costs resulting from the extraordinarily cold winter conditions experienced in 2014, $0.5 million in repair costs at the Eagle River Mill, and $0.7 million of additional expensed development expenditures resulting from a 17% increase in development compared to the first quarter of 2013.

Overall, this solid performance generated free cash flow (cash flow from operations less capital investments) of $3.6 million in the current quarter. This went straight to improving the Company's working capital during the period.

Summary of Quarterly Results

(in thousands except per share data)	**2014**		**2013**	
	1st Quarter	**4th Quarter**	**3rd Quarter**	**2nd Quarter**
Total revenue	$ 23,133	$ 19,928	$ 16,669	$ 21,709
Net income (loss)	4,171	(1,782)	(2,095)	43
Earnings (loss) per share basic and diluted	0.04	(0.02)	(0.02)	0.00

	2013		**2012**	
	1st Quarter	**4th Quarter**	**3rd Quarter**	**2nd Quarter**
Total revenue	$ 21,420	$ 21,207	$ 23,108	$ 25,948
Net income (loss)	(34)	(46,464)	819	700
Earnings (loss) per share basic and diluted	0.00	(0.46)	0.01	0.01

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2014, the Company had working capital of $12.1 million compared to $8.5 million at December 31, 2013. During the first three months of 2014, capital expenditures totalled $4.5 million compared to $4.0 million in 2013. Capital expenditures were concentrated in underground development, mine and mill infrastructure. $0.9 million of these expenditures were financed with equipment leases.

The Company carries an inventory of gold. At March 31, 2014, this liquid asset consisted of 4,778 ounces of gold with a market value of approximately $6.8 million. The gold inventory is carried at the lower of cost or market, in this case at a cost of $5.6 million. Furthermore, the Mishi ore stockpile at the mill is estimated to contain about 5,500 ounces of recoverable gold, or approximately $4.6 million, net of milling costs. Including these non-IFRS working capital adjustments, working capital would increase to approximately $17.9 million.

Calculation of adjusted working capital	*(in millions)*
IFRS working capital	12.1
Adjustment of gold inventory to market value	1.2
Gold in Mishi stockpile, net of milling costs	4.6
Adjusted working capital	17.9

Management believes we have sufficient liquidity to carry out our mining, development and exploration programs. With current gold prices, operations are capable of generating strong cash flow as evidenced by the recent quarterly results.

The following table shows the timing of cash outflows relating to contractual obligations going forward.

	Payments Due by Period (in thousands)				
Contractual Obligations	**Total**	**Less than 1 year**	**1 – 2 years**	**3 – 5 years**	**After 5 years**
Equipment leases	$ 1,724	$ 645	$ 508	$ 571	-
Convertible debentures	8,536	491	982	7,553	-
	$ 10,260	$ 1,136	$ 1,490	$ 8,124	-

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel and director compensation comprised of the following:

Three months ended March 31	**2014**	2013
Salaries and short-term employee benefits	**$ 312**	$ 365
Post employment benefits	**9**	12
Share-based payments	**99**	235
	$ 420	$ 612

In fiscal 2014, the Company paid a total of $9,625 in directors' fees and $28,333 in consulting fees to the following companies, whose managing partners or presidents are directors of the Company. These services were incurred in the normal course of operations for attendance at committee and board meetings as well as general corporate matters. All services were made on terms equivalent to those that prevail with arm's length transactions.

Directors Fees

- Capital Inter A World Inc.: $9,625 – Marc Blais, President

Consulting Fees

- The Rosedale Group: $28,333 – Rolly Uloth, President

OUTLOOK

We expect to meet or exceed our forecast of 50,000 ounces of gold production in 2014, or a 10% increase from Eagle River and Mishi over 2013. Production will come primarily from the Eagle River Mine and the Mishi stockpile, and strong grades at the Eagle River Mine are expected to persist. Installation of key equipment in the second quarter, 2014, will result in capacity/efficiency gains in the second half. The additional feedstock will come primarily from the Mishi Mine.

