WESDOME

PRESS RELEASE

2011 ANNUAL AND FOURTH QUARTER RESULTS

Toronto, Ontario – March 15, 2012 – Wesdome Gold Mines Ltd (WDO: TSX) ("Wesdome" or the "Company") reports its financial and operating results from its Canadian operations for the year ended December 31, 2011. This information should be read in conjunction with the Company's annual financial statements, notes to the financial statements and Management's Discussion and Analysis. All figures are in Canadian dollars unless otherwise specified.

The Company owns the Eagle River and Mishi gold mining operations in Wawa, Ontario and the Kiena mining complex in Val d'Or, Quebec. The Eagle River mine commenced commercial production on January 1, 1996, and the Kiena mine on August 1, 2006.

HIGHLIGHTS

- **New Mishi Mine developed**
- **Earnings of $0.2 million or $0.00 per share**
- **Revenues of $79.6 million**
- **Cash flow from operations* of $10.5 million or $0.10 per share**
  *** prior to working capital adjustments**
- **Cash and bullion at market at year-end of $19.1 million**
- **Reserves increase 10% net of depletion**
- **Bullion inventory of 8,652 ounces at year end**

Donovan Pollitt, CEO comments "In 2011, we had some unforeseen events that disrupted a tight mining-development sequence at Kiena, resulting in weaker than expected performances in the second and third quarters. These issues have been addressed as demonstrated by a marked improvement in fourth quarter results. Despite these challenges, a committed investment in development and drilling has increased our reserves to record levels, built a third mine (Mishi) and put us in an advantageous position moving forwards."

OVERALL PERFORMANCE

At December 31, 2011, the Company had $7.2 million in working capital and 8,652 ounces of refined gold bullion in inventory. In 2011 revenue exceeded mining and processing costs by $14.6 million and $19.3 million in capital costs were incurred. Cash flow from operations totalled $4.9 million and net earnings were $0.2 million, or $0.00 per share.

Both mining operations are producing from lower grade areas and are pushing development of higher grade new production areas, which will progressively come onstream starting in 2012. In addition, a third mine, Mishi, is in the pre-production development phase.

More ounces of gold were sold than produced. Favourable gold prices have allowed us to secure development for future years, develop a new mine and invest in drilling to replace and increase reserves – all at reasonable costs during a transitional period of lower grade production and elevated investment.

External factors which favoured results include low interest rates and rising gold prices. We hope this continues. Also, energy prices stabilized and commodity-based input costs and consumables have stabilized or decreased.

Negative external conditions were dominated by extreme competition for the skilled and professional labour pool which is of insufficient size to support the booming resource development cycle. In this environment we are finding it more challenging to attain the rate of development advance we are accustomed to and believe, industry-wide, that costs will inflate further and that many projects likely will be delayed. On a more positive note, the tightening of risk capital and credit markets since the summer indicates that some of these competing projects may not get financed.

In light of these pressures, and very strict control of costs, operating costs increased only 3% to $65.0 million for the year ended December 31, 2011, compared to $63.3 million last year. Fortunately, realized gold prices increased 20%, or $254 Cdn per ounce, over this corresponding period.

