



**PRESS  
RELEASE**

**MAY 30 2016  
TSX:WDO**

**WESDOME GOLD MINES ANNOUNCES NEW ANNUAL GENERAL  
MEETING DATE AND WARNS AGAINST ATTEMPT TO DERAIL PROGRESS  
AT THE COMPANY**

- *The erratic withhold campaign initiated by Resolute Fund's Tom Stanley will introduce unnecessary risk into shareholders' investments in Wesdome*
- *In order for shareholders to see long-term value creation at Wesdome it is imperative they stay the course with the strong leadership of the enhanced board the Company has nominated*

**Toronto, Ontario – May 30, 2016** – Wesdome Gold Mines Ltd. (TSX: WDO) (“Wesdome” or the “Company”) announces it has set June 14, 2016 as the rescheduled date for the previously postponed Annual General Meeting of shareholders (“AGM”), and is taking action to ensure progress at the Company is not derailed by Resolute Funds Limited --a small fund run by a single individual, Tom Stanley. Details about the new AGM can be found at the bottom of this release.

“We are at a critical time in the history of our Company and cannot afford to risk our progress to the short-term whims of a single individual,” said Rowland Uloth, President and CEO of Wesdome. “To ensure we remain on track to create long-term value for all shareholders it is important that we have a board in place with the right expertise and experience needed to steer the Company through the most aggressive exploration and expansion campaign in our history. While the slate of director nominees the Company has put forward will significantly enhance our ability to execute on our current strategy and can be trusted to act in the best interest of all shareholders, Mr. Stanley’s consistently inconsistent demands will leave the Company adrift and open to a value destroying fire sale.”

**ENHANCED BOARD HAS A PLAN TO CREATE VALUE FOR ALL SHAREHOLDERS**

Wesdome is committed to remaining focused on the execution of its current strategic plan and will not put the short-term wants of a single individual ahead of the interests of the other 75% of shareholders. As our track record has shown, we have created significant wealth for all shareholders, including Mr. Stanley, and shares have appreciated approximately 40% on a one-year basis, 100% on a two-year basis and 250% on a three-year basis.

To ensure Wesdome has the best talent available at the board level, and to meet the highest governance standards, we are strengthening our board by nominating two new directors who bring with them significant experience and expertise in mining operations, management, technical expertise and capital markets.

Since announcing their nomination we have received nothing but positive commentary in terms of our ability to recruit this talent to our board and how additive they will be. Executing on our planned low risk, low-cost expansion of existing operations and ensuring we realize the full potential of our development projects will only happen with a highly qualified and experienced board that can be trusted to work in the best interests of all shareholders.

The Company has already shown an operational turnaround, increasing mill throughput at the Eagle River Mine Complex from 375 tonnes per day to between 850 and 950 tonnes per day over the last 30 months with minimal capital. In addition, there have been zero lost time incidents for 32 months and a dramatic improvement in the Company’s environmental performance.

The Company recognizes and has reported recent and unexpected equipment and development challenges underground at Eagle River. First quarter gold production was 8,036 ounces, which was lower than planned and resulted in a mine operating loss of \$1.1 million. Slower than anticipated development rates due to mechanical issues and faulty blast equipment negatively impacted production during the quarter. We have addressed these challenges and current development rates are meeting our expectations. We plan to produce from two high grade stopes, the 900-811 and the 888-311 starting in June and the Company is on track to meet second quarter production previously guided at 12,000 ounces. The Company also continues to make mill improvements, which included modifications to the filtration system which have already shown improved mill availability, capacity utilization and recoveries in the second quarter.

### **RESOLUTE'S TOM STANLEY: CONSISTENTLY INCONSISTENT**

Despite Wesdome's best efforts to constructively engage Mr. Stanley, the Company has been left puzzled by his repeated flip-flops. Each time the Company moved closer to reaching an understanding with Mr. Stanley he recoiled further into his own agenda which now seems to be a short-sighted fire sale of Wesdome. While the Company believes the inconsistencies and shortcomings in Mr. Stanley's version of events as outlined in his May 27 press release are self-evident, it encourages shareholders to consider the following facts:

**Mr. Stanley has a pattern of erratic behaviour.** This is the fourth time in five years that Resolute has made it an annual event to disrupt Wesdome's shareholder meeting.

**Mr. Stanley made no attempt to engage the Company before making his demands public.** Mr. Stanley made no attempt to engage in a constructive dialogue with the Company prior to the launch of his letter and press release of May 16, and did not attempt to seek clarification on any of the issues raised.