At Mishi, reserves within the existing mine plan represent less than a third of the open pit resource base. Subject to positive in-fill drilling results and increased mill availability and capacity, we see significant potential for future expansion. Pit optimization studies will be initiated in the second quarter, 2014.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The critical accounting estimates used by the Company are discussed in detail in the 2013 annual MD&A for the year ended December 31, 2013, under the heading "Significant Judgments and Sources of Estimation Uncertainty", as well as the 2013 annual audited financial statements for the year ended December 31, 2013, in Note 4.

There have been no material changes to these estimates and judgments from December 31, 2013 up to the date of this MD&A.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company uses a mixture of cash, obligations under finance leases, convertible debentures, and equity to maintain an efficient capital structure and to ensure adequate liquidity exists to meet the cash needs of the business. The Company has classified its obligations under finance leases and convertible debentures as other financial liabilities measured at amortized cost.

The fair value of the obligations under finance leases are determined by calculating the discounted cash flows using market interest rates for financial instruments with similar characteristics. This fair value approximates the book value.

The fair value of the convertible debentures is determined with the quoted market price of the debentures, which are publicly traded.

The Company's approach to managing its financial risks are discussed in detail in the 2013 annual MD&A for the year ended December 31, 2013. The Company continues not to hold any gold hedging or currency exchange contracts as at or during the three months ended March 31, 2014.

RISKS AND UNCERTAINTIES

Risks and uncertainties related to economic and industry factors and the Company's approach to the management of these risks are discussed in detail in the 2013 annual MD&A for the year ended December 31, 2013.

SUMMARY OF SHARES ISSUED

As of May 1, 2014, the Company's share information is as follows:

Common shares issued	111,107,591
Common share purchase options	3,328,116

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

In accordance with the requirements of National Instrument 52-109 "*Certification of Disclosure in Issuers' Annual and Interim Filings*." the Company's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's CEO and CFO have concluded that as at March 31, 2014, the Company's disclosure controls and procedures to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported within the appropriate time periods and forms were effective.

Internal Control over Financial Reporting

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable Canadian GAAP. Internal control over financial reporting should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of our assets
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable Canadian GAAP
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial instruments

The Company's management, with the participation of the CEO and CFO, assessed the effectiveness of the Company's internal controls over financial reporting and concluded that as at March 31, 2014, the Company's internal control over financial reporting was effective.

Limitations of Controls and Procedures

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that any design will not succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

WESDOME GOLD MINES LTD.

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited, expressed in thousands of Canadian dollars except for per share amounts)

	March 31 2014	December 31 2013
Assets		
Current		
Cash and cash equivalents	**$ 7,881**	$ 5,651
Receivables (Note 5)	**2,390**	1,982
Inventory (Note 6)	**9,664**	10,757
	19,935	18,390
Restricted funds (Note 7)	**2,999**	2,994
Deferred income taxes	**11,268**	13,025
Mining properties, plant and equipment (Note 8)	**37,622**	35,118
Exploration properties (Note 10)	**33,528**	33,522
	$ 105,352	$ 103,049
Liabilities		
Current		
Payables and accruals	**$ 7,175**	$ 9,393
Current portion of obligations under finance leases (Note 11)	**633**	526
	7,808	9,919
Income taxes payable	**22**	22
Obligations under finance leases (Note 11)	**989**	380
Convertible debentures (Note 12)	**6,059**	5,996
Provisions (Note 13)	**2,458**	2,434
	17,336	18,751
Equity		
Equity attributable to owners of the Company		
Capital stock (Note 14)	**129,483**	125,352
Contributed surplus	**1,892**	2,150
Equity component of convertible debentures (Note 12)	**932**	932
Deficit	**(44,291)**	(44,400)
	88,016	84,034
Non-controlling interest	**-**	264
Total equity	**88,016**	84,298
	$ 105,352	$ 103,049

See accompanying notes to the condensed interim consolidated financial statements.

Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited, expressed in thousands of Canadian dollars except for per share amounts)

Three months ended March 31		**2014**		2013
Revenue				
Gold and silver bullion	**$**	**23,133**	$	21,420
Operating expenses				
Mining and processing		**13,411**		17,701
Depletion of mining properties		**2,033**		1,358
Production royalties		**346**		319
Corporate and general		**690**		648
Share-based payments (Note 15)		**27**		146
Kiena restructuring and care and maintenance costs		**467**		-
Impairment charges (Note 9)		**-**		633
		16,974		20,805
Income from operations		**6,159**		615
Interest and other income		**(14)**		20
Interest on long term debt		**(192)**		(197)
Other interest		**(1)**		(3)
Accretion of decommissioning provisions (Note 13)		**(24)**		(21)
Income before income tax		**5,928**		414
Income tax expense				
Current		**-**		-
Deferred		**1,757**		448
		1,757		448
Net income (loss) and total comprehensive income (loss)	**$**	**4,171**	$	(34)
Net income (loss) and total comprehensive income (loss) attributable to:				
Non-controlling interest	**$**	**(26)**	$	(42)
Owners of the Company		**4,197**		8
	$	**4,171**	$	(34)
Basic and diluted earnings per share				
Basic (Note 16)	**$**	**0.04**	$	0.00
Diluted (Note 16)	**$**	**0.04**	$	0.00
Basic and diluted weighted average number of common shares (000)				
Basic (Note 16)		**105,984**		101,880
Diluted (Note 16)		**106,307**		101,881

See accompanying notes to the condensed interim consolidated financial statements.

Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Total Equity
(Unaudited, expressed in thousands of Canadian dollars except for per share amounts)

	Capital Stock	Contributed Surplus: Share Based Payments	Contributed Surplus: Share Repurchases	Contributed Surplus: Dilution Gains	Equity Component Convertible Debentures	Retained Earnings (Deficit)	Total Attributable to Owners of the Company	Non-controlling Interest	Total Equity
Balance, December 31, 2012	$ 122,651	$ 1,171	$ 375	$ 513	$ 870	$ (41,009)	$ 84,571	$ 417	$ 84,988
Net income (loss) for the period ended March 31, 2013	-	-	-	-	-	8	8	(42)	(34)
Value attribtued to options expired	-	(25)	-	-	-	25	-	-	-
Share-based payments	-	147	-	-	-	-	147	-	147
Redemption of convertible debentures	-	-	-	-	-	-	-	3	3
Balance, March 31, 2013	122,651	1,293	375	513	870	(40,976)	84,726	378	85,104
Net loss for the nine months ended December 31, 2013	-	-	-	-	-	(3,716)	(3,716)	(118)	(3,834)
Shares issued to acquire Windarra Minerals Ltd. (Note 14)	2,811	-	-	-	-	-	2,811	-	2,811
Value attributed to options expired	-	(292)	-	-	-	292	-	-	-
Share-based payments (Note 15)	-	202	-	-	-	-	202	-	202
Shares purchased under normal course issuer bid (Note 14)	(110)	-	59	-	-	-	(51)	-	(51)
Subsidiary capital transactions	-	-	-	-	-	-	-	4	4
Change in deferred liability of equity component of convertible debentures (Note 12)	-	-	-	-	62	-	62	-	62
Balance, December 31, 2013	125,352	1,203	434	513	932	(44,400)	84,034	264	84,298
Net income (loss) for the period ended March 31, 2014	**-**	**-**	**-**	**-**	**-**	**4,197**	**4,197**	**(26)**	**4,171**
Shares issued to amalgamate Moss Lake Gold Mines Ltd. (Note 4)	**4,117**	**-**	**-**	**-**	**-**	**-**	**4,117**	**-**	**4,117**
Transfer of non-controlling interest (Note 4)	**-**	**-**	**-**	**-**	**-**	**238**	**238**	**(238)**	**-**
Change in equity due to Moss Lake amalgamation (Note 4)	**-**	**-**	**-**	**-**	**-**	**(4,611)**	**(4,611)**	**-**	**(4,611)**
Value attributed to options exercised	**14**	**-**	**-**	**-**	**-**	**-**	**14**	**-**	**14**
Value attributed to options expired	**-**	**(285)**	**-**	**-**	**-**	**285**	**-**	**-**	**-**
Share-based payments	**-**	**27**	**-**	**-**	**-**	**-**	**27**	**-**	**27**
Balance,March 31, 2014	**$ 129,483**	**$ 945**	**$ 434**	**$ 513**	**$ 932**	**$ (44,291)**	**$ 88,016**	**$ -**	**$ 88,016**

See accompanying notes to the condensed interim consolidated financial statements.

Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, expressed in thousands of Canadian dollars except for per share amounts)

Three months ended March 31		2014		2013
Operating activities				
Net earnings (loss)	**$**	**4,171**	$	(34)
Depletion of mining properties		**2,033**		1,358
Accretion of discount on convertible debentures (Note 12)		**63**		56
Impairment charges (Note 9)		**-**		633
Loss on sale of equipment		**24**		2
Share-based payments (Note 15)		**27**		146
Deferred income taxes		**1,757**		448
Interest paid		**129**		141
Accretion of decommissioning provisions		**24**		21
		8,228		2,771
Net changes in non-cash working capital (Note 18)		**(1,013)**		(1,196)
		7,215		1,575
Financing activities				
Exercise of options		**14**		-
Share issue cost to acquire Moss Lake Gold Mines Ltd. minority shareholders		**(494)**		-
Repayment of obligations under finance leases		**(224)**		(217)
Interest paid		**(129)**		(141)
		(833)		(358)
Investing activities				
Additions to mining and exploration properties		**(3,617)**		(4,000)
Proceeds on sale of equipment		**34**		16
Funds held against standby letters of credit		**(5)**		(4)
		(3,588)		(3,988)
Net changes in non-cash working capital (Note 18)		**(564)**		235
		(4,152)		(3,753)
Increase (decrease) in cash and cash equivalents		**2,230**		(2,536)
Cash and cash equivalents, beginning of period		**5,651**		4,633
Cash and cash equivalents, end of period	**$**	**7,881**	$	2,097

Supplemental disclosure (Note 18)

See accompanying notes to the condensed interim consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Wesdome Gold Mines Ltd. ("Wesdome Ltd." or the "Company") is a gold producer engaged in mining and related activities including exploration, extraction, processing and reclamation. The Company's principal assets include the Eagle River Mine, the Mishi Mine and the Eagle River Mill located near Wawa, Ontario and the Kiena Mining and Milling Complex and exploration properties located in Val D'Or, Quebec. The Company is a publicly traded company, continued under Part 1A of the Companies Act (Quebec) and its common shares are listed on the Toronto Stock Exchange (TSX: WDO). Wesdome's head office is located at 8 King Street East, Suite 1305, Toronto, ON, M5C 1B5.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – "*Interim Financial Reporting*" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2013.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2013, with the exception of the adoption of a new accounting standard, which was applicable from January 1, 2014 (Note 3). This amendment did not result in any change in the financial statements.

The preparation of condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company's condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 4 to the Company's consolidated financial statements for the year ended December 31, 2013.

These condensed interim consolidated financial statements are presented in Canadian dollars ("Cdn $"), which is also the functional currency of the Company.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 1, 2014.

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

3. IMPACT OF CHANGES IN ACCOUNTING STANDARDS

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IAS 32 – Financial Instruments: Presentation
In December, 2011, the IASB issued "*Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)"*. The standard amends IAS 32, *"Financial Instruments: Presentation"* to provide clarifications on the application of the offsetting rules. The Company determined that the adoption of the amendments to IAS 32 did not result in any change in the financial statements.

IFRIC 21 – Levies
In May, 2013, IASB issued IFRIC 21, *"Levies"*, an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, *"Provisions, Contingent Liabilities and Contingent Assets"*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Company determined that the adoption of IFRIC 21 did not result in any change in the financial statements.

4. AMALGAMATION OF MOSS LAKE GOLD MINES LTD.

On March 28, 2014, the Company acquired the remaining 43.2% of the outstanding minority held common shares of its subsidiary Moss Lake Gold Mines Ltd. ("MLGM") in order to consolidate and clarify the ownership of the Company's properties under one corporate entity. The shareholders of MLGM received 1 common share of Wesdome for every 3.85 common shares of MLGM. A total of 5,279,400 common shares were issued and valued at $4,117,000.

The acquisition was accounted for as an equity transaction, which was recorded at a total amount of $4,611,000.

