



WESDOME GOLD MINES LTD.

Third Quarter 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Wesdome Gold Mines Ltd.'s ("Wesdome" or the "Company") interim condensed consolidated financial statements for the three months and nine months ended September 30, 2019 and 2018, and their related notes ("financial statements") which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All dollar amounts stated in this MD&A are denominated in thousands of Canadian dollars, except per share data and unless otherwise indicated. The discussion and analysis within this MD&A are effective as of November 6, 2019.

This document contains forward-looking statements and forward-looking information. Refer to the cautionary language under the section entitled "**Cautionary Statement on Forward-looking Statements**" in this MD&A.

The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period	Abbreviation	Period
Q3 2019	<i>July 1, 2019 – September 30, 2019</i>	Q3 2018	<i>July 1, 2018 – September 30, 2018</i>
Q2 2019	<i>April 1, 2019 – June 30, 2019</i>	Q2 2018	<i>April 1, 2019 – June 30, 2019</i>
Q1 2019	<i>January 1, 2019 – March 31, 2019</i>	Q1 2018	<i>January 1, 2018 – March 31, 2018</i>
Q4 2018	<i>October 1, 2018 – December 31, 2018</i>	Q4 2017	<i>October 1, 2017 – December 31, 2017</i>
YTD 2019	<i>January 1, 2019 – September 30, 2019</i>	YTD 2018	<i>January 1, 2018 – September 30, 2018</i>

NON-IFRS PERFORMANCE MEASURES

Wesdome uses non-IFRS performance measures throughout this MD&A as it believes that these generally accepted industry performance measures provide a useful indication of the Company's operational performance. These non-IFRS performance measures do not have standardized meanings defined by IFRS and may not be comparable to information in other gold producers' reports and filings. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The non-IFRS performance measures include - average realized price of gold sold; cash costs per ounce of gold sold; production costs per tonne milled; mine profit; all-in sustaining costs ("**AISC**"); free cash flow and operating and free cash flow per share; and net income (adjusted) and adjusted net earnings per share and earnings before interest, taxes and depreciation and amortization ("**EBITDA**").

For further information and detailed reconciliations, refer to the section entitled "**Non-IFRS Performance Measures**" in this MD&A.

BUSINESS OVERVIEW

Wesdome is a public company existing under the laws of Ontario. The common shares of the Company are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "**WDO**". The registered and principal office of the Company is located at 220 Bay Street, Suite 1200, Toronto, Ontario, M5J 2W4.

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 Eagle River Complex located close to Wawa, Ontario is currently producing gold from two mines, the Eagle River Underground Mine ("**Eagle River**") and the Mishi Open Pit ("**Mishi**"), from a central mill, with a milling capacity of approximately 1,000 tonnes per day ("**tpd**"). Wesdome is actively exploring its brownfields asset, the Kiena Mine ("**Kiena**") in Val d'Or, Québec. Kiena is a fully permitted former producing mine with a 930-metre ("**m**") shaft and

2,000-tpd mill. The Company has further upside at its Moss Lake gold deposit, located 100 kilometres (“kms”) west of Thunder Bay, Ontario.

Additional financial information relating to Wesdome, including the Company’s Annual Information Form, can be found on the Company’s website: www.wesdome.com or on the SEDAR website: www.sedar.com

Q3 2019 HIGHLIGHTS AND ACHIEVEMENTS

Operations and Financial Highlights	Comparison to Q3 2018
Gold production of 28,910 ounces from the Eagle River Complex.	Gold production increased by 46% (Q3 2018 – 19,795 ounces). YTD gold production of 70,356 ounces, an increase of 29% when compared to YTD 2018 production of 54,371 ounces.
Cash costs of \$815 (US\$618) per ounce of gold sold ¹.	Cash costs in Canadian dollars remained consistent (Q3 2018 - \$815 (US\$624) per ounce).
AISC ¹ of \$1,344 (US\$1,018) per ounce.	AISC increased by 16% (Q3 2018 - \$1,160 (US\$888) per ounce) due to \$4.0 million or \$168 (US\$128) per ounce spent on the tailings management area (“TMA”) at Eagle River.
Earned mine profit ¹ of \$26.8 million.	An increase of \$12.9 million or 93% when compared to \$13.9 million generated in Q3 2018.
Operating cash flow of \$27.3 million or \$0.20 per share ¹.	Operating cash flow at a strong level at \$27.3 million for the quarter as a result of higher production and the increase in cash from working capital changes (Q3 2018 - \$12.8 million or \$0.10 per share).
Free cash flow of \$9.2 million or \$0.07 per share¹.	Eagle River generated free cash flow of \$9.2 million for the quarter, net of an investment of \$5.9 million in Kiena and \$4.0 million spent on the TMA at Eagle River in the quarter. Free cash flow in Q3 2018 was \$2.1 million or \$0.02 per share.
Net income attributable to shareholders of \$12.4 million or \$0.09 per share.	A delivery of strong net earnings and Adjusted net earnings in the quarter as a result of strong production performance and increasing gold



Adjusted net income¹ of \$12.4 million or \$0.09 per share

prices. Net income and Adjusted net income¹ for Q3 2018 was \$3.6 million or \$0.03 per share, respectively.