**Mr. Stanley's assertion that the Company was unwilling to engage him is highly inaccurate.** The Special Committee was not only completely cooperative with Mr. Stanley, willing to engage in constructive discussions, and open to ideas that would create value for all shareholders, but in fact initiated the discussions with its largest shareholder. Up until hours before his May 27 release, the Special Committee had been completely accessible to Mr. Stanley, and had responded promptly to all of his letters.

**Mr. Stanley has flip-flopped twice on his support for the Company's nominees.** First, prior to his May 16 press release --just hours before the previously scheduled annual meeting-- Mr. Stanley *had been supportive* of management and the Board, including the new nominees. Then, in his May 16 press release, he suddenly indicated he was *not supportive* of six of the eight nominees including Barry Smith and Rowland Uloth. Now in his May 27 press release he has reversed his position yet again indicating *he is supportive* of Mr. Smith and Mr. Uloth, but still not the other nominees-- all of whom are highly experienced executives with expertise in mine operations, management, and capital markets. While we agree Mr. Smith and Mr. Uloth should be elected to the Board, it is important to note that they are not supportive of Mr. Stanley's position or actions.

**Mr. Stanley complains about the Special Committee yet is voting FOR the majority of its members.** The Company finds it peculiar that two of the three members of the same Special Committee Mr. Stanley asserts "have refused to constructively engage" in discussions now have his pledged support.

**Mr. Stanley's stated 'operational concerns' are actually his frustration with the fact that the Board would not let him rearrange management at his whim.** The leadership team in place are the people Mr. Stanley personally helped select in 2013 after becoming discontented with the previous team. The placement of this team came with the promise to NOT interfere with the operations of the Company. In recent days, when the Company refused to let him push the Board and Management into taking actions that they believed were not in the best interests of the Company, he became frustrated. As evidence that his 'operational concerns' are not legitimate, it is important to note he has now publicly stated his support for Wesdome's CEO.

**Mr. Stanley's fire sale agenda will destroy shareholder value.** While the Company is always considering the best alternatives to create value for all shareholders, Mr. Stanley's desire for a fire sale is clearly not in the best interest of all shareholders. Mr. Stanley's withhold campaign offers no alternative to shareholders, only unnecessary risk and value destruction. We do not believe his short-term, self-serving approach is right for the Company or our shareholders.

The value of our **growth strategy** over Mr. Stanley's fire sale are compelling and clear. Management believes that the best value creation for the Company and all shareholders is to continue with the organic growth strategy of its existing 100% owned and under-explored Canadian projects:

**Firstly**, at the operating Eagle River Mine Complex located in central Ontario, Wesdome has implemented a plan to expand production at the Eagle River and Mishi mines by exploring, rapidly developing, and producing from multiple high grade zones. In conjunction with the proposed mill expansion, which is expected to lower unit costs, and one of the largest exploration program in its history, the Eagle River Mine Complex's represents very significant upside to all shareholders.

**Secondly**, at the Moss Lake project located in western Ontario, the recent acquisition of key nearby properties will allow the Company to potentially double the existing 3 million ounce resource as the pit limit can be expanded to the northeast due to the elimination of the property border.

**Thirdly**, at the Kiena Project located in Northeastern Quebec, a new drilling program is being implemented to potentially expand the historically profitable S-50 Zone.

The success of this growth strategy is likely to add significant value to Wesdome over the next 6 to 12 months and beyond, and this value will not presently be realized in a sale process. The Company has the funds to implement this strategy and Management feels it is a serious mistake to consider a sale of Wesdome before its full potential has been determined.

## **KEY POINTS OF GROWTH STRATEGY**

### **Eagle River Complex**

- In 2013, the Company discovered two additional high grade zones (300 and 7 zones) deep in the western portion of the Eagle River mine and parallel to the main producing 8 Zone.
- Since then, the two new zones have been explored aggressively have already added 148,000 ounces to reserves (70% increase) and 93,000 ounces resources (112% increase). See Company press release dated February 10, 2016.
- These new parallel zones remain open to surface to the east and to depth.
- The new zones are a priority for the Company's 2016, \$6.3 million budget, where to date the 7 Zone has already been extended 150 metres towards surface and supports the exploration model. Five diamond drills are currently active at Eagle River.
- Production from these news parallel zones adjacent to existing underground infrastructure has already commenced with low development costs.
- The Eagle River underground mine has historically produced primarily from the 8 Zone. By 2017, there will be three high grade zones in full year production simultaneously.
- In 2016, exploration at the Mishi Open Pit Mine has also been significantly increased. Current open pit reserves and resources have been drilled down to a depth of 70 metres and remain open. Two drills will target the Mishi mine trend to depth and westward for 3 kilometres.
- Mill upgrades at the Eagle River Complex has already resulted in an increase in throughput from 375 tonnes per day in 2013 to 850 tonnes per day in 2016. Further expansion is planned to 1,380 tonnes per day by 2018 primarily funded by cash on hand and future cash flow.