The value of the equity issued to MLGM shareholders was calculated as follows:

Issuance of 5,279,400 shares	$	4,117
Accrued transaction costs		494
Total consideration		4,611
Transfer of non-controlling interest to deficit		(238)
Amount recognized in deficit, March 28, 2014	$	4,373

Pursuant to the amalgamation agreement, 883,116 stock options were issued by the Company to the former directors and officers of MLGM, representing the stock options of MLGM outstanding as at March 28, 2014, with figures adjusted accordingly for the exchange ratio between the Company and MLGM. These options were issued at a weighted average price of $0.80, with a weighted average remaining life of 2.90 years. All the options were exercisable upon grant.

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

5. RECEIVABLES

	March 31 2014	December 31 2013
Mining duties refunds and tax credits	**$ 412**	$ 412
Value added taxes	**1,450**	856
Prepaids, deposits and receivables	**528**	714
	$ 2,390	$ 1,982

6. INVENTORY

	March 31 2014	December 31 2013
Gold in process	**$ 5,614**	$ 5,685
Supplies	**1,405**	1,401
Ore stockpiles	**2,645**	3,671
	$ 9,664	$ 10,757

Gold inventory consists of both gold doré and gold in process that is awaiting the completion of the final refining process, with the completion of the refining process into saleable gold conforming to London Bullion Market Association standard expected within one month of the financial statement date.

7. RESTRICTED FUNDS

	March 31 2014	December 31 2013
Relating to mine closure plans (Note 13)	**$ 2,584**	$ 2,579
Relating to hydro deposit	**415**	415
	2,999	2,994
Less current portion	**-**	-
	$ 2,999	$ 2,994

Funds are being held in Guaranteed Investment Certificates at interest rates ranging from 0.90% to 1.10% (2013: 0.80% to 1.16%) maturing to February, 2015.

8. MINING PROPERTIES, PLANT AND EQUIPMENT

Gross Carrying Amount	Eagle River Mine Complex	Kiena Mine Complex	Total
Balance, December 31, 2012	$ 51,718	$ 32,979	$ 84,697
Additions	9,917	633	10,550
Disposals	(256)	(1,051)	(1,307)
Impairment charge (Note 9)	-	(633)	(633)
Transfers	279	(279)	-
Balance, December 31, 2013	61,658	31,649	93,307
Additions	**4,531**	**19**	**4,550**
Disposals	**(111)**	**(53)**	**(164)**
Transfers	**30**	**(30)**	**-**
Balance, March 31, 2014	**$ 66,108**	**$ 31,585**	**$ 97,693**

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

8. MINING PROPERTIES, PLANT AND EQUIPMENT (continued)

Accumulated Depletion	Eagle River Mine Complex	Kiena Mine Complex	Total
Balance, December 31, 2012	$ (20,508)	$ (31,508)	$ (52,016)
Depletion	(6,862)	(7)	(6,869)
Accumulated depletion on disposal	111	586	697
Balance, December 31, 2013	(27,259)	(30,929)	(58,188)
Depletion	**(1,989)**	**(1)**	**(1,990)**
Accumulated depletion on disposals	**53**	**54**	**107**
Balance, March 31, 2014	**$ (29,195)**	**$ (30,876)**	**$ (60,071)**
Carrying Amount, December 31, 2012	$ 31,210	$ 1,471	$ 32,681
Carrying Amount, December 31, 2013	$ 34,398	$ 720	$ 35,118
Carrying Amount, March 31, 2014	**$ 36,913**	**$ 709**	**$ 37,622**

9. IMPAIRMENT CHARGES

In the first quarter of 2013, the Company received a report based on a preliminary LOM study which confirmed the estimated FVLCS and cast doubt on the economic viability of the Kiena Mine Complex. As a result of the report, the Company decided on March 7, 2013, that it would suspend mining operations at the Kiena Mine Complex by June 30, 2013. Consequently, the Company recorded an impairment charge of $0.6 million relating to development costs incurred between December 31, 2012 and March 7, 2013, and no further non-equipment costs related to the Kiena Mine Complex have been capitalized subsequent to March 7, 2013.

