WESDOME

PRESS RELEASE

2012 ANNUAL AND FOURTH QUARTER RESULTS

Toronto, Ontario – March 15, 2013 – Wesdome Gold Mines Ltd (TSX: WDO) ("Wesdome" or the "Company") reports its financial and operating results from its Canadian operations for the year ended December 31, 2012. 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, the Kiena mine on August 1, 2006 and the Mishi Mine on January 1, 2012.

HIGHLIGHTS

- **New Mishi Mine in production**
- **Revenues of $92.3 million**
- **Cash flow from operations* of $12.1 million or $0.12 per share**
  *** prior to working capital adjustments**
- **Pre-tax earnings of $2.1 million prior to one-time non-cash charge**
- **Cash and bullion at market at year-end of $14.9 million**
- **Bullion inventory of 8,965 ounces at year end**

Donovan Pollitt, CEO comments "2012 was a year of contrasting successes and challenges. Our new Mishi Mine came onstream on time and budget, yet we faced milling availability constraints. Grades and production from Eagle River increased, yet operations at Kiena showed declines in grade. Restructuring the operations at Kiena showed tangible cost savings, yet margins continued to contract. We have made some tough decisions to move forward in a focused stepwise fashion which preserves the Company's financial position while investing for increased profitability and production growth."

OVERALL PERFORMANCE

At December 31, 2012, the Company had $13.9 million in working capital, which includes 8,965 ounces of gold bullion in inventory. In 2012, revenue exceeded mining and processing costs by $15.8 million, $11.2 million in capital costs were incurred and $4.1 million of debt was retired. Cash flow from operations totalled $12.1 million and the net loss was $45.3 million. The net loss is entirely attributable to non-cash impairment charges – a $60.9 million write-down to the carrying value of the Kiena Mine Complex – and another non-cash write-down of $1.0 million for an exploration property option which was allowed to lapse in Q2 of 2012. Without these one-time events, pre-tax earnings would be $2.1 million.

In 2012, production increased 17% to 55,813 ounces of gold and gold sales increased 7% to 55,500 ounces compared to 2011. Mining and processing costs increased 17% to average $1,385 per ounce for the year on production basis, and at year end the Company had a bullion inventory of 8,965 ounces of gold.

On March 7, 2013, the Company announced the suspension of operations at the Kiena Mine Complex. This will preserve and improve the Company's financial position, allowing capital allocation to projects with the best shorter term returns to shareholders. Kiena remains a good long-term investment but our mining development sequence got tight to maintain an economic scale production rhythm at the current grades.

Favourable external factors which influence results are continued low interest rates, currency debasement and general distrust in financial institutions and economic policy. Negative external conditions included a stronger Canadian dollar and a continued shortage of experienced mine operators, professional staff, and technical services which has proven inflationary in our industry in general. We believe these demands will ease as risk capital has dried up and regional competing capital projects run their courses or cease being funded.

In general, the mining industry has been stretched due to unprecedented activity. We see contractor and materials availability starting to ease. Large international capital projects have been suspended and tight risk capital markets have inhibited competing exploration and development projects from junior companies.

The market's confidence in the gold mining industry is currently very fragile following a string of high-profile cost overruns, foreign mining policy misadventures, and executive ousters. Demand for gold remains strong, prices remain strong and the underlying fundamentals to support continued strength have never been more favourable.

