PRESS RELEASE

WESDOME REPORTS IMPROVED EARNINGS AND CASH FLOW IN Q2 2012

Toronto, Ontario – August 7, 2012 – Wesdome Gold Mines Ltd (TSX: WDO) ("Wesdome" or the "Company") is pleased to report its unaudited financial and operating results from its Canadian operations for the second quarter ended June 30, 2012. This information should be read in conjunction with the Company's interim unaudited financial statements and Management's Discussion and Analysis for the second quarter ended June 30, 2012 which will be available for viewing on the Company's website at www.wesdome.com and on SEDAR (www.sedar.com). All figures are in Canadian dollars unless otherwise specified.

The Company owns and operates the Eagle River mine complex in Wawa, Ontario and the Kiena mine complex in Val-d'Or, Quebec. On January 1, 2012, the Mishi mine in Wawa commenced commercial production. The Eagle River and Mishi mines feed a common mill and are referred to as the Eagle River complex. The Eagle River mine has been in continuous production since commercial production commenced January 1, 1996. It has produced over 900,000 ounces to date. The Kiena mine was purchased by the Company in 2003. It restarted commercial production on August 1, 2006. It was previously in production from 1982 – 2002. To date the Kiena mine has produced over 1.7 million ounces of gold.

The second quarter of 2012 highlights are as follows:

- **Production of 15,073 ounces of gold compared to 10,459 ounces in the second quarter, 2011 and 12,489 ounces in the first quarter, 2012**
- **Kiena resumes steady state production under a new mine plan to reduce costs 20%**
- **Cash flow from operations doubles to $4.5 million compared to first quarter, 2012**
- **$4.0 million in debt paid down**
- **Cash and bullion at market $14.8 million**
- **Net Income $0.7 million or $0.01 per share despite a $1.0 million non-cash write-down**

Donovan Pollitt, President & CEO comments "We saw good increases in production and gold sales. We believe operations at Kiena have stabilized into a steady production rhythm. We paid down a third of our debt and doubled our cash flow from operations compared to last quarter. Working capital improved, assets were unchanged and earnings increased to $700,000 despite a $950,000 non-cash write-down. We believe the course is set to realize steady improvement moving forwards".

OVERALL PERFORMANCE

At June 30, 2012, the Company had $14.2 million in working capital including 7,214 ounces of refined gold bullion in inventory. For the first half of the year, revenue exceeded mining and processing costs by $8.3 million and $5.8 million in capital costs were incurred. Cash flow from operations totalled $6.6 million and net earnings were flat, or $0.00 per share.

During the second quarter, the new Mishi mine continued its aggressive stripping required in the first year of its initial 5-year plan. The Eagle River mine continued its steady performance and the Kiena mine resumed steady state production following a development phase during the first quarter.

In general, the mining industry has been stretched due to unprecedented activity. Equipment, experienced and competent manpower and materials have been in short supply and high demand driving costs up. We see these external conditions easing up as the flood of risk capital into the sector has dried to a trickle.

RESULTS OF OPERATIONS

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	**2012**	2011
EAGLE RIVER COMPLEX				
Eagle River Mine				
Tonnes milled	**51,546**	43,316	**90,632**	86,943
Recovered grade (g/t)	**5.2**	3.9	**5.5**	4.7
Production (oz)	**8,658**	5,479	**16,112**	13,266
Mishi Mine *(commercial production commenced January 1, 2012)*				
Tonnes milled	**15,609**	-	**34,712**	-
Recovered grade (g/t)	**2.2**	-	**2.2**	-
Production (oz)	**1,085**	-	**2,467**	-
Surface stockpile (tonnes)	**32,790**	-	**32,790**	-
Total Eagle River Complex				
Production (oz)	**9,743**	5,479	**18,579**	13,266
Sales (oz)	**11,500**	7,000	**20,500**	16,000
Bullion revenue ($000)	**18,647**	10,350	**33,985**	22,831
Mining and processing costs ($000)	**9,588**	7,572	**23,055**	13,374
Mine operating profit ($000) *	**9,059**	2,778	**10,930**	9,457
Gold price realized ($Cdn/oz)	**1,620**	1,476	**1,657**	1,425
KIENA MINE COMPLEX				
Tonnes milled	**67,226**	70,505	**127,193**	141,502
Recovered grade (g/t)	**2.5**	2.2	**2.2**	2.5
Production (oz)	**5,330**	4,980	**8,983**	11,422
Sales (oz)	**4,500**	6,000	**8,500**	14,000
Bullion revenue ($000)	**7,301**	8,870	**14,008**	19,983
Mining and processing costs ($000)	**11,128**	9,654	**16,684**	18,536
Mine operating profit (loss) ($000) *	**(3,827)**	(784)	**(2,676)**	1,447
Gold price realized ($Cdn/oz)	**1,619**	1,474	**1,643**	1,423
TOTAL MINE OPERATIONS				
Production (oz)	**15,073**	10,459	**27,562**	24,688
Sales (oz)	**16,000**	13,000	**29,000**	30,000
Bullion inventory (oz)	**7,214**	7,594	**7,214**	7,594
Bullion revenue ($000)	**25,948**	19,220	**47,993**	42,814
Mining and processing costs ($000)	**20,716**	17,226	**39,739**	31,910
Mine operating profit ($000) *	**5,232**	1,994	**8,254**	10,904
Gold price realized ($Cdn/oz)	**1,620**	1,475	**1,653**	1,424

* 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.

