



## PRESS RELEASE

### WESDOME EARNS \$32.2 MILLION IN 2009

**Toronto, Ontario – March 19, 2010** – Wesdome Gold Mines Ltd (WDO: TSX) (“Wesdome” or the “Company”) is pleased to report its financial and operating results from its Canadian operations for the year ended December 31, 2009. 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 gold mining operation 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

- **Production totals 96,152 ounces**
- **Earnings rise to \$32.2 million or \$0.32 per share**
- **Revenues rise to \$103.5 million**
- **Cash flow from operations rises to \$41.3 million or \$0.41 per share**
- **Cash flow after capital spending rises to \$22.1 million**
- **Cash and bullion at market at year-end increases to \$39.9 million**
- **Total reserves increase net of depletion**
- **Bullion inventory grows to 14,032 ounces**

Donovan Pollitt, CEO comments “This year’s strong financial results clearly demonstrate the Company’s leverage to higher gold prices, the quality of our gold deposits and the commitment of our miners. We see our strong free cash flow in 2009 giving us flexibility to evaluate potential growth opportunities in 2010.”

#### OVERALL PERFORMANCE

The Company owns and operates the Eagle River gold mining operations in Wawa, Ontario and the Kiena Mine Complex in Val d’Or, Quebec. The Eagle River mine commenced commercial production January 1, 1996 and the Kiena mine August 1, 2006.

At December 31, 2009, the Company had working capital of \$35.2 million. During the year ended December 31, 2009, revenue exceeded operating costs by \$45.3 million and \$14.2 million was invested in exploration and development, \$0.8 million on the acquisition of exploration properties and \$4.2 million in capital equipment. Cash flow from operations totalled \$41.3 million before working capital adjustments and net income was \$32.2 million or \$0.32 per share in 2009.

The improved financial performance was driven by three key factors:

- 1) Increased gold sales (92,700 ounces vs. 86,100 ounces in 2008)
- 2) Increased gold prices realized (\$1,113 per ounce vs. \$931 per ounce in 2008), and
- 3) Stabilization in operating costs (\$58 million vs. \$57.4 million in 2008)

External factors which influenced results were related to general economic conditions (recession) and uncertainty in financial markets. The former served to ease labour, energy and materials costs. The latter served to increase demand for gold as an investment. We believe external factors will continue to support increasing gold prices.

## RESULTS OF OPERATIONS

	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2009	2008	2009	2008
<b><i>Eagle River Mine</i></b>				
Tonnes milled	29,970	32,069	132,004	118,961
Recovered grade (g/t)	13.0	11.0	14.3	13.0
Production (oz)	12,503	11,301	60,754	49,660
Sales (oz)	15,000	11,000	56,300	45,664
Bullion inventory (oz)	12,081	7,627	12,081	7,627
Bullion revenue (thousands)	17,543	11,018	62,649	42,513
Operating costs (thousands)	7,650	8,063	28,273	30,245
Mine operating profit (\$m) *	9,893	2,955	34,376	12,268
Gold price realized (\$Cdn/oz)	1,168	1,001	1,112	933
<b><i>Kiena Mine Complex</i></b>				
Tonnes milled	89,536	49,906	302,034	241,641
Recovered grade (g/t)	3.0	7.3	3.6	5.2
Production (oz)	8,690	11,788	35,398	40,344
Sales (oz)	9,000	10,700	36,400	40,600
Bullion inventory (oz)	1,951	2,953	1,951	2,953
Bullion revenue (thousands)	10,515	10,457	40,621	37,793
Operating costs (thousands)	7,204	4,597	29,746	27,127
Mine operating profit ((\$m) *	3,311	5,860	10,875	10,666
Gold price realized (\$Cdn/oz)	1,166	976	1,114	929
<b><i>Total</i></b>				
Production (oz)	21,193	23,089	96,152	90,004
Sales (oz)	24,000	21,700	92,700	86,100
Bullion inventory (oz)	14,032	10,580	14,032	10,580
Bullion revenue (thousands)	28,058	21,475	103,270	80,306
Operating costs (thousands)	14,854	12,660	58,019	57,372
Mine operating profit (\$m) *	13,204	8,815	45,251	22,934
Gold price realized (\$Cdn/oz)	1,167	990	1,113	931

\* The Company has included in this report certain non-GAAP performance measures, including mine operating profit and operating costs to applicable sales. These measures are not defined under GAAP 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 GAAP as an indicator of our financial performance or liquidity. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow.

In 2009, combined operations produced 96,152 ounces of gold, exceeding initial forecasts of 75,000 ounces by 28%. A total of 92,700 ounces were sold at an average price of \$1,113 per ounce and refined bullion inventory at year end grew to 14,032 ounces (2008: 10,580 ounces).

Gold sales exceeded operating costs resulting in a mine operating profit of \$45.3 million. In addition to these direct costs, other costs including royalty payments, corporate and general costs and interest costs totalled \$4.8 million.