RESULTS OF OPERATIONS

	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2011	2010	**2011**	2010
Eagle River Mine				
Tonnes milled	**48,639**	39,281	**182,449**	155,554
Recovered grade (g/t)	**5.2**	7.9	**4.8**	7.3
Production (oz)	**8,104**	10,004	**28,231**	36,712
Sales (oz)	**5,000**	10,000	**29,000**	40,000
Bullion inventory (oz)	**8,024**	8,793	**8,024**	8,793
Bullion revenue ($000)	**8,598**	14,013	**44,613**	50,690
Mining and processing costs ($000)	**5,604**	11,222	**29,448**	35,163
Mine operating profit ($000) *	**2,994**	2,791	**15,165**	15,527
Gold price realized ($Cdn/oz)	**1,717**	1,399	**1,536**	1,266
Kiena Mine Complex				
Tonnes milled	**56,414**	84,751	**255,311**	285,527
Recovered grade (g/t)	**2.5**	4.2	**2.4**	3.5
Production (oz)	**4,618**	11,508	**19,516**	32,162
Sales (oz)	**5,000**	9,000	**23,000**	30,000
Bullion inventory (oz)	**628**	4,113	**628**	4,113
Bullion revenue ($000)	**8,608**	12,621	**35,030**	38,693
Mining and processing costs ($000)	**8,676**	6,276	**35,568**	28,134
Mine operating profit (loss) ($000) *	**(68)**	6,345	**(538)**	10,559
Gold price realized ($Cdn/oz)	**1,717**	1,398	**1,519**	1,286
Total				
Production (oz)	**12,722**	21,512	**47,747**	68,874
Sales (oz)	**10,000**	19,000	**52,000**	70,000
Bullion inventory (oz)	**8,652**	12,906	**8,652**	12,906
Bullion revenue ($000)	**17,206**	26,634	**79,643**	89,383
Mining and processing costs ($000)	**14,280**	17,498	**65,016**	63,297
Mine operating profit ($000) *	**2,926**	9,136	**14,627**	26,086
Gold price realized ($Cdn/oz)	**1,717**	1,398	**1,529**	1,275

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

Mine operating profit excludes the following specific items included as operating expenses on the Consolidated Statements of Income: Depletion, Production royalties, Corporate and general, Share based compensation and Amortization of capital assets.

Bullion sales exceeded mining and processing costs resulting in a mine operating profit, or gross margin, of $14.6 million. In addition to these direct operating costs, additional cash costs, including royalty payments, corporate and general costs and interest costs totalled $6.3 million. We pride ourselves in running a tight ship with low corporate and general costs. The regulated implementation of IFRS accounting standards increased these costs significantly in 2010 and 2011. This is now behind us.

At the Eagle River Mine a large volume of low grade ore from development headings, salvage stopes in the old mine areas and surface stockpiles was processed. Combined with greater than expected dilution in main production stopes, the results represented the lowest grades of annual production to date. The Eagle River Mine produced 28,231 ounces of gold from 182,449 tonnes milled at a recovered grade of 4.8 gAu/tonne. We have made considerable progress in developing deeper levels of the high grade 811 Zone and as previously disclosed, expect to see significant improvements in grade and production starting in 2012 and moving forward.

At the Kiena Mine, production suffered from severe dilution and lost ore caused by caving in two salvage stopes during the first and second quarters. The mine schedule had been relying on these stopes in the transitional period while larger future production areas were being prepared. These unfavourable circumstances were further exacerbated by delayed development of the new production areas due to tight labour markets, lack of advance and financial stress on a key contractor. We have largely addressed these issues and are rapidly catching up on development. This catching up will extend through the first quarter, 2012 with production from higher grade areas scheduled for the second half of 2012. In 2011, the Kiena Mine produced 19,516 ounces of gold from 255,311 tonnes milled at an average recovered grade of 2.4 gAu/tonne.

At the Mishi Mine work commenced in August, 2011, and involves an 8-month pre-production period. This will be an open pit mining operation located just 2 kilometres west of the Eagle River Mill. We are proceeding with an initial 5-year mine plan. At year end 2011, approximately 21,000 tonnes of ore were stockpiled at the mill and scheduled for processing commencing in January, 2012.

In summary, 2011 was a disappointing year in terms of production. However, a committed investment in development and drilling has increased our reserves, built a third mine (Mishi) and put us in an advantageous position moving forwards. We expect a return to life-of-mine type grades over time at Eagle River, hope to get ahead on development at Kiena and look forward to the contribution of new production from Mishi.

FOURTH QUARTER

In the fourth quarter, 2011, Wesdome's production totalled 12,722 ounces of gold of which 10,000 ounces were sold at an average price of $1,717 per ounce. This performance showed improvement of 23% and 22% compared to production levels in the third and second quarters respectively.

At Eagle River production increased 18% and grade increased 13% compared to the third quarter, 2011 results. The Eagle River Mine produced 8,104 ounces of gold from 48,639 tonnes of ore milled at an average recovered grade of 5.2 gAu/tonne. Both grade and throughput were up.

