

Wesdome Announces 2017 Fourth Quarter and Full Year Financial Results

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TORONTO, March 21, 2018 (GLOBE NEWSWIRE) -- [Wesdome Gold Mines Ltd.](#) (TSX:WDO) ("Wesdome" or the "Company") today announces fourth quarter ("Q4 2017") and full year 2017 financial results. All figures are stated in Canadian dollars unless otherwise noted.

Mr. Duncan Middlemiss, President and CEO commented, "Our 2017 results exhibit several operational and financial improvements at Wesdome. We slightly exceeded the upper end of our production guidance, mined significantly higher head grades, improved profits, and met the mid-point for our cash cost and all-in sustaining cost guidance. Looking ahead, we expect this trend to continue with 2018 costs to decrease a further 10% and gold production to increase by approximately 10% to 62,000 – 68,000 ounces as per our guidance."

"In 2018 at the Eagle River Complex, we are committing all exploration efforts to the Eagle River Underground Mine, where reserves currently stand at 416,000 ounces at 12.2 grams per tonne. A main goal of this program is to identify additional mineralization along the eastern extension of the 300 and 7 zone parallel structures, located to the north and parallel to the main 8 zone, to create additional workplaces and thereby realize our objective of providing additional high grade ore to the mill. We are beginning a higher grade mining cycle at this operation that should continue for the foreseeable future."

"At Kiena, the exploration ramp is nearing completion and last week we resumed drilling, with two drills on the higher grade Zone A and Upper Quartz Zone of the Kiena Deep discovery. A third drill is expected to be added in April to this area. The plan at Kiena this year is to complete 50,000 metres of underground drilling, in order to be in a position to generate a potential resource calculation on the Kiena Deep discovery. This will determine timing and next steps at this asset."

Key operating and financial highlights of the full year 2017 results include:

• Gold production of 58,980 ounces from the Eagle River Complex, a 24% increase over the previous year (2016: 47,737 ounces):

- Eagle River Underground 157,250 tonnes at a head grade of 10.6 grams per tonne ("g/t Au") for 50,996 ounces produced, a 27% increase over the previous year (2016: 40,252 ounces).
- Mishi Open Pit 152,591 tonnes at a head grade of 2.0 g/t Au for 7,985 ounces produced, a 7% increase over the previous year (2016: 7,485 ounces).

• Revenue of \$96.1 million, a 14% increase over the previous year (2016: \$84.0 million).

• Ounces sold 57,770 at an average sales price of \$1,643/oz (2016: 48,680 ounces at an average price of \$1,676/oz).

• Cash costs¹ of \$1,097/oz or US\$845/oz, a 10% decrease over the previous year (2016: \$1,218/oz or US\$919/oz).

• All-in sustaining costs ("AISC")¹ of \$1,489/oz or US\$1,146/oz, a 12% decrease over the previous year (2016: \$1,681/oz or US\$1,268/oz).

• Earned mine profit¹ of \$31.5 million, a 41% increase over the previous year (2016 - \$22.3 million).

• Operating cash flow of \$27.2 million or \$0.20 per share¹ a 21% increase over the previous year (2016: \$22.4 million or \$0.18 per share).

• Free cash outflow of \$9.3 million or (\$0.07) per share¹ (2016: outflow of \$4.2 million or (\$0.03) per share).

• Net income of \$1.3 million or \$0.01 per share (2016: \$7.8 million or \$0.06 per share). Net income (adjusted) ¹ before a one-time deferred mining tax adjustment of \$3.9 million and a non-recurring \$2.2 million restructuring cost was \$6.8 million or \$0.05 per share.

• Cash position of \$22.1 million.

• Wesdome been approved by the Ontario Ministry of Northern Development and Mines (“MNDM”) for an entry into the Northern Industrial Electricity Rate (“NIER”) program. Upon acceptance by MNDM, the Company is qualified for a retroactive electricity cost rebate to the extent of approximately \$1.0 million for the period of April 1, 2017 and up to December 31, 2017.

• Mineral Reserves at the Eagle River Underground Mine of 416,000 contained gold ounces (1.1 million tonnes at 12.2 g/t Au) (2016 1.2 million tonnes at 9.2 g/t Au for 344,000 ounces).

Key operating and financial highlights of Q4 2017 results include:

• Eagle River Complex gold production of 15,797 ounces (2016: 11,887 ozs).

