

Wesdome Announces 2018 Fourth Quarter and Full Year Production Results; Provides 2019 Guidance

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TORONTO, Jan. 16, 2019 - [Wesdome Gold Mines Ltd.](https://www.wesdome.com/) (TSX: WDO) ("Wesdome" or the "Company") today announces fourth quarter ("Q4") and full year 2018 production results and 2019 guidance. All figures are stated in Canadian dollars unless otherwise noted.

Production from the Eagle River Complex finished in Q4 2018 at 17,254 ounces of gold, representing an increase of 9% from the same period last year. Full year 2018 production of 71,625 ounces of gold as compared to 58,980 ounces of gold production of fiscal 2017 represents a 21% increase year on year and up 50% since 2016.

<i>Amounts are denominated in Canadian dollars</i>	Fourth Quarter		Fiscal Year	
	2018	2017	2018	2017
Ore milled (tonnes)				
Eagle River	50,536	39,291	185,171	157,250
Mishi	8,478	38,197	70,633	152,591
	59,014	77,488	255,804	309,841
Head grade (grams per tonne, "g/t")				
Eagle River	10.60	11.30	11.73	10.60
Mishi	2.43	2.30	2.30	2.00
Gold production (ounces)				
Eagle River	16,712	13,499	67,315	50,996
Mishi	542	2,298	4,310	7,985
	17,254	15,797	71,625	58,980
Production sold (ounces) ¹	18,077	19,351	70,480	57,770
Revenue from gold sales (\$ millions)	\$29.4	\$31.3	\$115.9	\$94.9
Average realized price per ounce ²	\$1,627	\$1,618	\$1,645	\$1,643

Notes:

1. Numbers may not add due to rounding.

2. Average realized price per ounce is a non-GAAP measure and is calculated by dividing the reported revenue from gold sales by the number of ounces sold for a given period.

2019 Guidance

<i>Amounts are denominated in Canadian dollars, or otherwise indicated</i>	Guidance
Gold production	
Eagle River	69,000 – 76,000 ounces
Mishi	3,000 - 4,000 ounces
	72,000 – 80,000 ounces
Head grade (g/t)	
Eagle River	15.5 – 16.5
Mishi	2.0 – 2.4

Operating cost per ounce ¹	\$830 - \$900 US\$640-US\$690
All-in sustaining cost per ounce ¹	\$1,280 - \$1,350 US\$985 – US\$1,040

¹ Operating cost per ounce and All-in sustaining cost per ounce are non-GAAP measures, please reference the Company's interim management discussion and analysis for the period ended September 30, 2018 filed on SEDAR for their calculations.

Duncan Middlemiss, President and CEO commented, "Over the last two years, we have been focused on re-investing capital into exploration, infrastructure, and development at the Eagle River Underground Mine. This strategy has clearly been the right approach, as production is up 50% since 2016, and head grades have increased year over year. We see this trend continuing in 2019, with head grades expected to average over 15 grams per tonne on the low end, a 28% increase over this year. This would not have been possible without the hard work of the team at Eagle River. On behalf of management and the board of directors I would like to thank the Wesdome team on delivering an excellent 2018, achieving results in line with our upward revised guidance. I would also like to thank them for preparing us for an even better 2019, which we are guiding at 72,000 – 80,000 ounces of gold, at significantly higher grades and lower costs. Production profile for the first half of 2019 will range from 31,000 – 35,000 ounces, with the second half production profile in the 41,000 – 45,000 ounces range. This strong second half is a result of mining the high grade 303 lense commencing in Q3."

"At Kiena, we are continuing with our aggressive underground drilling and development program with the objective to expand the current resources base and release an updated resource estimate during 2019. Focus areas of drilling include targeting the potential up plunge extension of the Kiena Deep A Zone, the A Zone at depth, in-mine targets such as the VC and S-50 zones, and definition drilling existing resources to convert to the reserve category. Our goal with 2019's program is to be able to make a restart decision later in the year."

2019 Exploration Programs

Eagle River Complex

- The 2019 program at Eagle consists of approximately 114,000 metres (m) of UG definition and exploration drilling (51,000 m exploration and 43,000 m of definition drilling) using 4 underground drill rigs, and 20,000 m of surface drilling.
- The objective of the drilling is to replace mining depletion throughout the year and identify new mineralized zones along structures located immediately north of and sub-parallel to the main mine trend Zone 8.
- Definition drilling will be focussed at 300W, 300E, and down dip on the 711 and 811 zones.
- Meanwhile, underground exploration drilling will be completed up and down plunge at the 303E zone, as well as down dip at Zone 8 and the No Name Lake zone down dip extension where it contacts the mine diorite (from 925 m-level drilling platform).
- Additional underground exploration will also be completed further to the east of the current mining areas, in the east-central area of the mine near section 10400 to 10800E to test for parallel zones such as the 7 and 300 zones discovered north of the historic 8 and 6 zones.
- A 5,000 m surface drilling program is planned for Q1 2019 as a continuation of the Q4 2018 surface program to test for mineralization in parallel zones similar in style to that of the 7 and 300 zones further to the east along strike and from surface to 400 vertical m.
- Summer program consisting of mapping and sampling, and IP geophysics as follow up to historic results located both east and west along strike from the mine diorite and to the north of diorite in a parallel structure that returned anomalous values from an iron formation. This exploration is expected to be followed up with a 10,000 – 15,000 m drilling program in the last half of the year using 2 drill rigs.

- Total exploration budget (excluding the definition drilling program) at the Eagle River Underground Mine is \$6.9 million.

Kiena Complex

- The 2019 exploration program consists of approximately 50,000 m of underground drilling using 5 drill rigs at the Kiena Deep deposit and 9,000 m of surface drilling to better define and extend neighbouring zones and test potential of additional zones at a cost of \$6.9 million (not including any underground development and maintenance expenditures).
- The 2019 underground drilling has three main objectives; 1) to better define the Kiena Deep A zone with infill drilling for future resource updates, 2) to test the up plunge potential of the A Zone that has now been interpreted to extend over 500 m towards the VC zone, and 3) to continue to test the down plunge potential below 1,400 vertical metre level where the 2018 drilling has returned very high grade results from multiple, parallel zones that are interpreted to be flattening and thickening.
- Complete limited drilling of the South zone and areas of S50 Zone to expand mineral resources near existing infrastructure as these zones remain an important component of any restart plan.
- Total 2019 capital budget at Kiena of \$26.9 million, which includes drilling, underground development, and initiation of backfill operations

2019 Other Capital Expenditures

- Eagle River sustaining capital development is budgeted at \$17.9 million.
- General and corporate administration expenses of \$6.3 million

The Company is adequately funded to undertake the 2019 Budgeted workplan, with current cash and cash equivalents of \$27.4 million at the beginning of the year, making Wesdome well positioned to execute on its path to becoming Canada's next mid-tier gold company

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 both a "Qualified Person" as defined in National Instrument 43-101 -*Standards of Disclosure for Mineral Projects*.

ABOUT WESDOME

Wesdome has had over 30 years of continuous gold mining operations in Canada. The Company is 100% Canadian focused with a pipeline of projects in various stages of development. The Company's strategy is to build Canada's next intermediate gold producer, producing 200,000+ ounces from two mines in Ontario and Québec. 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, Québec. 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. The Company has approximately 135.0 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", "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.

PDF available:

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