## **Moss Lake Project**

- A large gold deposit with existing mineral resources of 1.4 million ounces (indicated) plus 1.7 million ounces (inferred) at 1.1 grams per tonne.
- On Friday May 27 the Company announced it has closed the acquisition of the Coldstream and Hamlin properties, near to the Moss Lake deposit.
- Acquisition allows exploration to commence that could potentially double the existing mineral resource of the deposit.
- The Company is planning a \$5 million resource expansion for 2016 - 2017 at Moss Lake.

## **Kiena, Val d'Or Project**

- 1.7 million ounce past producer with functional 2,000 tonnes per day mill currently on care and maintenance.
- Mining suspended in 2013. See Technical Report dated March 10, 2016, at [www.sedar.com](http://www.sedar.com) for current resources.
- Exploration planned in 2016 to explore the S-50 Zone to depth where it remains open. Drilling in 2010 intersected 12.3 grams of gold per tonne over 12.8 metres and 20.7 grams of gold per tonne over 10.5 metres.

## **DETAILS OF THE NEW AGM**

Wesdome will file an amended circular and letter to shareholders at [www.sedar.com](http://www.sedar.com) today in connection with the meeting to take place at 11:00am (ET) on June 14, 2016 at the St. Andrews Club and Conference Centre, located at 150 King St W, 27<sup>th</sup> floor.

*Please click here for link to shareholders letter.*

### **ATTENTION SHAREHOLDERS:**

**Shareholders who have already voted in connection with the previously scheduled annual meeting that was to be held on May 17, 2016 should be aware those votes will not count.**

**YOUR SHARES WILL NEED TO BE VOTED AGAIN FOR YOUR VOTE TO COUNT.**

**You must vote only your BLUE proxy or VIF by Friday, June 10, 2016 at 11:00am ET.**

**Please contact Kingsdale Shareholder Services toll-free by telephone in North America at 1-855-682-2023, outside North America at 1-416-867-2272 or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com) if you have any questions, or require assistance completing your proxy or voting instruction form.**

The primary differences between the Circular and the management information circular of the Company dated April 1, 2016 are as follows:

1. the Board has fixed the number of directors to be elected at the Meeting at six (6);
2. Don Njegovan has withdrawn as a nominee for election as a director;
3. the Board now recommends that the shareholders of the Company vote for each of the following six (6) persons: Duncan Middlemiss, Nadine Miller, Charles Page, Barry Smith, Rowland Uloth and Bill Washington; and

4. the Board now recommends that the shareholders of the Company withhold their vote for the election of Rostislav Raykov as a director of the Company on the basis that he may be unduly influenced by the management of Resolute, may prefer Resolute's interests to the interests of the Company, and has been hostile and discourteous to other directors and senior management of the Company.

The technical information contained in this news release has been verified by Philip Ng, P. Eng., Chief Operating Officer who is a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Properties.

#### **ABOUT WESDOME**

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 129 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

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#### ***Cautionary Note Regarding Forward-Looking Statements***

*This press release contains and refers to forward-looking information based on current, assumptions, expectations, intentions, and beliefs of the Company with respect to the future business activities and operating performance of the Company. The words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, are intended to identify such forward-looking statements. All other statements other than statements of historical fact included in this release including, without limitation, statements regarding processing and development plans, production targets, and future plans and objectives of Wesdome Gold Mines Ltd. (the "Company") are forward-looking statements (or forward-looking information) that involve various risks and uncertainties. These forward-looking statements are made as of the date hereof and there can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein. Important factors could cause actual results to differ materially from the Company's expectations. Such factors include, among others: the actual results of additional exploration and development activities at the Company's projects; the timing and amount of estimated future production and the costs thereof; capital expenditures; the availability of any additional capital required to bring future projects into production; future prices of commodities; the*

*failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; Please refer to the "Risk Factors" in materials filed with securities regulatory authorities in Canada.*