RESULTS OF OPERATIONS

	Three Months Ended Dec31		**Twelve Months Ended Dec 31**	
	2012	2011	**2012**	2011
EAGLE RIVER COMPLEX				
Eagle River Mine				
Tonnes milled	**36,940**	48,639	**155,020**	182,449
Recovered grade (g/t)	**7.0**	5.2	**6.5**	4.8
Production (oz)	**8,314**	8,104	**32,223**	28,231
Mishi Mine *(commercial production commenced January 1, 2012)*				
Tonnes milled	**11,919**	-	**64,915**	-
Recovered grade (g/t)	**1.5**	-	**2.3**	-
Production (oz)	**562**	-	**4,776**	-
Surface stockpile (tonnes)	**37,301**	-	**37,301**	-
Total Eagle River Complex				
Production (oz)	**8,876**	8,104	**36,999**	28,231
Sales (oz)	**7,500**	5,000	**36,400**	29,000
Bullion revenue ($000) †	**12,709**	8,598	**60,545**	44,613
Mining and processing costs ($000)	**11,460**	5,604	**44,759**	29,448
Mine operating profit ($000) *	**1,249**	2,994	**15,786**	15,165
Gold price realized ($Cdn/oz)	**1,695**	1,717	**1,661**	1,536
KIENA MINE COMPLEX				
Tonnes milled	**70,279**	56,414	**265,872**	255,311
Recovered grade (g/t)	**2.2**	2.5	**2.2**	2.4
Production (oz)	**4,869**	4,618	**18,814**	19,516
Sales (oz)	**5,000**	5,000	**19,100**	23,000
Bullion revenue ($000) †	**8,498**	8,608	**31,763**	35,030
Mining and processing costs ($000)	**6,970**	8,676	**31,780**	35,568
Mine operating profit (loss) ($000) *	**1,528**	(68)	**(17)**	(538)
Gold price realized ($Cdn/oz)	**1,700**	1,717	**1,658**	1,519

TOTAL MINE OPERATIONS

Production (oz)	**13,745**	12,722	**55,813**	47,747
Sales (oz)	**12,500**	10,000	**55,500**	52,000
Bullion inventory (oz)	**8,965**	8,652	**8,965**	8,652
Bullion revenue ($000) †	**21,207**	17,206	**92,308**	79,643
Mining and processing costs ($000)	**18,430**	14,280	**76,539**	65,016
Mine operating profit ($000) *	**2,777**	2,926	**15,769**	14,627
Gold price realized ($Cdn/oz)	**1,697**	1,717	**1,660**	1,529

† Bullion revenue includes minor by product silver sales

* 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.

In 2012, bullion sales exceeded mining and processing costs resulting in a mine operating profit, or gross margin, of $15.8 million. In addition to these direct operating costs, additional cash costs, including royalty payments, corporate and general costs and interest payments amounted to $4.8 million.

At the Eagle River Mine, grades steadily improved as we worked our way through a heavily diluted sequence of stopes and development ore. In 2012, recovered grades were 35% higher than in 2011 and forward development in the 811 Zone reflects the start of a higher grade mining sequence expected to last through 2015.

The new Mishi Mine commenced commercial production on January 1, 2012. In 2012, we mined 102,216 tonnes of ore and 1,213,664 tonnes of waste for a stripping ratio of 11.9:1. With the incorporation of a 200 metre long east pit extension into the mine plan, the current life-of-mine stripping ratio decreases to 2.7:1. In 2012, mill availability was less than expected. Over the year we averaged 625 tonnes per day and we were planning for 900 tonnes per day. Considerable efforts have been made to debottleneck processes, update equipment and human resources and improve reliability and throughput. This work is ongoing and represents our easiest route to increasing production growth over the short term. Mishi reserves and resources justify a longer term view. We have commenced studies to select a new tailings management facility, with a view towards increasing our milling capacity.

We have substantially worked our way through the high strip early stages of the Mishi Mine, stockpiled over 37,000 tonnes of ore at the mill and increased our reserve life to 10 years at current rates. The fact that the first year’s production returned better grades than estimated gives us great optimism in the potential of this asset to drive a longer term vision and support key infrastructure investments.

The Kiena Mine in Val d’Or continued to operate on very thin margins. The last two years have been marginal in both grade and production. Mining viability, reserve and resource estimates are acutely leveraged and reliant on external factors, particularly the gold price. Despite this, we keep identifying new zones with limited drilling enforcing the view of this property’s outstanding exploration potential. On March 7, 2013, the Company opted to suspend mining at Kiena by June 30, 2013. Salvage mining of developed reserve blocks will continue, after which the infrastructure will be placed on care and maintenance status. The decision was made in context of optimizing returns of capital allocated amongst all our operating mines and projects. Management does not favour equity financing options under current fragile market conditions to fund further exploration and development work at this point at Kiena.

In summary, 2012 demonstrated a good bounce back from a challenging 2011 and provided us the confidence that this production growth can continue.

FOURTH QUARTER

During the fourth quarter, 2012, combined operations produced 13,745 ounces of gold and 12,500 ounces were sold at an average realized price of $1,697 per ounce. This represents an 8% increase in production and a 25% increase in ounces sold compared to the fourth quarter of 2011, while realized gold prices were similar.