10. EXPLORATION PROPERTIES

	Wesdome Group	Moss Lake	Mishi Group	Total
Balance, December 31, 2012	$ 24,793	$ 3,327	$ 2,034	$ 30,154
Exploration expenditures	-	254	-	254
Windarra acquisition	-	-	3,114	3,114
Balance, December 31, 2013	$ 24,793	$ 3,581	$ 5,148	$ 33,522
Exploration expenditures	**-**	**6**	**-**	**6**
Balance, March 31, 2014	**$ 24,793**	**$ 3,587**	**$ 5,148**	**$ 33,528**

On March 28, 2014, the Company completed an amalgamation with Moss Lake Gold Mines Ltd. resulting in the Company having full 100% ownership of all its exploration properties. The transaction was accounted for as an equity transaction. Refer to Note 4 for additional details.

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

11. OBLIGATIONS UNDER FINANCE LEASES

The Company leases, with options to purchase, certain mining equipment. Future minimum payments under finance leases, together with the balance of the obligations under finance leases are as follows:

	March 31 2014	December 31 2013
Not later than one year	**$ 644**	$ 524
Later than one year and not later than five years	**1,079**	405
Total minimum lease payments	**1,723**	929
Less: Interest portion at the weighted average of 4.09% (2013: 4.48%)	**101**	23
Total obligations under finance leases, secured by equipment	**1,622**	906
Less:Current portion	**633**	526
Long-term portion	**$ 989**	$ 380

The cost of equipment under finance leases at March 31, 2014 is $3,086,000 (2013: $3,315,000) with related accumulated depreciation of $823,000 (2013: $1,320,000). These assets are included in mining properties and equipment.

12. CONVERTIBLE DEBENTURES

The following table summarizes the changes in the liability and equity components of the convertible debentures bearing interest at 7% and maturing on May 31, 2017, during the three months ended March 31, 2014, and year ended December 31, 2013.

Liability component	**March 31 2014**	December 31 2013
Balance, beginning of period	**$ 5,996**	$ 5,760
Accretion	**63**	236
Balance, end of period	**$ 6,059**	$ 5,996

Equity component	**March 31 2014**	December 31 2013
Balance, beginning of period	**$ 932**	$ 870
	932	870
Change in deferred income tax liability	**-**	62
Balance, end of period	**$ 932**	$ 932

At March 31, 2014, the face value of debentures available for conversion at $2.50 totalled $7,021,000.

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

13. PROVISIONS

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of mining properties:

Balance, December 31, 2012	$ 2,545
Accretion expense	(111)
Change in decommissioning provision	-
Balance, December 31, 2013	2,434
Accretion expense	**24**
Balance, March 31, 2014	**$ 2,458**

14. CAPITAL STOCK

Authorized:
The authorized capital of the Company consists of an unlimited number of common shares without par value.

	Shares	Amount
Issued:		
Balance, December 31, 2012	101,879,659	$ 122,651
Shares purchased under Normal Course Issuer Bid	(91,200)	(110)
Shares issued to acquire Windarra Minerals Litd.	4,014,732	2,811
Balance, December 31, 2013	105,803,191	125,352
Exercise of options	**25,000**	**14**
Shares issued to acquire Moss Lake Gold Mines Ltd. (Note 4)	**5,279,400**	**4,117**
Balance, March 31, 2014	**111,107,591**	**$ 129,483**

15. COMMON SHARE PURCHASE PLAN

The Company has an equity settled common share purchase plan under which the Board of Directors may grant options to purchase common shares to qualified directors, officers, employees and consultants providing on-going services to the Company or any subsidiary of the Company. Prior to January 13, 2014, all options granted had a five year life with vesting periods based on the size of the option grant and at prices equal to the closing price for the day immediately preceding the date the options were granted.

On January 13, 2014, the Board of Directors approved a New Stock Option Plan. Under the terms of the New Stock Option Plan, all options will continue to have a five year life, with vesting periods based on the size of the option grant and at prices equal to the closing price for the day immediately preceding the date the options were granted. The maximum aggregate number of common shares under option at any time pursuant to the New Stock Option Plan will be 10% of the issued and outstanding common shares at the time of the grant.

No options were granted under the previous stock option plan between December 31, 2013, and January 13, 2014. As at March 31, 2014, 7,782,643 options to purchase common shares were available for grant under the New Stock Option plan.

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

15. COMMON SHARE PURCHASE PLAN (continued)

The following table reflects the continuity for the three months ended March 31, 2014 and year ended December 31, 2013, of options granted under the plans.

