TORONTO, ON--(Marketwired - February 22, 2017) - Wesdome Gold Mines Ltd. (TSX: WDO) ("Wesdome" or "The Company") today announces fourth quarter (Q4) and full year financial results for the year ended December 31, 2016. All figures are stated in Canadian dollars unless otherwise noted.

2016 SUMMARY:

- Gold production of 47,737 ounces, (2015: 50,470) in line with the Company's revised guidance of 45,000 - 50,000 ounces
- Eagle River Mine underground production of 40,252 ounces (2015: 41,013) at a head grade of 7.9 grams per tonne ("g/t") (2015: 7.8) with a mill recovery of 93.5% (2015: 94.9%)
- Mishi Open Pit mine production of 7,485 ounces (2015: 9,457) at a head grade of 2.0 g/t (2015: 2.6) with a mill recovery of 85.4% (2015: 87.3%)
- Total mill throughput of 309,035 tonnes averaging 844 tonnes per calendar day comparable to the previous year of 836 tonnes per calendar day
- The Eagle River Complex rebounded from an unusually poor Q1 2016 to post respectable 2016 results. The mine sequence is now better balanced to avoid a recurrence going forward
- Eagle River Complex revenue of $81.6 million (2015: $73.5 million) on gold sales of 48,680 ounces (2015: 49,804) at an average realized price of $1,676 or US$1,265 per ounce (2015: $1,475 or US $1,153)
- Mine operating profit[1] of $26 million (2015: $17.7 million) increased compared to the previous year due to higher realized gold price despite a slight reduction in production and sales
- Net income of $7.8 million (2015: loss of $(4.7) million), or $0.06 per share (2015: $(0.04)). The 2015 year includes $5.2 million Kiena Complex decommissioning costs which were recorded directly on the income statement
- Operating cash flow of $19.9 million (2015: $10.0 million), or $0.16[1] per share (2015: $0.09) increased due to higher realized gold price, $2.5 million revenue from gold derived from the Kiena Complex mill cleanup and $2.6 million refund of prior years' exploration credits
- Free cash flow[1] of $(8.4) million (2015: $(5.7) million), or $(0.07) per share (2015: $(0.05)). The increased outflow in 2016 is due to increased exploration and capital expenditures as the Company increased its exploration efforts and invested in equipment and infrastructure at the Eagle River Complex
- Production cash costs per ounce[1] were $1,194 or US$901 (2015: $1,115 or US$872). The 7% increase in unit cost is due to 5% decrease in gold production, stockpiling of low grade Mishi ore which was written down to net realizable value; increases in underground equipment maintenance costs, utility costs, and development metres
- All-in sustaining costs per ounce ("AISC")[1] on a production basis of $1,707 or US$1,289 (2015: $1,542 or US$1,206), an increase of 11% over 2015 due to necessary expenditures on underground drilling, development, and equipment
- Cash and cash equivalents of $26.8 million, 1,234 ounces gold in inventory at market price of $1.9 million and working capital of $15.6 million as at December 31, 2016

2016 EXPLORATION AND CORPORATE DEVELOPMENT HIGHLIGHTS:

- Eagle River surface drilling of the north portion of the mine diorite target returns promising results of the 7 Zone along strike
- Eagle River underground drilling extends No. 7 Zone up plunge and enhances potential of the 300E Zone, now 200 metres up plunge
- Surface drilling discovers new zone 1.7 km west of Mishi open pit mining operations
- Kiena Deep drilling launched in Q2 2016 intercepts high grades which are substantially higher than the historic production grade profile of 4.5 g/t. Drilling results support the presence of multiple zones of mineralization that remain open to depth and along strike.
- In 2016, The Company spent $10 million on exploration for 104,000 metres of drilling (2015: $1 million, 21,000 metres).
- Mineral reserves net of 2016 production increased for the fourth consecutive year. Proven and probable reserves at Eagle River was 344,000 ounces (2015: 300,000 ounces) as at December 31, 2016 -- a 15% increase from the prior year. Mishi pit reserves were lowered to 102,000 ounces (2015: 131,000) after mining and reconfiguring the west pit. Total reserves for the Eagle River Complex was 446,000 ounces as at December 31, 2016 (2015: 431,000).
- Equity financing for net proceeds of $16 million in Q2 2016
- Sale of non-core Kiena Complex assets for proceeds of $7 million in Q2 2016
- Acquisition of the Coldstream and Hamelin properties in Q2 2016 followed by Moss Lake/Coldstream Fall/Winter exploration program launched with goal of demonstrating potential to double the footprint of mineralization
- Duncan Middlemiss appointed President and CEO on August 15, 2016

