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RELEASE

**WESDOME ANNOUNCES SECOND QUARTER 2017 FINANCIAL RESULTS**

**Toronto, Ontario – August 2, 2017** – Wesdome Gold Mines Ltd. (TSX: WDO) (“Wesdome” or the “Company”) today announces second quarter 2017 (“Q2”) financial results.

Mr. Duncan Middlemiss, President and CEO commented, “Over the last year, the operations team has been focused on increasing mined gold grades and developed stope inventory consistently quarter over quarter. The first half of 2017 demonstrates that this work is starting to take effect. Average head grades in the first half of 2017 at the Eagle River Underground Mine were 10.7 grams per tonne, versus 6.6 grams per tonne in the first half of 2016. This has been achieved by opening up additional production areas, and increased discipline of the application of quality tonnes, not quantity tonnes. As a result, operating cost per ounce have decreased to CAD\$1,153 per ounce in H1 2017 compared to CAD\$1,419 per ounce on H1 2016. As a result, operating cash flow has significantly improved to CAD\$10.6 M in H1 2017 versus CAD\$2.1 M in H1 2016. Moving forward, we are focused on reducing unit costs on an all-in basis. Completion of a ventilation raise this year will improve the workplaces and increase productivity by allowing for additional production areas, further reducing unit costs and increasing production.”

“At Kiena, the contractor has been mobilizing in preparation for ramp development commencing in early August. We expect to be back to drilling the Kiena Deep discovery by September or October 2017. In the meantime, 2 drills will be drilling other prospective targets underground. These include the VC and S50 zones, both of which are located close to existing production infrastructure.”

**2017 SECOND QUARTER HIGHLIGHTS**

- Gold production of 12,529 ounces (Q2 2016: 12,147) increased slightly due to higher grades at the Eagle River Mine with lower tonnes milled
  - Eagle River Mine underground production of 10,597 ounces (Q2 2016: 10,210) at a head grade of 9.8 grams per tonne (“g/t”) (Q2 2016: 7.5) with a mill recovery of 96.3% (Q2 2016: 93.4%) from 34,960 tonnes milled (Q2 2016: 45,305)
  - Mishi Open Pit mine production of 1,932 ounces (Q2 2016: 1,937) at a head grade of 1.8 g/t (Q2 2016: 2.1) with a mill recovery of 83.1% (Q2 2016: 85.5%) from 39,117 tonnes milled (2016: 34,006)
- 2017 Guidance remains at 52,000 – 58,000 ounces
- Total mill throughput of 74,077 tonnes (Q2 2016: 79,311) averaging 814 tonnes per calendar day (“tpd”) (Q2 2016: 872) was lower due partly to scheduled Hydro One system maintenance and upgrades
- Revenue of \$23.2 million (Q2 2016: \$18.4 million) on gold sales of 13,030 ounces (Q2 2016: 11,265) at an average realized price of \$1,715 or US\$1,274 per ounce (Q2 2016: \$1,637 or US \$1,271)
- Mine operating profit<sup>1</sup> of \$7.1 million (Q2 2016: \$4.5 million) increased compared to the comparative quarter due to higher sales and slightly higher production
- Net income of \$0.9 million (Q2 2016: \$1.8 million), or \$0.01 per share (Q2 2016: \$0.01)

- Operating cash flow of \$5.3 million (Q2 2016: \$4.9 million), or \$0.04<sup>1</sup> per share (Q2 2016: \$0.04 increased due to higher sales
- Free cash flow<sup>1</sup> of \$(4.7) million compared to Q2 2016 of \$(2.1) million. The increased negative outflow in Q2 2017 is due to the heightened combined exploration activities at Eagle River, Kiena and Moss Lake. Q2 2017 exploration was \$5.9 million compared to only \$1.6 million in Q2 2016
- Production cash costs per ounce<sup>1</sup> were \$1,270 or US\$945 (Q2 2016: \$1,188 or US\$922)
- All-in sustaining costs per ounce (“AISC”)<sup>1</sup> on a production basis of \$1,770 or US\$1,316 (Q2 2016: \$1,687 or US\$1,309), an increase of 5% over Q2 2016 due to higher production costs relating to additional stope development, and higher corporate and general expenses. Increased stope development in Q2 2017 has led to an additional 20,000 tonnes of developed reserves inventory as at June 30, 2017
- Convertible debentures of \$7.0 million were fully retired at maturity through \$4.9 million conversion into common shares of the Company and \$2.1 million cash repayment
- Cash and cash equivalents of \$22.7 million; 3,557 ounces gold in process at market price of \$5.7 million; working capital of \$17.8 million as at June 30, 2017