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

Production and Exploration Highlights	Achievements
Eagle River	<ul style="list-style-type: none"> • The mining of the 303 Zone between the second up to the fourth sub-level above the 844 metre level ("m-level") continued in Q3 2019 and confirmed the continuity of the strong grades and the geometry of the mineralized zone. A new mining horizon in the 303 Zone is being developed between the 884 m-level and the 925 m-level. The development work is scheduled in Q4 this year in preparation for production in 2020. • Exploration drilling continued on the 925 m-level to prepare the 303 Lens zone for mining. The 303 Lens, initially defined from the 750 m-level to 1,000 m-level has now been extended an additional 300 m down plunge to the 1,300 m-level, while continuing to illustrate above average widths and grades. • Ongoing drilling and initial drift development along the 311 W Zone have confirmed the continuity and strike length of 145 m grading 28.8 g/t Au with a 1.8 m average width and has extended the mineralized zone 50 m further west than the previously interpreted diorite contact and remains a focus for 2019 drilling. • Surface drilling in the volcanics to the west of the mine diorite encountered the Falcon 7 and Falcon 300 zones, with one drill hole returning 18.5 g/t Au over 5.8 m core length. These zones are interpreted to be extensions of the 300 and 7 zone structures which lie approximately 200 m to the east within the mine diorite.
Kiena	<ul style="list-style-type: none"> • On September 25, 2019, Wesdome announced an updated Mineral Resource Estimate including drill data as of August 6, 2019. Highlights include <ul style="list-style-type: none"> (i) Increased Kiena Deep A Zone Indicated resources from 99,300 to 405,100 ounces (ii) Increased Kiena Deep A Zone Inferred resources from 241,100 ounces to 332,000 ounces (iii) Increased Kiena Deep A Zone Indicated resource grade from 9.95 g/t Au to 18.55 g/t Au (iv) Increased proportion of Indicated resources to over 50% in the A Zone (versus 30% previously in A Zone). • Four drills continue to operate on the 1050 m-level exploration ramp completing the infill and immediate plunge extension drilling of the Kiena Deep A Zone. Meanwhile a 5th drill is located on the 670 m-level and continues to return high grade intersections along the interpreted-up plunge extension of the Kiena Deep A Zone towards the VC zone area with one hole returning 31.1 g/t Au over 5.1 metres. It is now interpreted that A Zone is folded as it extends up plunge to intersect the VC6 zone. • Our 2019 underground exploration program calls for 50,000 m of drilling. This information will then lead into a Preliminary Economic Assessment expected in Q1 2020 and next steps will be determined at that juncture. • The development of an exploration drift on 790m level started during the quarter and will be completed in December to better explore the

up plunge extension of the A Zone between the 670 m-level and 1050 m-level.

GOLD MARKET OVERVIEW

The market price of gold is the primary driver of the Company's profitability. The market price of gold is affected by numerous industry and macroeconomic factors.

In Q3 2019, Wesdome realized an average gold price of \$1,957 (US\$1,482) per ounce as compared to \$1,571 (US\$1,202) per ounce realized in Q3 2018. The market price for gold in the quarter averaged at US\$1,472 per ounce (Canadian dollar equivalent of \$1,944 per ounce (Q3 2018 - US\$1,213 or Canadian dollar \$1,585 per ounce)). The future gold price volatility is expected to be impacted by the uncertainty surrounding the US dollar's direction in 2019 deriving from U.S. interest rates fluctuations, together with the geopolitical uncertainty persisted with increased tension over trade wars.

FOREIGN CURRENCY EXCHANGE RATE OVERVIEW

The Company's reporting and functional currency is the Canadian dollar ("CAD") as all its assets and operations are based in Canada. However, the Company's revenues, profitability and cash flows are exposed to the changes in the United States dollar ("USD") to Canadian dollar exchange rates as the Company's primary product, gold, is predominately traded in the US dollar. Wesdome had no forward exchange rate contracts in place and no significant foreign currency holdings during Q3 2019 and as at September 30, 2019. Please see note 19 of the Company's financial statements for an analysis of Wesdome's exposure to the Canadian and US dollar exchange rate.