FOURTH QUARTER SUMMARY:

- Gold production of 11,887 ounces (Q4 2015: 13,570)
  -- Eagle River Mine underground production of 10,595 ounces (Q4 2015: 11,625) at a head grade of 8.2 g/t (Q4 2015: 9.2) with mill recovery of 94.6% (Q4 2015: 94.2%)
  -- Mishi Open Pit mine production of 1,292 ounces (Q4 2015: 1,945) at a head grade of 1.6 g/t (Q4 2105: 2.3 g/t) with mill recovery of 81.6% (Q4 2015: 79.6%)
- Total mill throughput of 73,321 tonnes (Q4 2015: 75,285) averaging 797 tonnes (Q4 2015: 818) per calendar day declined slightly from Q4 2015 due to maintenance requirements on conveyors and dry stacker
- Eagle River revenue of $22.2 million (Q4 2015: $23.6 million) on gold sales of 13,490 ounces (Q4 2015: 16,023) at an average realized price of $1,655 or US$1,240 per ounce (Q4 2015: $1,474 or US$1,104)
- Mine operating profit[1] of $7.1 million (Q4 2015: $7.8 million)
- Net income of $2.4 million (Q4 2015: $1.1 million), or $0.02 per share (Q4 2015: $0.01)
- Operating cash flow of $5.0 million (Q4 2015: $5.2 million), or $0.04[1] per share (Q4 2015: $0.04)
- Free cash flow[1] of $(3.7) million (Q4 2015: $2.7 million), or $(0.03) per share (Q4 2015: $0.02)

- Production cash costs per ounce[1] were $1,185 or US$888 (Q4 2015: $1,029 or US$770)
- All-in sustaining costs per ounce ("AISC")[1] on a production basis were $1,702 or US$1,275 (Q4 2015: $1,388 or US$1,039)

Note:

1 Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements

Mr. Duncan Middlemiss, President and CEO, commented on the 2016 year-end results, "This was a transitional year for Wesdome with many achievements and positive changes. Despite a slow start to production, operating results improved throughout the year. The team brought higher grade stopes into the mine plan ahead of schedule and controlled production costs, even as additional investments were made to expand mineral reserves, re-new our capital equipment, and extend our operating infrastructures. Work continues to increase gold production from the Eagle River Underground Mine where our margins are highest. This, along with higher gold prices resulted in higher operating cash flow and net income over 2015, despite lower production. Free cash flow was lower than 2015 primarily due to increased exploration spending and reserve development. This exploration work is necessary to determine the appropriate production profile scenario at the Eagle River Complex."

"Wesdome had an exceptional year for exploration. Eagle River reserves increased 15% net of depletion, 300 E Zone was drilled further and delineated, where the widths are significantly greater than previously encountered at Eagle River. The 7 Zone was traced 200 metres up plunge towards surface. These results set the path for diversified working places underground with the goal of raising and stabilizing quarter to quarter production. We are very excited by the Kiena Deep discovery in Val d'Or, Quebec. Since announcing the discovery in August 2016, we have increased the number of drills from 2 to 4 and results continue to deliver grades substantially higher than the historic production grade profile at Kiena of 4.5 g/t. Step out holes confirmed mineralization now tested along 550 metres of strike length, indicating a potential large new gold system. We expect to make a decision on underground ramp development in the short term."

"In 2017, we expect production to increase over 2016's levels to range between 52,000 - 58,000 ounces at operating costs between CAD$1,030 - $1,130 per ounce (USD$765 - $835 per ounce). We have implemented a cost-cutting program at the Eagle River Complex which is starting to yield results, and underground development work completed in 2016 has resulted in improved mine sequencing. We have a total of eleven drills on four assets -- three underground at Eagle River, two at Mishi, four at Kiena and two at Moss Lake. Our asset base is strong and these are appropriate levels of exploration in order to return value to shareholders."