### 2017 Second Quarter Exploration and Corporate Development Highlights

- At the Eagle River Underground mine, initial development completed on the 844 metre level of the 300E Zones. The combined strike length of the subzones is 173.70 m with a weighted average width of 2.85 m and cut and uncut gold grades of 22.62 g Au/tonne and 34.79 g Au/tonne, respectively.
- Drilling at Mishi Open Pit extends deposit 700 m westwards
- Significant progress made on the Kiena exploration ramp. CMAC-Thyssen Mining has been selected as the contractor, and equipment has been mobilized in preparation for ramp development commencing in early August
- Board of Directors strengthened with the appointment of two experienced mining industry professionals, Charles (Chuck) Main and Warwick Morley-Jepson

<b>Financial Results – Three and Six Months 2017 and 2016</b>				
	<b>Three Months ended June 30</b>		<b>Six Months ended June 30</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<i>(in \$000, except per share amounts)</i>				
Revenue	<b>23,248</b>	18,447	<b>43,348</b>	31,731
Mine operating profit <sup>1</sup>	<b>7,132</b>	4,493	<b>13,687</b>	3,388
Net income (loss)	<b>863</b>	1,837	<b>1,558</b>	(1,463)
Net income (loss) adjusted <sup>1</sup>	<b>1,313</b>	409	<b>2,229</b>	(2,445)
Basic net income (loss) per share	<b>0.01</b>	0.01	<b>0.01</b>	(0.01)
Basic net income (loss) per share adjusted <sup>1</sup>	<b>0.01</b>	0.00	<b>0.02</b>	(0.02)
Cash flows from operating activities	<b>5,250</b>	4,885	<b>10,642</b>	2,099
Cash flows from operating activities adjusted <sup>1</sup>	<b>5,700</b>	3,457	<b>11,313</b>	1,117
Free cash flow <sup>1</sup>	<b>(4,685)</b>	(2,147)	<b>(8,884)</b>	(9,337)
Cash and cash equivalents	<b>22,681</b>	26,802	<b>22,681</b>	26,802
Working capital	<b>17,815</b>	16,598	<b>17,815</b>	16,598

<b>Operational Results – Three and Six Months 2017 and 2016</b>				
	<b>Three Months ended June 30</b>		<b>Six Months ended June 30</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Eagle tonnes milled	<b>34,960</b>	45,305	<b>73,538</b>	85,144
Mishi tonnes milled	<b>39,117</b>	34,006	<b>75,758</b>	70,293
Total tonnes milled	<b>74,077</b>	79,311	<b>149,296</b>	155,437
Eagle grade (g/t)	<b>9.8</b>	7.5	<b>10.7</b>	6.6
Mishi grade (g/t)	<b>1.8</b>	2.1	<b>1.8</b>	2.0
Eagle River Mine mill recovery (%)	<b>96.3</b>	93.4	<b>95.7</b>	91.2
Mishi Mine mill recovery (%)	<b>83.1</b>	85.5	<b>82.1</b>	84.6
Eagle recovered grade (g/t)	<b>9.4</b>	7.0	<b>10.2</b>	6.0
Mishi recovered grade (g/t)	<b>1.5</b>	1.8	<b>1.4</b>	1.7
Eagle ounces produced	<b>10,597</b>	10,210	<b>24,185</b>	16,464
Mishi ounces produced	<b>1,932</b>	1,937	<b>3,506</b>	3,719
Total ounces produced	<b>12,529</b>	12,147	<b>27,691</b>	20,183
Ounces sold	<b>13,030</b>	11,265	<b>25,350</b>	19,365
Average realized price (CAD\$/oz) *	<b>1,715</b>	1,637	<b>1,674</b>	1,639
Average realized price (US\$/oz) *	<b>1,274</b>	1,271	<b>1,254</b>	1,231
Production cash costs (CAD\$/oz) *	<b>1,270</b>	1,188	<b>1,153</b>	1,419
Production cash costs/oz (US\$/oz)	<b>945</b>	922	<b>864</b>	1,066
All-in-sustaining costs (CAD\$/oz)*	<b>1,770</b>	1,687	<b>1,608</b>	1,982
All-in-sustaining costs (US\$/oz) *	<b>1,316</b>	1,309	<b>1,204</b>	1,489
Average 1 USD to CAD exchange rate	<b>1.3449</b>	1.2886	<b>1.3351</b>	1.3307

Note:

- 1 Refer to the section entitled “Non-IFRS Performance Measures” in the Q2 2017 Management’s Discussion and Analysis for the reconciliation of these non-IFRS measurements to the Financial Statements.

## **Wesdome Gold Mines 2017 Second Quarter Financial Results Conference Call:**

**Thursday, August 3, 2017 at 10:00 am ET**

North American Toll Free: **+ 1 (844) 202-7109**

International Dial-In Number: **+1 (703) 639-1272**

Passcode: **54570695**

Webcast link: <http://edge.media-server.com/m/p/67czhayi>

Webcast can also be accessed under the News and Events section of the Company’s website ([www.wesdome.com](http://www.wesdome.com))

### **ABOUT WESDOME**

Wesdome Gold Mines is in its 30<sup>th</sup> 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 133.9 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*