At Eagle River, recovered grades improved 35% to 7.0 gAu/tonne, yet mill throughput declined 24% to 36,940 tonnes. Mill throughput was challenged by an unprecedented series of mechanical failures that were very frustrating and costly. These events likewise affected Mishi throughput and recovered grades during the quarter. As previously mentioned, we are investing in equipment, infrastructure and human resources to increase the mill's efficiency, capacity and reliability.

Kiena posted a steady, uneventful quarter of production with sales of 5,000 ounces of gold (same as in 2011) and contributed $1.53 million of the fourth quarter's $2.78 million mine operating profits.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2012, the Company had working capital of $13.9 million compared to $7.2 million at December 31, 2011. During fiscal 2012, capital expenditures totalled $11.2 million compared to $19.3 million in 2011. Capital expenditures were concentrated in minesite development, mine and mill infrastructure.

On May 24, 2012, the Company completed a $7,021,000 placement of unsubordinated convertible debentures. The term is 5-years bearing interest at 7% per annum payable semi-annually and convertible into common shares at $2.50 per common share. The net proceeds of $6,821,000, along with cash at hand, were used to redeem existing convertible debentures in the amount of $10,931,000 that matured on May 31, 2012. This resulted in the Company paying down $4.1 million in debt.

The result of this financing is that interest costs moving forward will decline and working capital improved by moving the liability component to long term liabilities from short term liabilities.

The Company traditionally maintains an inventory of refined gold bullion. At December 31, 2012, this liquid asset consisted of 8,965 ounces of gold with a market value of $14.9 million. The bullion inventory is carried at the lower of cost or market, in this case at a cost of $13.3 million.

Additionally, the Mishi ore stockpile at the mill, which totals 37,301 tonnes, is carried in inventory at a cost of $3.2 million, or $85 per tonne.

Management believes we have sufficient liquidity to carry out our mining, development and exploration programs and prefers not to dilute shareholders' interest with equity issues. The Kiena mining suspension will help preserve our financial position and improve return on capital.

With current gold prices, operations are capable of generating cash flow as they have in the past.

OUTLOOK

Management believes the suspension and salvage operations at Kiena will enhance the Company's cash flow generating capacity.

Currently forecast production for 2013 is 55,000 ounces. We continue to expect the Eagle River Mine to produce about 41,000 ounces and the Mishi Mine about 9,000 ounces. We believe Kiena will contribute about 5,000 ounces by the time mining activities are suspended in June, 2013.

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. 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	**2012**	2011
Assets		
Current		
Cash and cash equivalents	**$ 4,633**	$ 5,215
Restricted funds – short term	**200**	-
Receivables	**4,298**	7,337
Inventory	**19,633**	15,271
	28,764	27,823
Restricted funds	**2,381**	2,385
Deferred income taxes	**14,870**	615
Mining properties, plant and equipment	**32,681**	90,114
Exploration properties	**30,154**	30,886
	$ 108,850	$ 151,823
Liabilities		
Current		
Payables and accruals	**$ 13,996**	$ 8,944
Current portion of obligations under finance leases	**898**	913
Convertible 7% debentures	**-**	10,726
	14,894	20,583
Income taxes payable	**22**	22
Obligations under finance leases	**641**	818
Convertible 7% debentures	**5,760**	-
Provisions	**2,545**	1,593
	23,862	23,016
Equity		
Equity attributable to owners of the Company		
Capital stock	**122,651**	122,685
Contributed surplus	**2,059**	1,960
Equity component of convertible debentures	**870**	1,970
(Deficit) retained earnings	**(41,009)**	1,585
	84,571	128,200
Non-controlling interest	**417**	607
Total equity	**84,988**	128,807
	$ 108,850	$ 151,823

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

(Expressed in thousands of Canadian dollars)