At Kiena, production increased 33% and grade increased 32% compared to the third quarter, 2011 results. The Kiena Mine produced 4,618 ounces of gold from 56,414 tonnes of ore milled at an average recovered grade of 2.5 gAu/tonne. Work focused on development of new stopes. Once development catches up a steady production rhythm will result in higher levels of production. We expect this development catch up to continue in the first quarter, 2012 and scheduled production grades to pick up in the second half of 2012.

The new Mishi operation stockpiled 21,000 tonnes of development ore at the mill. The fourth quarter results of operations showed a marked improvement over disappointing second and third quarters. After an extended development cycle, our new generation of production areas and a new mine (Mishi) are coming onstream.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2011, the Company had working capital of $7.2 million compared to $28.8 million at December 31, 2010. The Company invested $19.1 million in exploration and development, $0.1 million on exploration properties, and $0.1 on capital equipment for a total of $19.3 million, compared to $19.4 million on exploration and development, $0.7 million on exploration properties, and $2.2 million on capital equipment for a total of $22.3 million in 2010.

The Company traditionally maintains an inventory of refined gold bullion. At December 31, 2011, the Company held 8,652 ounces of gold at a market value of $13.9 million. This practice increases the Company's leverage to gold prices and has proved rewarding during the bull market.

During the second quarter, long term debt, consisting of convertible 7% debentures due May 31, 2012, in the amount of $10.6 million, became a current liability. The Company believes the debentures will either be repaid or refinanced at a favourable rate of interest. The Company is confident it has sufficient flexibility to fund these obligations given the current strong gold market and recent improvements in production.

The Company believes it has sufficient capital resources to cover its obligations, capital and operating costs going forward. On April 29, 2011, the Company paid a dividend of $0.02 per share.

OUTLOOK

In 2012 we expect higher output levels from each mine and a full year's contribution from the Mishi Mine. Overall production should exceed 60,000 ounces in 2012. We expect the Eagle River Mine to produce about 28,000 ounces from 160,000 tonnes at a recovered grade of 5.4 gAu/tonne, the Kiena Mine to produce about 23,000 ounces from 300,000 tonnes at a recovered grade of 2.4 gAu/tonne and the Mishi Mine to produce about 9,000 ounces from 150,000 tonnes at a recovered grade of 1.9 gAu/tonne. We believe these estimates are conservative with upside potential as progressive improvements in grade are realized.

We expect a slow first quarter at the Kiena Mine as we catch up on development and forecast stronger grades in the second half of the year when the upper portions of the 388 Zone come onstream. This low-grade, high cost operation is extremely leveraged to the gold price.

We are confident in Eagle River's potential to exceed forecasts. The Mishi Mine is just starting and requires a track record to be established to more confidently forecast production levels. Over Mishi's 5-year mine plan, each year will improve in sequence as the stripping ratio declines.

Nonetheless, our conservative forecast of 60,000 ounces in 2012 would represent a 25% improvement over 2011 production. We remain very optimistic regarding the gold market and continue to believe our assets demonstrate exceptional leverage to gold prices and the capacity to grow production over the short to medium term.

ABOUT WESDOME

Wesdome is celebrating its 25th year of continuous mining operations in Canada. It currently has three producing gold mines with wholly-owned mining and milling complexes located in Wawa, Ontario and Val d'Or, Québec. The Company has 101.9 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.

Wesdome Gold Mines Ltd.
Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars)