• 19,351 gold ounces sold (2016: 13,490 ozs).

• Cash costs¹ of \$1,019/oz (US\$801/oz) (2016: \$1,215/oz or US\$911/oz).

• AISC¹ of \$1,284/oz or US\$1,010/oz (Q4 2016: \$1,631/oz or US\$1,222/oz).

• Earned mine profit¹ of \$11.6 million (Q4 2016: \$5.9 million).

• Operating cash flow of \$13.5 million or \$0.10 per share¹ (Q4 2016: \$7.7 million or \$0.06 per share).

• Free cash flow generation of \$5.7 million or \$0.04 per share ¹ (Q4 2016: out flow of \$2.2 million or (\$0.02) per share).

• Net loss of \$0.6 million or nil, on a per share basis. Net income (adjusted)¹ before the one-time mining tax adjustment was \$3.4 million or \$0.03 per share.

1. Refer to the Company's 2017 Annual Management Discussion and Analysis on pages 26 – 31, entitled “Non-IFRS Performance Measures” for the reconciliation of these non-IFRS measurements to the financial statements.

Exploration & Corporate Development Highlights for 2017

Eagle River

- At Eagle River, continued drilling has now traced the 300E structure from 750 metres (“m”) depth to
- Development to date on the 300E Zone has identified seven subzones on the 844-metre level (“m-level”)
- Continued drilling to explore the 300W Zone has now traced the mineralization 300 m up-plunge and remains open
- Resource definition drilling at Mishi completed in 2017 returned positive results from two areas located 600 m and

Kiena

- Development of the Kiena Deep exploration ramp continued with 878 linear metres completed to date and is expected
- As the ramp development is continuing, one drill has been actively drilling several auxiliary targets near existing underground
- Ramping is expected to be completed in March and will enable the Company to drill the higher grade Kiena Deep

Moss Lake

- Drilling at Moss Lake was completed along the strike of the existing resources to significantly extend mineralization

Corporate

- The appointment of two former mining executives as directors and a new management team in mid-year to steer the

Technical Disclosure

The technical content of this release has been compiled, reviewed and approved by Marc-Andre Pelletier, P. Eng, Chief Operating Officer, and Michael Michaud, P.Geo., Vice President, Exploration of the Company and each a "Qualified Person" as defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Cautionary Note to United States Investors Concerning Estimates of Reserves and Resources

The mineral reserve and resource estimates reported in this news release were prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”,) as required by Canadian securities regulatory authorities. The United States Securities and Exchange Commission (the “SEC”,) applies different standards in order to classify and report mineralization. This news release uses the terms “measured”, “indicated”, and “inferred” mineral resources, as required by NI 43-101. Readers are advised that although such terms are recognized and required by Canadian securities regulations, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into mineral reserves. In addition, “inferred” mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource exists, is economically or legally mineable or will ever be upgraded to a higher category of mineral resource.

Wesdome Gold Mines 2017 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
Conference ID: 8836599
Webcast link: <https://edge.media-server.com/m6/p/cjgs5kz3>

Webcast can also be accessed under the News and Events section of the Company's website (www.wesdome.com)

Wesdome Gold Mines Ltd.

Summarized Operating and Financial Data

(Unaudited, expressed in thousands of Canadian dollars, except per share and per unit amounts and otherwise indicated)