	Quarter ended December 31		Year ended December 31	
	2016	2015	2016	2015
(in $000, except per share amounts)				
Revenue[1]	22,166	23,622	84,031	73,465
Mine operating profit[2]	7,133	7,767	26,036	17,680
Net income (loss)	2,352	1,110	7,786	(4,701)
Net income adjusted[2]	3,047	1,977	7,988	3,186
Basic income (loss) per share	0.02	0.01	0.06	(0.04)
Basic income per share adjusted[2]	0.02	0.02	0.06	0.03
Cash flows from operating activities	4,976	5,153	19,927	10,055
Cash flows from operating activities adjusted[2]	5,671	5,783	20,129	12,771
Free cash flow[2]	(3,735)	2,736	(8,437)	(5,719)
Cash and cash equivalents	26,760	15,424	26,760	15,424
Working capital	15,561	12,507	15,561	12,507

	Quarter ended December 31		Year ended December 31	
	2016	2015	2015	2015
Eagle tonnes milled	42,607	42,185	170,369	173,189
Mishi tonnes milled	30,714	33,100	138,688	132,038
Total tonnes milled	73,321	75,285	309,037	305,227
Eagle River head grade (g/t)	8.2	9.2	7.9	7.8
Mishi head grade (g/t)	1.6	2.3	2.0	2.6
Eagle River underground mill recovery (%)	94.6	94.2	93.5	94.9
Mishi Open Pit mill recovery (%)	81.6	79.6	85.4	87.3
Eagle recovered grade (g/t)	7.7	8.7	7.4	7.4
Mishi recovered grade (g/t)	1.3	1.9	1.7	2.2
Eagle ounces produced	10,595	11,625	40,252	41,013
Mishi ounces produced	1,292	1,945	7,485	9,457
Total ounces produced	11,887	13,570	47,737	50,470
Ounces sold	13,490	16,023	48,680	49,804
Average realized price (CAD$/oz)	1,655	1,474	1,676	1,475
Average realized price (US$/oz)	1,240	1,104	1,265	1,153

Production cash costs (CAD$/oz)	1,185	1,029	1,194	1,115
Production cash costs/oz (US$/oz)	888	770	901	872
All-in-sustaining costs (CAD$/oz)	1,702	1,388	1,707	1,542
All-in-sustaining costs (US$/oz)	1,275	1,039	1,289	1,206
Average 1 USD to CAD exchange rate	1.3344	1.3353	1.3253	1.2790

Notes:

1 Revenue for the year ended December 31, 2016 includes $2.4 M gold sales from the Kiena Complex mill cleanup in Q3 2016.
2 Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements.

MINERAL RESERVES

Mine	Category	Tonnes	Grade (g/t)	Contained Ounces			
				Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Eagle River	Proven	208,000	10.2	68,000	53,000	39,000	41,000
	Probable	949,000	9.0	276,000	247,000	226,000	128,000
	Proven + Probable	1,157,000	9.2	344,000	300,000	265,000	169,000
Mishi	Proven	259,000	1.8	15,000	11,000	12,000	16,000
	Probable	1,361,000	2.0	87,000	120,000	109,000	96,000
	Proven + Probable	1,620,000	2.0	102,000	131,000	121,000	112,000
TOTAL				446,000	431,000	386,000	281,000

MINERAL RESOURCES (Exclusive of Reserves)

Mine	Category	Tonnes	Grade (g/t)	Contained Ounces			
				Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Eagle River	Inferred	327,000	8.1	85,000	170,000	80,000	105,000
Mishi Open Pit	Indicated	3,679,000	2.1	248,000	248,000	248,000	248,000
	Inferred	764,000	2.4	59,000	59,000	59,000	59,000
Mishi Underground	Indicated	567,000	4.5	82,000	82,000	82,000	82,000
	Inferred	437,000	5.8	81,000	81,000	81,000	81,000
TOTAL	Indicated			330,000	330,000	330,000	330,000
	Inferred			225,000	310,000	220,000	245,000