	December 31 2011	December 31 2010	January 1 2010
Assets			
Current			
Cash and cash equivalents	**$ 5,215**	$ 22,806	$ 23,702
Receivables	**7,337**	7,442	4,022
Inventory	**15,271**	14,077	14,638
Marketable securities	**-**	-	211
	27,823	44,325	42,573
Restricted funds	**2,385**	2,420	2,588
Deferred income taxes	**615**	1,780	3,356
Capital assets	**-**	-	9
Mining properties and equipment	**90,114**	77,687	65,115
Exploration properties	**30,886**	30,762	30,018
	$ 151,823	$ 156,974	$ 143,659
Liabilities			
Current			
Payables and accruals	**$ 8,944**	$ 12,938	$ 7,322
Mining taxes	**-**	1,317	-
Current portion of obligations under finance leases	**913**	1,262	1,240
Convertible 7% debentures	**10,726**	-	-
	20,583	15,517	8,562
Income taxes payable	**22**	58	82
Obligations under finance leases	**818**	1,735	1,108
Convertible 7% debentures	**-**	10,072	9,483
Provisions	**1,593**	1,574	1,517
	23,016	28,956	20,752
Equity			
Equity attributable to owners of the Company			
Capital stock	**122,685**	120,496	118,846
Contributed surplus	**1,960**	1,867	2,008
Accumulated other comprehensive loss	**-**	-	(222)
Equity component of convertible debentures	**1,970**	1,970	1,970
Retained earnings (accumulated deficit)	**1,585**	2,945	(552)
	128,200	127,278	122,050
Non-controlling interest	**607**	740	857
Total equity	**128,807**	128,018	122,907
	$ 151,823	$ 156,974	$ 143,659

Wesdome Gold Mines Ltd.

Consolidated Statements of Income and Comprehensive Income

(Expressed in thousands of Canadian dollars)

Years ended December 31		2011		2010
Revenue				
Gold and silver bullion	$	79,643	$	89,383
Operating expenses				
Mining and processing		65,016		63,296
Depletion of mining properties		6,540		11,120
Production royalties		822		917
Corporate and general		2,604		2,489
Share based compensation		935		516
Depreciation of capital assets		-		9
		75,917		78,347
Income from operations		3,726		11,036
Interest and other income		549		239
Interest on long term debt		(1,575)		(1,598)
Other interest		(1,301)		-
Loss on sale of marketable securities		-		(362)
Accretion of decommissioning liability		(66)		(59)
Income before income tax		1,333		9,256
Income tax expense (recovery)				
Current		(72)		1,293
Deferred		1,165		2,692
		1,093		3,985
Net income		240		5,271
Total comprehensive income	$	240	$	5,271
Net income (loss) attributable to:				
Non-controlling interest	$	(208)	$	(112)
Owners of the Company		448		5,383
	$	240	$	5,271
Total comprehensive income (loss) attributable to:				
Non-controlling interest	$	(208)	$	(112)
Owners of the Company		448		5,383
	$	240	$	5,271
Earnings and comprehensive earnings per share				
Basic	$	0.00	$	0.05
Diluted	$	0.00	$	0.05

Wesdome Gold Mines Ltd.
Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

Years ended December 31	2011	2010
Operating activities		
Net income (loss)	$ 240	$ 5,271
Depletion of mining properties	6,540	11,020
Accretion of discount on convertible debentures	654	589
Gain on sale of equipment	(19)	-
Share based compensation	935	516
Depreciation of capital assets	-	9
Deferred income taxes	1,165	2,692
Loss on sale of marketable securities	-	362
Interest paid	920	1,009
Accretion of decommissioning liability	66	59
	10,501	21,527
Net changes in non-cash working capital	(5,532)	3,387
	4,969	24,914
Financing activities		
Exercise of options	1,600	1,232
Shares issued by a subsidiary of the Company to third parties	160	-
Funds paid to repurchase common shares under NCIB	(118)	(78)
Share issuance costs	-	(40)
Repayment of obligations under finance leases	(1,266)	(1,589)
Interest paid	(920)	(1,009)
Dividends paid	(2,028)	(2,013)
	(2,572)	(3,497)
Investing activities		
Additions to mining and exploration properties	(19,280)	(23,449)
Proceeds on sale of equipment	161	234
Proceeds on sale of marketable securites	-	71
Funds held against standby letters of credit	35	168
	(19,084)	(22,976)
Net changes in non-cash working capital	(904)	663
	(19,988)	(22,313)
Decrease in cash and cash equivalents	(17,591)	(896)
Cash and cash equivalents, beginning of year	22,806	23,702
Cash and cash equivalents, end of year	$ 5,215	$ 22,806