	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2012	2011	**2012**	2011
Revenue				
Gold and silver bullion	**$ 21,207**	$ 17,206	**$ 92,308**	$ 79,643
Operating expenses				
Mining and processing	**18,430**	14,280	**76,539**	65,016
Depletion of mining properties	**1,570**	1,550	**8,340**	6,540
Production royalties	**252**	230	**965**	822
Corporate and general	**920**	520	**2,703**	2,604
Share based compensation	**90**	132	**601**	935
Impairment charges	**60,948**	-	**61,898**	-
	82,210	16,712	**151,046**	75,917
(Loss) income from operations	**(61,003)**	494	**(58,738)**	3,726
Interest and other income	**10**	293	**70**	549
Interest on long term debt	**(206)**	(384)	**(1,081)**	(1,575)
Other interest	**(8)**	(111)	**(26)**	(1,301)
Accretion of decommissioning liability	**(14)**	(18)	**(54)**	(66)
(Loss) income before income tax	**(61,221)**	274	**(59,829)**	1,333
Income tax expense (recovery)				
Current	**2**	(475)	**13**	(72)
Deferred	**(14,759)**	253	**(14,589)**	1,165
	(14,757)	(222)	**(14,576)**	1,093
Net (loss) income	**(46,464)**	496	**(45,253)**	240
Total comprehensive (loss) income	**$ (46,464)**	$ 496	**$ (45,253)**	$ 240
Net (loss) income and total comprehensive (loss) income attributable to:				
Non-controlling interest	**$ (41)**	$ (34)	**$ (195)**	$ (208)
Owners of the Company	**(46,423)**	530	**(45,058)**	448
	$ (46,464)	$ 496	**$ (45,253)**	$ 240
Earnings and comprehensive earnings per share				
Basic	**$ (0.46)**	$ 0.00	**$ (0.44)**	$ 0.00
Diluted	**$ (0.46)**	$ 0.00	**$ (0.44)**	$ 0.00

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

	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2012	2011	**2012**	2011
Operating activities				
Net (loss) income	**$ (46,464)**	$ 496	**$ (45,253)**	$ 240
Depletion of mining properties	**1,570**	1,431	**8,340**	6,540
Accretion of discount on convertible debentures	**58**	159	**348**	654
Impairment charges	**60,948**	-	**61,898**	-
Loss (gain) on sale of equipment	**-**	3	**23**	(19)
Share-based compensation	**90**	132	**601**	935
Deferred income taxes	**(14,759)**	253	**(14,589)**	1,165
Interest expensed	**148**	(965)	**733**	920
Accretion of decommissioning liability	**14**	17	**54**	66
	1,605	1,526	**12,155**	10,501
Net changes in non-cash working capital	**2,107**	(1,041)	**2,016**	(5,532)
	3,712	485	**14,171**	4,969
Financing activities				
Exercise of options	**-**	5	**-**	1,600
Shares issued by a subsidiary of the Company to third parties	**-**	-	**-**	160
Funds paid to repurchase common shares under NCIB	**-**	(100)	**(42)**	(118)
Redemptions of convertible debentures	**-**	-	**(10,931)**	-
Issuance of convertible debentures, net of financing	**-**	-	**6,821**	-
Increase in (repayment of) obligations under finance leases	**553**	(262)	**(192)**	(1,266)
Interest paid	**(148)**	965	**(733)**	(920)
Dividends paid	**-**	-	**-**	(2,028)
	405	608	**(5,077)**	(2,572)
Investing activities				
Additions to mining and exploration properties	**(3,669)**	(5,158)	**(11,234)**	(19,280)
Proceeds on sale of equipment	**-**	20	**3**	161
Funds held against standby letters of credit	**(516)**	40	**(196)**	35
	(4,185)	(5,098)	**(11,427)**	(19,084)
Net changes in non-cash working capital	**1,448**	(319)	**1,751**	(904)
	(2,737)	(5,417)	**(9,676)**	(19,988)
Decrease in cash and cash equivalents	**1,380**	(4,324)	**(582)**	(17,591)
Cash and cash equivalents, beginning of period	**3,253**	9,539	**5,215**	22,806
Cash and cash equivalents, end of period	**$ 4,633**	$ 5,215	**$ 4,633**	$ 5,215
Cash and cash equivalents consist of:				
Cash	**$ 3,826**	$ 5,215	**$ 3,826**	$ 5,215
Term deposit (2012: 0.93%)	**807**	-	**807**	-
	$ 4,633	$ 5,215	**$ 4,633**	$ 5,215