EAGLE RIVER PROVEN AND PROBABLE RESERVE BREAKDOWN BY ZONE

Structure	Tonnage	Grade (g/t)	Contained Ounces	Percent (oz)
No. 8	255,000	10.6	87,000	25
No. 300	456,000	9.0	132,000	38
No. 7	310,000	9.2	91,000	27
Other	136,000	7.8	34,000	10

TOTAL	1,157,000	9.2	344,000	100

Notes to Mineral Reserves and Mineral Resources Tables:

- Mineral Reserves and Mineral Resources estimates have been made in accordance with the Standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").
- Numbers reflect rounding to nearest 1,000 tonnes and ounces.
- All Mineral Resources are in addition to Mineral Reserves.
- Mineral Resources are not in the current mine plan and therefore do not have demonstrated economic viability.
- Assumed gold price of CAD$1,550 per ounce.
- All Mineral Reserves at Eagle River employ a 1.5 m minimum width, a 3.0 g/t minimum grade for continuity and include 1.0 m of external dilution. Mineral Resources are reported in-situ with no dilution provision.
- All Mineral Reserves at Mishi employ a 1.0 g/t cut-off grade and a 3.0 m minimum width. Estimates provide for 10% dilution, 11% lost ore and metallurgical recoveries of 86%. Open pit Mineral Reserves extend to an average depth of 70 m.
- Mishi Mineral Reserves currently have a life of mine stripping ratio of 2.3 tonnes of waste per tonne of ore.
- Mishi Open Pit Mineral Resources extend to a depth of 110 m, employ a 1.0 g/t cut-off grade, a 3.0 m minimum width and are reported in-situ with no dilution or lost ore provisions.
- Mishi Underground Mineral Resources are reported in-situ employing a 3.0 g/t cut-off grade and a 1.5 m minimum mining width.
- At Eagle River all high assays are cut to either 60 g/t or 140 g/t for individual zones. This is based on grade-frequency histograms at 95 percentile.
- At Mishi all high drill core assays are cut to 45 g/t. All high blasthole assays are cut to 25 g/t. These are based on where a ragged tail on grade-frequency histograms commence.
- A density or tonnage factor of 2.7 tonnes per cubic metre is applied at Eagle River and 2.8 at Mishi.

TECHNICAL DISCLOSURE

The technical and scientific disclosure in this press release has been prepared and approved by George Mannard, P. Geo., Vice President, Exploration and Philip Ng, Chief Operating Officer of Wesdome and "Qualified Person" as defined by National Instrument 43-101 disclosure standards.

CONFERENCE CALL DETAILS:

Wesdome will be hosting a call to discuss these results at 9am ET on February 23, 2017. Participants are invited to join using the following information:

Wesdome Gold Mines 2016 Fourth Quarter and Full Year Financial Results Conference Call:

North American Toll Free: +1 (844) 202-7109
International Dial-In Number: +1 (703) 639-1272
Passcode: 73151421
Webcast link: http://edge.media-server.com/m/p/959b3kdf
Webcast can also be accessed under the News and Events section of the Company's website (www.wesdome.com)

ABOUT WESDOME

Wesdome Gold Mines is in its 29th year of continuous gold mining operations in Canada. The Company is 100% Canadian focused with a pipeline of projects in various stages of development. The Eagle River Complex in Wawa, Ontario is currently producing gold from two mines, the Eagle River Underground Mine and the Mishi Open pit, from a central mill. Wesdome is actively exploring its brownfields asset, the Kiena Complex in Val d'Or, Quebec. The Kiena Complex is a fully permitted former mine with a 930 metre shaft and 2,000 tonne per day mill. The Company has further upside at its Moss Lake gold deposit, located 100 kilometres west of Thunder Bay, Ontario, which is being explored and evaluated to be developed in the appropriate gold price environment. The Company has approximately 130 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO."

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. The Company has included in this news release certain non-IFRS performance measures, including, but not limited to, mine operating profit, mining and processing costs and cash costs. Cash costs per ounce reflect actual mine operating costs incurred during the fiscal period divided by the number of ounces produced. 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.

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