	Options		Weighted Average Exercise Price	
	2014	2013	**2014**	2013
			$	$
Outstanding, beginning of period	**2,205,000**	1,608,000	**1.50**	2.17
Granted	**540,000**	990,000	**0.68**	0.67
Options issued resulting from amalgamation with Moss Lake (Note 4)	**883,116**	-	**0.80**	-
Exercised	**25,000**	-	**0.56**	-
Expired	**(275,000)**	(393,000)	**2.64**	2.08
Outstanding, end of period	**3,328,116**	2,205,000	**1.09**	1.50

	Outstanding Options			Exercisable Options	
Range of exercise prices	Number outstanding	Weighted average remaining life	Weighted average exercise price	Number exercisable	Weighted average exercise price
		(years)	$		$
less than $1.00	2,447,272	3.94	0.69	1,332,272	0.71
$1.00 - $1.50	255,844	2.50	1.33	205,844	1.31
$1.51 - $2.00	65,000	1.20	1.75	65,000	1.75
$2.01 - $2.50	120,000	1.30	2.39	120,000	2.39
$2.51 - $3.00	440,000	1.66	2.76	355,000	2.75
	3,328,116	3.38	1.09	2,078,116	1.25

The fair value of the options granted was estimated on the date of grant using the Black-Scholes option pricing model. For the three months ended March 31, 2014 and the year ended December 31, 2013, grant date fair value indicated was based on the following factors:

	2014	2013
Weighted average fair value, per option ($)	**0.68**	0.36
Weighted average risk-free interest rate (%)	**1.07**	1.57
Weighted average volatility (%)	**68.18**	68.89
Expected life (years)	**4.99**	4.82
Dividend yield (%)	**-**	-

The estimated fair value of the options granted is expensed over the vesting period. The fair value compensation and contributed surplus relating to stock options was $80,000 (2013: $146,000). The average fair value of the common shares during the three month period was $0.76 (2013: $0.80).

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

16. EARNINGS PER SHARE AND DIVIDENDS

Three months ended March 31	**2014**	2013
Earnings available to common shareholders	**$ 4,171**	$ 8
Weighted average number of shares, basic	**105,984,449**	101,879,659
Dilutive securities		
Options	**322,095**	1,228
Weighted average number of shares, diluted	**106,306,544**	101,880,887
Basic earnings per share	**$ 0.04**	$ 0.00
Diluted earnings per share	**$ 0.04**	$ 0.00
Number of shares excluded from diluted loss per share calculation due to anti-dilutive effect:		
Options	**1,851,428**	1,755,000
Convertible debentures	**2,808,400**	2,808,400

17. FINANCIAL INSTRUMENTS – DISCLOSURES

Fair Values
Following is a table which sets out the fair values of recognized financial instruments using the valuation methods and assumptions described below:

		March 31, 2014		December 31, 2013	
	Input Level	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Other financial liabilities:					
Convertible debentures	Level 1	**$ 7,021**	**$ 6,670**	$ 7,021	$ 5,968

The fair value of cash and cash equivalents, receivables, and payables approximate their carrying amounts due to their short-term nature. The fair value of obligations under finance leases approximate their carrying values as the obligations are entered into at market interest rates. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

The Company does not have any Level 2 or 3 inputs.

Financial Risk Management
As at and during the period ended March 31, 2014, the Company's financial risk exposure and its financial risk management practices were consistent with those disclose and applied in Note 22 to the Company's consolidated financial statements for the year ended December 31, 2013.

(Unaudited, tabular amounts expressed in thousands of Canadian dollars except for per share amounts)

18. SUPPLEMENTAL CASH FLOW INFORMATION

Three months ended March 31	**2014**	2013
Net changes in non-cash working capital		
Operating activities		
Receivables	**$ (289)**	$ (398)
Payables and accruals	**(1,774)**	1,247
Gold inventory	**1,053**	(2,136)
Supplies and other	**(3)**	91
	$ (1,013)	$ (1,196)
Investing activities		
Receivables	**$ (119)**	$ (100)
Payables and accruals	**(444)**	312
Supplies and other	**(1)**	23
	$ (564)	$ 235