At the Eagle River mine, production continued from the high grade western portion of the mine. Grades continued to exceed expectations here. Drilling traced the 811 zone a further 300 metres (1,000 feet) to depth where it remains open. Proven and probable reserves contained ounces of gold rose 50%, net of depletion. Eagle River produced 60,754 ounces of gold from 132,004 tonnes milled at an average recovered grade of 14.3 gAu/tonne. The Eagle River mine contributed 76% of the mine operating profits this year.

The Kiena mine produced 35,398 ounces of gold from 302,034 tonnes milled at an average recovered grade of 3.6 gAu/tonne. Although mining the lower grade phase of our mining sequence, efforts to gain efficiency by increasing throughput were successful.

Efficiencies and cost controls reduced the overall operating costs per ounce sold to \$626Cdn per ounce from \$666Cdn per ounce in 2008.

On the exploration front, drilling more than replaced reserves at Eagle River and follow-up drilling on our recent Dubuison discovery in Val d'Or generated impressive drill hole intersections, including 26.1 gAu/tonne over 10.3 metres and 16.5 gAu/tonne over 12.3 metres in holes S552 and S551, respectively (Press Release dated September 8, 2009).

A stepwise re-evaluation of our known gold assets, in light of current gold prices, was initiated with the purpose of examining organic growth potential. Work was initiated on the Wesdome property in Val d'Or and the Mishishiki deposit in Wawa.

#### **FOURTH QUARTER**

Earnings in the fourth quarter rose to \$13.2 million or \$0.13 per share. The fourth quarter benefited from the recognition of the recoverability of future income tax of \$4.7 million or \$0.05 per share.

Wesdome's production totalled 21,193 ounces. Sales during the quarter totalled \$28.2 million with 24,000 ounces sold at an average price of \$1,169 per ounce. The cost of sales, or cash cost, was \$619Cdn per ounce.

The Eagle River mine produced 12,503 ounces of gold from 29,970 tonnes milled at an average recovered grade of 13.0 gAu/tonne. Sales totalled 15,000 ounces at an average realized price of \$1,169 per ounce. Cost of sales, or cash cost, averaged \$510Cdn per ounce. Mine operating profit for the quarter was \$9.9 million.

The Kiena mine produced 8,690 ounces from 89,536 tonnes milled at an average recovered grade of 3.0 gAu/tonne. Sales totalled 9,000 ounces at an average realized price of \$1,166 per ounce. Cost of sales, or cash cost, averaged \$829Cdn per ounce. Despite processing low grade material, the Kiena mine generated a mine operating profit, or gross margin, of \$3.3 million.

#### **LIQUIDITY AND CAPITAL RESOURCES**

At December 31, 2009, the Company had working capital of \$35.2 million, an increase of \$22.1 million from year-end 2008. The Company invested \$14.2 million in exploration and development, \$0.8 million on the acquisition of exploration properties and \$4.2 on capital equipment for a total of \$19.2 million, compared to \$14.0 million in exploration and development and \$2.3 million on capital equipment for a total of \$16.3 million in 2008.

At December 31, 2009, the Company held 14,032 ounces of gold inventory carried at a cost of \$12.1 million. The market value at December 31, 2009 was \$16.2 million.

The Company believes it has sufficient capital resources to cover its operating and capital cost requirements in 2010.

Production planned in 2010 should generate operating cash flow, even at gold prices well below those currently being realized.

## OUTLOOK

For 2010 we forecast approximately 70,000 ounces of production with about 38,000 ounces from Eagle River and about 32,000 ounces from Kiena. Although we expect lower grades from Eagle River, mining in the western portion of the mine has, to date, exceeded grade forecasts. As development and mining progress here we are hopeful that we can again upgrade our forecasts periodically during the year.

We will focus on operations and continue the stepwise re-evaluation of our assets for organic growth potential. Chief amongst these are the Mishi deposit, the Dubuisson discovery and the Wesdome project. Acquisition opportunities which fit our regional development strategy will continue to be examined with discipline.

Conditions have never been more favourable for Canadian gold mines, nor have fundamentals ever been so supportive of the gold market. We feel that our leverage to gold prices has been clearly demonstrated over the last two years. Our unhedged production, growing bullion inventory and exploration potential serve to maximize leverage to gold prices.

