



**WESDOME AND MOSS LAKE ANNOUNCE AGREEMENT FOR PROPOSED
ACQUISITION BY WESDOME OF REMAINING 42.4% OF MOSS LAKE**

FOR IMMEDIATE RELEASE

Toronto, Ontario – January 24, 2014 – Wesdome Gold Mines Ltd. (“**Wesdome**”) (TSX:WDO) and Moss Lake Gold Mines Ltd. (“**Moss Lake**”) (TSXV:MOK) are pleased to announce that they have entered into a business combination agreement (the “**Agreement**”), pursuant to which Wesdome will acquire (the “**Transaction**”) all of the issued and outstanding common shares of Moss Lake (the “**Moss Lake Shares**”) that it does not already own. Wesdome currently owns 26,708,586 Moss Lake Shares, representing approximately 57.6% of the issued and outstanding Moss Lake Shares. The Transaction is subject to minority shareholder approval and to the other conditions set out below.

Pursuant to the terms of the Agreement, Moss Lake shareholders (the “**Moss Lake Shareholders**”) (other than Wesdome) will receive one common share of Wesdome (a “**Wesdome Share**”) for every 3.85 Moss Lake Shares held (the “**Exchange Ratio**”).

The Transaction will be completed by way of a three-cornered amalgamation with a new subsidiary of Wesdome. Following completion of the Transaction, it is expected that Moss Lake will be a private company wholly-owned by Wesdome.

Based on the currently issued and outstanding Moss Lake Shares as of the date of this announcement, there will be approximately 5,279,505 Wesdome Shares issued to Moss Lake Shareholders as consideration for the Moss Lake Shares not already owned by Wesdome, representing approximately 5% of Wesdome’s currently issued and outstanding shares on a non-diluted basis. Following completion of the Transaction, former Moss Lake Shareholders (other than Wesdome) will own approximately 4.75% of the issued and outstanding Wesdome Shares on a non-diluted basis, based on their current shareholdings in Moss Lake. Pursuant to the Agreement, it is also expected that all outstanding stock options of Moss Lake will be converted into options to acquire Wesdome Shares, with the number of Wesdome options and the exercise price thereof being calculated based on the Exchange Ratio.

The board of directors of Moss Lake (the “**Moss Lake Board**”) formed a committee of independent directors (the “**Moss Lake Independent Committee**”) to consider the Transaction. Based on the recommendation of the Moss Lake Independent Committee, directors at a meeting of the Moss Lake Board unanimously recommended that Moss Lake Shareholders vote in favour of the Transaction.

Directors and officers of Moss Lake have entered into voting support agreements with Wesdome pursuant to which each such party has agreed to vote in favour of the Transaction. Such locked-up Moss Lake Shares represent approximately 9% of the issued and outstanding Moss Lake Shares on a non-diluted basis.

Directors at a meeting of the Wesdome board unanimously approved the Transaction.

Strategic Rationale

The purpose of the Transaction is to consolidate important gold assets under one corporate roof for clarity and cost effectiveness moving forward.

“The Transaction brings a significant low-grade open pit resource to Wesdome” commented Rowland Uloth, Chief Executive Officer of Wesdome. “While Wesdome controlled the deposit through its ownership of Moss Lake equity, the Transaction brings 100% of the deposit into the Wesdome resource statement, reduces overall overhead, provides immediate liquidity for Moss Lake Shareholders and significantly reduces the investment confusion surrounding the way to participate in future exploration at Moss Lake. We welcome the Moss Lake Shareholders to the Wesdome family and look forward to participating with them in the future exploration and development at Moss Lake.”

“The conversion of Moss Lake into a wholly-owned subsidiary of Wesdome is an excellent opportunity for our shareholders to get exposure to an operating mine and participate in a cash-flowing company”, commented John Hilland an independent director of Moss Lake. “The current financial markets have made it difficult to continue with our exploration efforts as an independent company. We believe that the Moss Lake deposit is a significant resource that could easily become a mine in the right investment environment. The amalgamation with Wesdome ensures that our shareholders will continue to have exposure to this excellent property while also participating in an active producer with 25 years of continued production in a stable political area.”

Other Aspects of the Transaction

Financial Advisors

Pollitt & Co. acted as financial advisor to Wesdome and Jennings Capital Inc. acted as financial advisor to Moss Lake in respect of the Transaction and provided the Moss Lake Independent Committee and Moss Lake Board with its opinion that, as of the date of the Agreement and subject to review of final documentation, the consideration to be received by the holders of Moss Lake Shares under the Transaction is fair, from a financial point of view, to such holders. A copy of the fairness opinion will be included in the information circular to be sent to Moss Lake Shareholders for the special meeting to be called to consider the Transaction.

MI 61-101

Wesdome currently owns approximately 57.6% of the issued and outstanding Moss Lake Shares. As such, Wesdome is considered a “related party” of Moss Lake in respect of the Transaction and the Transaction is considered to be a “business combination” for Moss Lake pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and the policies of the TSX Venture Exchange (the “**TSXV**”). Moss Lake has determined that there is an exemption available from the formal valuation requirements of MI 61-101 applicable to business combinations because no securities of Moss Lake are listed or quoted for trading on a senior stock exchange.

Conditions to Closing

Completion of the Transaction is subject to a number of conditions, including: (i) a favourable vote of at least (A) 66²/₃% of the Moss Lake Shareholders; and (B) a simple majority of the votes cast by minority Moss Lake Shareholders, voted at a special meeting of shareholders (the “**Moss Lake Meeting**”) expected to be held on April 8, 2014; (ii) satisfactory completion of due diligence by Wesdome and Moss Lake; and (iii) other standard closing conditions.

Terms and Conditions of the Transaction

The terms and conditions of the Agreement will be disclosed in more detail in Moss Lake's management information circular, which is expected to be filed and mailed to Moss Lake Shareholders in March 2014.

Details regarding these and other terms of the Transaction are set out in the Agreement, which will be available on SEDAR at www.sedar.com.

About Wesdome

Wesdome is in its 26th year of continuous mining operations in Canada. It currently has two producing gold mines in Wawa, Ontario and owns the Kiena Complex in Val d'Or, Québec. Wesdome currently has approximately 105.8 million Wesdome Shares issued and outstanding which trade on the Toronto Stock Exchange under the symbol "WDO".

About Moss Lake

Moss Lake, currently a 57.6%-owned subsidiary of Wesdome, was created in 1994 to consolidate ownership of the Moss Lake gold deposit. Moss Lake currently has approximately 47 million Moss Lake Shares issued and outstanding which trade on the TSXV under the symbol "MOK".

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Forward Looking Statements

*This press release includes certain statements that constitute “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws (collectively, “**forward-looking statements**”). These statements include statements regarding Wesdome’s or Moss Lake’s intent, or the beliefs or current expectations of Wesdome’s or Moss Lake’s directors and officers. Such statements are typically identified by words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions. Forward-looking statements may relate to Wesdome’s or Moss Lake’s future outlook and anticipated events or results.*

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond Wesdome’s or Moss Lake’s control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: (i) the inability of Moss Lake to obtain approval of the Transaction by the Moss Lake Shareholders at the Moss Lake Meeting; and (ii) the occurrence of any other event, change or circumstance that could give rise to the termination of the Agreement, or the delay of consummation of the Transaction or failure to complete the Transaction for any other reason.

Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, neither Wesdome nor Moss Lake assume any obligation to update, or to publicly announce the results of any change to, any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

Neither the TSX, TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.