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Operating data				
Milling (tonnes)				
Eagle River	39,291	42,607	157,250	170,369
Mishi	38,197	30,714	152,591	138,668
Throughput ²	77,488	73,321	309,841	309,037
Head grades (g/t)				
Eagle River	11.3	8.2	10.6	7.9
Mishi	2.3	1.6	2.0	2.0
Recovery (%)				
Eagle River	94.3	94.6	95.0	93.5
Mishi	81.4	81.6	83.0	85.4
Production (ounces)				
Eagle River	13,499	10,595	50,996	40,252
Mishi	2,298	1,292	7,985	7,485
Total gold produced ²	15,797	11,887	58,980	47,737
Total gold sales (ounces)	19,351	13,490	57,770	48,680
Eagle River Complex (per ounce of gold sold) ¹				
Average realized price	\$ 1,618	\$ 1,655	\$ 1,643	\$ 1,676
Cash costs	1,019	1,215	1,097	1,218
Cash margin	\$ 599	\$ 440	\$ 546	\$ 458
All-in Sustaining Costs ¹	\$ 1,284	\$ 1,631	\$ 1,489	\$ 1,681
Mine operating costs/tonne milled ¹	\$ 206	\$ 206	\$ 204	\$ 184
Average 1 USD & rarr; CAD exchange rate	1.2712	1.3344	1.2986	1.3253
Cash costs per ounce of gold sold (US\$) ¹	\$ 801	\$ 911	\$ 845	\$ 919
All-in Sustaining Costs (US\$) ¹	\$ 1,010	\$ 1,222	\$ 1,146	\$ 1,268
Financial Data				
Mine profit ¹	\$ 11,606	\$ 5,931	\$ 31,537	\$ 22,293
Net income (loss)	\$ (567)	\$ 1,600	\$ 1,287	\$ 7,786
Net income (loss) adjusted ¹	\$ 3,357	\$ 1,600	\$ 6,798	\$ 6,789
Operating cash flow	\$ 13,468	\$ 7,663	\$ 27,225	\$ 22,424
Free cash flow	\$ 5,655	\$ (2,169)	\$ (9,344)	\$ (4,211)
Per share data				
Net income (loss)	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.06
Adjusted net earnings ¹	\$ 0.03	\$ 0.01	\$ 0.05	\$ 0.05
Operating cash flow	\$ 0.10	\$ 0.06	\$ 0.20	\$ 0.18
Free cash flow ¹	\$ 0.04	\$ (0.02)	\$ (0.07)	\$ (0.03)

Notes

1. Refer to the Company's 2017 Annual Management Discussion and Analysis on pages 26 & ndash; 31, entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.
2. Totals for tonnage and gold ounces information may not add due to rounding.

Wesdome Gold Mines Ltd.

Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars)As of
December 31, 2017 As of
December 31, 2016

Assets		
Current		
Cash and cash equivalents	\$ 22,092	\$ 26,760
Receivables and prepaids	3,821	776
Tax receivable	1,932	2,906
Inventories	5,314	5,929
Total current assets	33,159	36,371
Restricted funds	-	6,920
Deferred income tax assets	5,450	7,009
Mining properties, plant and equipment	81,375	74,241
Exploration properties	59,929	38,373
Total assets	\$ 179,913	\$ 162,914
Liabilities		
Current		
Payables and accruals	\$ 17,003	\$ 11,831
Mining and income taxes payable	671	-
Current portion of obligations under finance leases	2,541	2,079
Convertible debentures	-	6,900
Total current liabilities	20,215	20,810
Obligations under finance leases	3,983	4,223
Deferred mining tax liability	6,300	-
Decommissioning provisions	11,192	10,480
Total liabilities	41,690	35,513
Equity		
Equity attributable to owners of the Company		
Capital stock	164,161	156,402
Contributed surplus	3,967	2,173
Equity component of convertible debentures	-	932
Deficit	(29,905)	(32,106)
Total equity attributable to owners of the Company	138,223	127,401
Total liabilities and equity	\$ 179,913	\$ 162,914

Wesdome Gold Mines Ltd.

Consolidated Statements of Income (loss) and Comprehensive Income (loss)

(Expressed in thousands of Canadian dollars except for per share amounts)

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Revenues	\$ 31,544	\$ 22,166	\$ 96,057	\$ 84,031
Cost of sales	23,780	18,188	74,228	66,360
Gross profit	7,764	3,978	21,829	17,671
Other expenses				
Corporate and general	1,248	1,278	4,943	4,777
Share based payments	520	781	2,778	1,734
Kiena care and maintenance	329	695	1,096	2,245
Restructuring costs	-	-	2,159	686
Write-down of mining equipment	316	-	316	-
	2,413	2,754	11,292	9,442

Operating income	5,351	1,224	10,537	8,229
Interest on long-term debt	(60)	(264)	(462)	(1,030)
Accretion of decommissioning provisions	(14)	78	(210)	20
Interest and other	(4)	(34)	(67)	17
Exploration credits refund	-	-	-	2,620
Income before income tax	5,273	1,004	9,798	9,856
Mining and income tax (expense) recovery				
Current	(571)	900	(722)	900
Deferred	(5,269)	(304)	(7,789)	(2,970)
	(5,840)	596	(8,511)	(2,070)
Net income (loss) and total comprehensive income (loss)	\$ (567)	\$ 1,600	\$ 1,287	\$ 7,786
Net earnings (loss) per share				
Basic	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.06
Diluted	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.06
Weighted average number of common shares (000s)				
Basic	133,889	130,205	132,871	126,158
Diluted	135,058	132,732	134,927	128,086

Wesdome Gold Mines Ltd.