During the second quarter, combined operations produced 15,073 ounces of gold and 16,000 ounces were sold at an average realized price of $1,620 per ounce. This represents a 44% increase in production compared to the second quarter, 2011, and a 10% increase in realized gold prices over the same period.

For the first six months of 2012, our mines produced 27,562 ounces of gold and 29,000 ounces were sold at an average price of $1,653 per ounce representing a 12% increase in production and a 16% increase in gold prices compared to the first half performance in 2011.

Mining and processing costs related to sales rose 20% in the second quarter compared to last year and 25% in the first half compared to last year. These increases reflect industry wide inflation, the location of our production areas and having a third mine in production this year. In the second quarter, 2012, bullion revenue exceeded mining and processing costs resulting in a mine operating profit, or gross margin, of $5.2 million. In addition to these direct operating costs, other direct costs, including royalties, corporate and general costs and net interest costs amounted to $1.0 million.

The combined Eagle River and Mishi mining and milling operations produced 9,743 ounces of gold in the second quarter and 18,579 ounces for the first half of 2012. At Eagle River both grades and throughput increased compared to last year over both reporting periods. For the first half, 2012, Mishi produced 2,467 ounces from 34,712 tonnes milled at an average recovered grade of 2.2 gAu/tonne. This is about half of what was initially planned as higher grade Eagle River ore was available for millfeed. Consequently, the Mishi ore stockpile at the mill grew to 32,000 tonnes at a similar grade.

At Kiena, second quarter production totalled 5,330 ounces at a recovered grade of 2.5 gAu/tonne. The mine resumed a steady production rhythm following an aggressive development effort in the first quarter of 2012. Kiena remains our biggest challenge and in light of this, the Company initiated a restructuring program in May, 2012 designed to reduce total operating and capital costs by 20%. The results of this effort started appearing in June, 2012 and should be fully reflected in the upcoming third quarter. Stabilizing the cost structure and ensuring a longer term view at Kiena is a priority for us.

During the second quarter, the Company did not exercise the Pukaskwa property option. This property remains a prospect of merit in the area, but we chose to focus our resources in our core assets at this time. Accordingly, a non-cash write-down of $950,000 was incurred in the second quarter. This option was initially a component of a broader deal designed to clarify potential ownership conflicts in the vicinity of the Mishi mine.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2012, the Company had working capital of $14.2 million compared to $7.2 million at December 31, 2011. During the first half of 2012, capital expenditures totalled $5.8 million compared to $8.7 million in the first half of 2011. Capital expenditures were concentrated in minesite development and diamond drilling. Our equipment fleet is relatively new.

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 $11,539,000 that matured on May 31, 2012, of which $10,931,000 were still outstanding on the maturity date.

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 June 30, 2012, this liquid asset consisted of 7,214 ounces of gold with a market value of $11.7 million. The bullion inventory is carried at the lower of cost or market, in this case at a cost of $10.3 million.

Additionally, the Mishi ore stockpile at the mill, which totals 32,000 tonnes is carried in inventory at a cost of $3.0 million. Our best estimates of the grade of this stockpile give us confidence its realizable value is greater than this.

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.

With current gold prices our mining operations are capable of generating strong operating cash flow as they have in the past.

OUTLOOK

We continue to aim for a 60,000 ounce annual production target. The improvement over the first quarter is encouraging. The Eagle River and Mishi mines continue to offer flexibility in milling schedules. Under Kiena's cost reduction program, annual production guidance here has been reduced to about 20,000 ounces as previously announced.

We continue to believe the gold price will resume its upward climb in the second half of 2012 and are well positioned to benefit from this.

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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Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited, expressed in thousands of Canadian dollars)

	June 30 2012	December 31 2011
Assets		
Current		
Cash and cash equivalents	$ **3,563**	$ 5,215
Receivables	**7,480**	7,337
Inventory	**16,213**	15,271
	27,256	27,823
Restricted funds	**2,060**	2,385
Deferred income taxes	**860**	615
Mining properties and equipment	**91,408**	90,114
Exploration properties	**29,961**	30,886
	$ **151,545**	$ 151,823
Liabilities		
Current		
Payables and accruals	$ **12,346**	$ 8,944
Current portion of obligations under finance leases	**707**	913
Convertible 7% debentures	**-**	10,726
	13,053	20,583
Income taxes payable	**51**	22
Obligations under finance leases	**466**	818
Convertible 7% debentures	**5,642**	-
Provisions	**1,620**	1,593
	20,832	23,016
Equity		
Equity attributable to owners of the Company		
Capital stock	**122,651**	122,685
Contributed surplus	**2,195**	1,960
Equity component of convertible debentures	**1,204**	1,970
Retained earnings	**4,132**	1,585
	130,182	128,200
Non-controlling interest	**531**	607
Total equity	**130,713**	128,807
	$ **151,545**	$ 151,823

Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited, expressed in thousands of Canadian dollars)

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	**2012**	2011
Revenue				
Gold and silver bullion	**$ 25,948**	$ 19,220	**$ 47,993**	$ 42,814
Operating expenses				
Mining and processing	**20,716**	17,226	**39,739**	31,910
Depletion of mining properties	**2,570**	1,604	**4,449**	3,472
Production royalties	**245**	159	**475**	369
Corporate and general	**577**	820	**1,259**	1,548
Share based compensation	**179**	349	**352**	566
	24,287	20,158	**46,274**	37,865
Income (loss) from operations	**1,661**	(938)	**1,719**	4,949
Interest and other income	**18**	108	**107**	211
Interest on long term debt	**(279)**	(401)	**(655)**	(790)
Other interest	**(3)**	(8)	**(18)**	(1,190)
Accretion of decommissioning liability	**(13)**	(17)	**(27)**	(32)
Write-down of exploration property	**(950)**	-	**(950)**	-
Income (loss) before income tax	**434**	(1,256)	**176**	3,148
Income tax expense (recovery)				
Current	**29**	68	**29**	375
Deferred	**(295)**	(230)	**(245)**	1,413
	(266)	(162)	**(216)**	1,788
Net income (loss)	**700**	(1,094)	**392**	1,360
Total comprehensive income (loss)	**$ 700**	$ (1,094)	**$ 392**	$ 1,360
Net income (loss) attributable to:				
Non-controlling interest	**$ (37)**	$ (80)	**$ (76)**	$ (123)
Owners of the Company	**737**	(1,014)	**468**	1,483
	$ 700	$ (1,094)	**$ 392**	$ 1,360
Total comprehensive income (loss) attributable to:				
Non-controlling interest	**$ (37)**	$ (80)	**$ (76)**	$ (123)
Owners of the Company	**737**	(1,014)	**468**	1,483
	$ 700	$ (1,094)	**$ 392**	$ 1,360
Earnings (loss) and comprehensive earnings (loss) per share				
Basic	**$ 0.01**	$ (0.01)	**$ 0.00**	$ 0.01
Diluted	**$ 0.01**	$ (0.01)	**$ 0.00**	$ 0.01

Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, expressed in thousands of Canadian dollars)

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	**2012**	2011
Operating activities				
Net income	**$ 700**	$ (1,094)	**$ 392**	$ 1,360
Depletion of mining properties	**2,570**	1,604	**4,449**	3,472
Accretion of discount on convertible debentures	**76**	167	**230**	325
Write-down of exploration property	**950**	-	**950**	-
Gain on sale of equipment	**23**	(45)	**23**	(45)
Share based compensation	**179**	349	**352**	566
Deferred income taxes	**(295)**	(230)	**(245)**	1,413
Interest paid	**204**	645	**426**	1,654
Accretion of decommissioning liability	**13**	17	**27**	32
	4,420	1,413	**6,604**	8,777
Net changes in non-cash working capital	**2,101**	(3,054)	**1,688**	(2,926)
	6,521	(1,641)	**8,292**	5,851
Financing activities				
Exercise of options	**-**	1,122	**-**	1,447
Shares issued by a subsidiary of the Company to third parties	**-**	150	**-**	160
Funds paid to repurchase common shares under NCIB	**(21)**	(4)	**(42)**	(4)
Redemptions of convertible debentures	**(10,931)**	-	**(10,931)**	-
Issuance of convertible debentures, net of financing	**6,821**	-	**6,821**	-
Repayment of obligations under finance leases	**(303)**	(390)	**(558)**	(732)
Interest paid	**(204)**	(645)	**(426)**	(1,654)
Dividends paid	**-**	(2,028)	**-**	(2,028)
	(4,638)	(1,795)	**(5,136)**	(2,811)
Investing activities				
Additions to mining and exploration properties	**(2,829)**	(4,870)	**(5,794)**	(8,716)
Proceeds on sale of equipment	**3**	111	**3**	111
Funds held against standby letters of credit	**(5)**	59	**325**	(45)
	(2,831)	(4,700)	**(5,466)**	(8,650)
Net changes in non-cash working capital	**665**	(1,668)	**658**	(1,260)
	(2,166)	(6,368)	**(4,808)**	(9,910)
Increase (decrease) in cash	**(283)**	(9,804)	**(1,652)**	(6,870)
Cash and cash equivalents, beginning of period	**3,846**	25,740	**5,215**	22,806
Cash and cash equivalents, end of period	**$ 3,563**	$ 15,936	**$ 3,563**	$ 15,936
Cash and cash equivalents consist of:				
Cash	**$ 2,761**	$ 11,010	**$ 2,761**	$ 11,010
Term deposit (1.46%, 2011: 1.00%)	**802**	4,926	**802**	4,926
	$ 3,563	$ 15,936	**$ 3,563**	$ 15,936