



PRESS  
RELEASE

AUGUST 11 2016  
TSX:WDO

## WESDOME GOLD MINES ANNOUNCES SECOND QUARTER FINANCIAL RESULTS

Toronto, Ontario – August 11, 2016 – Wesdome Gold Mines Ltd. (TSX: WDO) (“Wesdome” or the “Company”) today announces financial results for the second quarter of 2016.

### 2016 SECOND QUARTER SUMMARY

- Gold production of 12,147 ounces
  - Eagle River Mine underground production of 10,210 ounces at a recovered grade of 7.0 grams per tonne (“gpt”) with a mill recovery of 93%
  - Mishi Open Pit mine production of 1,937 ounces at a recovered grade of 1.8 gpt with a mill recovery of 86%
- Total mill throughput of 78,851 tonnes averaging 866 tonnes per calendar day
- Revenue of \$18.4 million on gold sales of 11,265 ounces at an average realized price of \$1,637 (US\$1,271) per ounce compared to \$13.3 million in the previous quarter due to higher production
- Mine operating profit\* of \$4.5 million compared to a loss\* of \$(1.1) million in the previous quarter due to higher recovered grades
- Net income of \$1.8 million, or \$0.01 per share; compared to a net loss of \$(3.3) million, or (\$0.03) per share, in the previous quarter. After adjusting for Kiena care and maintenance cost of \$0.6 million, annual general meeting cost \$0.6 million and net of exploration credit refund of \$2.6 million, net income of \$0.4\* million, or \$0.00\* per share, compared to a net loss of \$(2.9)\* million, or (\$0.02)\* per share, in the previous quarter
- Operating cash flow of \$4.9 million, or \$0.04\* per share, compared to a negative cash flow of \$(2.8) million, or \$(0.02)\* per share, in the previous quarter. After adjusting for Kiena care and maintenance cost, annual general meeting cost and exploration credit refund, operating cash flow was \$3.5 million\* compared to a negative cash flow \$(2.3) million\*, in the previous quarter
- Production cash costs per ounce\* were \$1,188 (US\$922) a 33% decrease from \$1,766 (US\$1,285) per ounce in the previous quarter
- All-in sustaining costs per ounce (“AISC”)\* on a production basis were \$1,687 (US\$1,309) a 31% decrease from \$2,428 (US\$1,767) per ounce in the previous quarter, reflects increased exploration counteracted by significantly improved production in the current quarter
- Cash and cash equivalents of \$26.8 million, 3,002 ounces gold in inventory at market price of \$5.1 million and working capital of \$16.6 million as at June 30, 2016; resulting from financing and disposition of non-core assets
- Exploration drilling extends high grade 7 Zone 200 metres and initial drifting confirms continuity
- Underground exploration drilling program launched at Kiena

Mr. Rolly Uloth, President and CEO, commented, “Higher production and recovered grades lead to lower costs and improved financial performance in the second quarter. Concurrent with improving

Note:

\* Refer to the Q2 2016 Management Discussion and Analysis section entitled “Non-IFRS Performance Measures” for the reconciliation of these non-IFRS measurements to the Financial Statements which are available at [www.sedar.com](http://www.sedar.com)

near term production results, the operations team has been developing additional high grade zones located close to existing infrastructure. The 811 Zone's strike length opens up at depth and will be accessed in the fourth quarter of this year. Another zone that is being developed, the 7 Zone will be ready for stope production in early 2017. Of particular interest is a sill drift on the 300 Zone which has encountered 140 metres of strong grades and continues west beyond available drilling information."

Mr. Charles Page, Chairman added, "Subsequent to quarter-end Wesdome announced the appointment of Duncan Middlemiss as President and CEO. Mr. Middlemiss has extensive mine management and planning experience. A review of operations, including these recent developments, will refine the existing guidance in Q3 2016."

<b>Financial Results – Three and Six Months 2016 and 2015</b>				
	<b>Three Months ended June 30</b>		<b>Six Months ended June 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<i>(in \$000, except per share amounts)</i>				
Revenue	<b>18,447</b>	17,202	<b>31,731</b>	31,644
Mine operating profit*	<b>4,493</b>	3,103	<b>3,388</b>	4,660
Net income (loss)	<b>1,837</b>	(746)	<b>(1,463)</b>	(1,517)
Net income (loss) adjusted*	<b>409</b>	(88)	<b>(2,445)</b>	(366)
Basic net income (loss) per share	<b>0.01</b>	(0.01)	<b>(0.01)</b>	(0.01)
Basic net income (loss) per share adjusted*	<b>0.00</b>	(0.00)	<b>(0.02)</b>	(0.00)
Cash flows from operating activities	<b>4,885</b>	1,436	<b>2,099</b>	1,569
Cash flows from operating activities adjusted*	<b>3,457</b>	2,094	<b>1,117</b>	2,720
Cash and cash equivalents	<b>26,802</b>	4,067	<b>26,802</b>	4,067
Working capital	<b>16,598</b>	3,287	<b>16,598</b>	3,287

<b>Operational Results – Three and Six Months 2016 and 2015</b>				
	<b>Three Months ended June 30</b>		<b>Six Months ended June 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Eagle tonnes milled	<b>45,305</b>	46,340	<b>85,144</b>	86,155
Mishi tonnes milled	<b>33,546</b>	36,313	<b>69,833</b>	55,602
Total tonnes milled	<b>78,851</b>	82,653	<b>154,977</b>	141,757
Eagle recovered grade (gpt)	<b>7.0</b>	6.6	<b>6.0</b>	6.8
Mishi recovered grade (gpt)	<b>1.8</b>	2.3	<b>1.7</b>	2.1
Eagle ounces produced	<b>10,210</b>	9,848	<b>16,464</b>	18,751
Mishi ounces produced	<b>1,937</b>	2,628	<b>3,719</b>	3,865
Total ounces produced	<b>12,147</b>	12,476	<b>20,183</b>	22,616
Ounces sold	<b>11,265</b>	11,740	<b>19,365</b>	21,373
Average realized price (CAD\$/oz) *	<b>1,637</b>	1,465	<b>1,639</b>	1,481
Average realized price (US\$/oz) *	<b>1,271</b>	1,192	<b>1,231</b>	1,199
Production cash costs (CAD\$/oz) *	<b>1,188</b>	1,161	<b>1,419</b>	1,244
Production cash costs/oz (US\$/oz)	<b>922</b>	945	<b>1,066</b>	1,007
All-in-sustaining costs (CAD\$/oz)*	<b>1,687</b>	1,582	<b>1,982</b>	1,745
All-in-sustaining costs (US\$/oz) *	<b>1,309</b>	1,287	<b>1,489</b>	1,413

The contents of this press release have been verified and approved by the Company's Chief Operating Officer, Philip Ng, P. Eng a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects.

## **ABOUT WESDOME**

Note:

\* Refer to the Q2 2016 Management Discussion and Analysis section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements which are available at [www.sedar.com](http://www.sedar.com)

Wesdome Gold Mines Ltd. is in its 28th year of continuous gold mining operations in Canada. The Company is currently producing gold at the Eagle River Complex located near Wawa, Ontario from the Eagle River and Mishi gold mines. Wesdome's goal is to expand current operations at both mines over the next four years through mill expansion and exploration. Wesdome has significant upside through ownership of its two other properties, the Kiena Mine Complex in Val d'Or, Quebec and the Moss Lake gold deposit located 100 kilometres west of Thunder Bay, Ontario. These assets are being explored and evaluated to be developed in the appropriate gold price environment. The Company has approximately 118 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

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