Consolidated Statements of Total Equity

(Expressed in thousands of Canadian dollars)

	Capital Stock	Contributed Surplus	Equity Component of Convertible Debentures	Deficit	Total Equity
Balance, December 31, 2015	\$ 137,126	\$ 1,729	\$ 932	\$ (40,289)	\$ 99,498
Net income for the year ended December 31, 2016	-	-	-	7,786	7,786
Exercise of options	1,356	-	-	-	1,356
Value attributed to options exercised	893	(893)	-	-	-
Value attributed to options expired	-	(397)	-	397	-
Share based payments	-	1,734	-	-	1,734
Shares issued to acquire Moss Lake area properties	750	-	-	-	750
Shares issued under prospectus	17,267	-	-	-	17,267
Share issue cost, net of tax	(990)	-	-	-	(990)
Balance, December 31, 2016	\$ 156,402	\$ 2,173	\$ 932	\$ (32,106)	\$ 127,400
Net income for the year ended December 31, 2017	-	-	-	1,287	1,287
Conversion/maturity of convertible debentures	4,912	-	(932)	932	4,912
Exercise of options	1,915	-	-	-	1,915
Value attributed to options exercised	932	(932)	-	-	-
Value attributed to options expired	-	(52)	-	52	-
Tax related to share issue cost	-	-	-	(70)	(70)
Share based payments	-	2,778	-	-	2,778
Balance, December 31, 2017	\$ 164,161	\$ 3,967	\$ -	\$ (29,905)	\$ 138,222

Wesdome Gold Mines Ltd.

Consolidated Statements of Cash Flows

(Unaudited, expressed in thousands of Canadian dollars)

	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Operating activities				
Net income (loss)	\$ (567)	\$ 1,600	\$ 1,287	\$ 7,786
Depletion and depreciation	3,842	1,798	10,608	7,067
Deferred mining and income tax expense	5,269	304	7,789	2,970
Mining tax received	-	(900)	900	(900)
Share based payments	520	781	2,778	1,734
Decommissioning provisions	14	(78)	210	(20)
Interest on long-term debt	(50)	176	359	692
Accretion of discount on convertible debentures	-	88	103	338
Loss on disposal of equipment	55	184	214	260
Write-down of mining equipment	316	-	316	-
	9,399	3,953	24,564	19,927
Net changes in non-cash working capital	4,069	3,710	2,661	2,497
Funds provided by operating activities	13,468	7,663	27,225	22,424
Financing activities				
Repayment of convertible debentures	-	-	(2,091)	-
Exercise of options	-	257	1,915	1,356
Finance lease payments	(674)	(554)	(2,753)	(1,914)
Interest paid	(60)	(299)	(469)	(692)
Shares issued under prospectus, net of issue cost	-	-	-	16,017
Funds (used) provided by financing activities	(734)	(596)	(3,398)	14,767
Investing activities				
Additions to mining properties	(3,241)	(4,034)	(15,020)	(18,150)
Additions to exploration properties	(4,598)	(4,677)	(21,556)	(10,214)
Funds released from (held against) standby letters of credit	-	-	6,920	(4,385)
Proceeds on sale of exploration properties	-	-	-	7,000
Proceeds on sale of equipment	-	26	90	69
Net changes in non-cash working capital	583	(613)	1,071	(175)
Funds used by investing activities	(7,256)	(9,298)	(28,495)	(25,855)
Increase (decrease) in cash and cash equivalents	5,478	(2,231)	(4,668)	11,336
Cash and cash equivalents, beginning of period	16,614	28,991	26,760	15,424
Cash and cash equivalents, end of period	\$ 22,092	\$ 26,760	\$ 22,092	\$ 26,760
Cash and cash equivalents consist of:				
Cash	\$ 13,092	\$ 8,999	\$ 13,092	\$ 8,999
Term deposits	9,000	17,761	9,000	17,761
	\$ 22,092	\$ 26,760	\$ 22,092	\$ 26,760

ABOUT WESDOME

Wesdome Gold Mines is in its 31st 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 near 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 Company has further upside at its Moss Lake gold deposit, located 100 kilometres west of Thunder Bay, Ontario. The Company has approximately 134 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", "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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