## ABOUT WESDOME

Wesdome is an established Canadian gold producer with wholly-owned mining and milling complexes located in Wawa, Ontario and Val d'Or, Québec. Wesdome has been producing gold continually for 20 years on an unhedged basis and to date has produced in excess of 1.0 million ounces. The Company has 100.6 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 Balance Sheets

December 31 2009 2008

(in thousands)

### Assets

#### Current

Cash and cash equivalents	\$ 23,702	\$ 8,029
Receivables	4,022	4,205
Inventory	14,624	10,165
Marketable securities	211	44
Future income taxes	1,199	-
	<u>43,758</u>	<u>22,443</u>

Restricted funds	2,588	2,303
Future income taxes	2,245	-
Capital assets	9	10
Mining properties	64,637	61,294
Exploration properties	30,018	28,956
Property held for sale	-	378
	<u>\$ 143,255</u>	<u>\$ 115,384</u>

### Liabilities

#### Current

Payables and accruals	\$ 7,322	\$ 7,865
Current portion of obligations under capital leases	1,240	1,478
	<u>8,562</u>	<u>9,343</u>

Income taxes payable	82	173
Obligations under capital leases	1,108	2,396
Convertible 7% debentures	9,483	9,413
Asset retirement obligation	1,324	1,042
Future income taxes	-	1,292
	<u>20,559</u>	<u>23,659</u>

Minority interest in Moss Lake Gold Mines Ltd.	857	903
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### Shareholders' Equity

Capital stock	114,567	113,872
Contributed surplus	3,770	3,648
Accumulated other comprehensive loss	(222)	(290)
Equity component of convertible debentures	1,970	2,062
Retained earnings (Deficit)	1,754	(28,470)
	<u>121,839</u>	<u>90,822</u>

	<u>\$ 143,255</u>	<u>\$ 115,384</u>
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**Wesdome Gold Mines Ltd.**  
**Consolidated Statements of Income and Comprehensive Income**  
Years Ended December 31

	2009	2008
(in thousands, except per share amounts)		
Revenue		
Gold and silver bullion	\$ 103,270	\$ 80,306
Interest and other	266	655
	<b>103,536</b>	<b>80,961</b>
Costs and expenses		
Operating costs	58,019	57,372
Amortization of mining properties	12,869	10,767
Production royalties	1,073	774
Corporate and general	2,064	1,991
Stock based compensation expense	495	398
Interest on long term debt	1,596	1,542
Other interest	16	19
Amortization of capital assets	1	3
Accretion of asset retirement obligation	71	66
	<b>76,204</b>	<b>72,932</b>
Net income before the following	27,332	8,029
Dilution gain (loss) on Moss Lake Gold Mines Ltd.	9	(140)
Net income before income tax and minority interest	27,341	7,889
Income tax (recovery)		
Current	(91)	173
Future	(4,676)	(1,672)
	<b>(4,767)</b>	<b>(1,499)</b>
Net income before minority interest	32,108	9,388
Minority interest	57	(26)
Net income	32,165	9,362
Other comprehensive income (loss):		
Change in fair value of available-for-sale marketable securities	68	(158)
Comprehensive income	\$ 32,233	\$ 9,204
Net income per common share		
Basic and diluted	\$ 0.32	\$ 0.09

# Wesdome Gold Mines Ltd.

## Consolidated Statements of Cash Flows

Years Ended December 31 2009 2008

(in thousands)

### Operating activities

Net income	\$ 32,165	\$ 9,362
Amortization of mining properties	12,869	10,767
Accretion of discount on convertible debentures	516	463
Gain on sale of Moss Lake shares	-	(14)
Dilution (gain) loss on Moss Lake Gold Mines Ltd.	(9)	140
Minority interest	(57)	26
Stock based compensation expense	495	398
Amortization of capital assets	1	3
Future income taxes	(4,676)	(1,672)
Gain on sale of equipment	(1)	(41)
Gain on property held for sale	(122)	-
Accretion of asset retirement obligation	71	66
	<b>41,252</b>	<b>19,498</b>
Net changes in non-cash working capital	<b>(4,745)</b>	<b>(4,833)</b>
	<b>36,507</b>	<b>14,665</b>

### Financing activities

Exercise of options	984	27
Funds paid to repurchase common shares under NCIB	(38)	(1,435)
Funds paid to repurchase debentures	(477)	(87)
Share issuance costs	(105)	1,668
Dividends paid	(1,995)	-
Shares issued by a subsidiary of the company to third parties	17	(4)
Repayment of obligations under capital leases	(1,890)	(1,740)
	<b>(3,504)</b>	<b>(1,571)</b>
Net changes in non-cash working capital	-	276
	<b>(3,504)</b>	<b>(1,295)</b>

### Investing activities

Additions to mining and exploration properties	(17,857)	(13,867)
Proceeds on sale of Moss Lake shares to minority interests	-	26
Proceeds on sale of equipment	577	261
Proceeds on property held for sale	400	567
Funds held against standby letters of credit	(285)	238
	<b>(17,165)</b>	<b>(12,775)</b>
Net changes in non-cash working capital	<b>(165)</b>	<b>25</b>
	<b>(17,330)</b>	<b>(12,750)</b>

Increase in cash and cash equivalents	15,673	620
Cash and cash equivalents, beginning of year	8,029	7,409
Cash and cash equivalents, end of year	\$ 23,702	\$ 8,029