OUTLOOK

In Q4 2019, the Company revised its full-year 2019 production guidance from 72,000 – 80,000 to 88,000 – 93,000 ounces of gold. The following table shows the tracking of Wesdome's performances to these revised guidelines:

	2019 Guidance	YTD 2019 Achievement
Gold production		
Eagle River	85,000 – 89,000 ounces	67,723 ounces
Mishi	3,000 – 4,000 ounces	2,633 ounces
	88,000 – 93,000 ounces	70,356 ounces
Head grade (g/t Au)		
Eagle River	20.0 – 22.0	21.9
Mishi	2.0 – 2.4	2.6
Cash cost per ounce ¹	\$830 - \$900 (US\$640 – US\$690)	\$838 (US\$630)
AISC per ounce ¹	\$1,280 - \$1,350 (US\$985 – US\$1,040)	\$1,290 (US\$970)

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

As a result of better than expected ore grade at the Eagle River 303 Zone, gold production in the first nine months of 2019 exceeded the Company's anticipated production of 53,000 – 58,000 ounces established at the beginning of the year. With YTD Q3 2019 production of 70,356 ounces of gold and nearly the low end of the Company's full year guidance, the Company has revised its 2019 full year guidance to fall between 88,000 – 93,000 ounces.

The Company launched a \$9.4 million capital project commencing in Q2 2019 to improve its tailings management area ("**TMA**"). The project started in the spring of 2019 and is expected to carry through to 2020. The objective of this investment is twofold; 1) enhance water management; and 2) increase the TMA capacity. Up to YTD 2019, the Company has spent \$5.5 million on the project.

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Financial results								
Revenues ^{3,4}	45,940	42,276	32,535	29,462	28,920	31,443	26,217	31,544
Mine operating profit ¹	26,770	22,055	16,259	12,495	13,898	14,957	10,774	11,606
Net income (loss)	12,449	8,327	8,092	2,643	3,631	5,725	2,859	(567)
Net income adjusted ¹	12,449	8,327	5,723	2,643	3,631	5,725	2,859	3,357
Earnings before interest, taxes, depreciation and amortization ¹	24,960	19,410	13,076	10,329	11,656	13,248	8,033	9,175
Operating cash flow	27,275	15,400	12,581	8,632	12,823	12,422	12,423	13,468
Free cash flow ¹	9,199	1,155	(429)	(4,491)	2,137	1,962	3,216	4,981
Per share information:								
Net earnings	0.09	0.06	0.06	0.02	0.03	0.04	0.02	0.00
Adjusted net earnings ¹	0.09	0.06	0.04	0.02	0.03	0.04	0.02	0.03
Operating cash flow ¹	0.20	0.11	0.09	0.06	0.10	0.09	0.09	0.10
Free cash flow ¹	0.07	0.01	0.00	(0.03)	0.02	0.01	0.02	0.04
Selected Financial Statement data:								
Cash and cash equivalents	38,611	27,395	27,847	27,378	30,714	26,719	26,460	22,092
Working capital	27,318	20,546	16,756	11,312	14,982	14,521	12,742	12,944
Total assets	265,065	238,599	225,740	209,637	203,388	193,019	189,072	179,913
Total non-current liabilities	41,897	31,680	28,961	25,170	23,040	23,056	21,112	21,475
Operational results								
Milling (tonnes)								
Eagle River	39,453	28,754	30,941	50,536	46,777	43,378	44,480	39,291
Mishi	204	18,623	18,470	8,478	4,076	25,233	32,846	38,197
Throughput ²	39,657	47,377	49,411	59,014	50,854	68,610	77,326	77,488
Total tonnes/calendar day	431	521	549	641	553	753	859	842
Head grades (g/t Au)								
Eagle River	23.4	23.4	18.5	10.6	13.3	11.0	12.0	11.3
Mishi	2.8	3.0	2.2	2.4	3.4	2.7	1.8	2.3
Recovery (%)								
Eagle River	97.6	96.4	97.6	97.0	96.9	96.2	95.4	94.3
Mishi	85.5	85.2	80.6	81.9	80.9	83.6	81.6	81.4
Production (ounces)²								
Eagle River	28,894	20,873	17,955	16,712	19,437	14,767	16,398	13,499
Mishi	15	1,564	1,055	542	358	1,860	1,550	2,298
Total gold produced	28,910	22,437	19,010	17,254	19,795	16,628	17,948	15,797
Gold sales (ounces)	23,450	24,113	18,760	18,077	18,401	18,573	15,430	19,351

In 000s, except per units and per share amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Per ounce of gold sold ¹								
Average realized price	1,957	1,752	1,733	1,628	1,571	1,692	1,698	1,618
Cash costs	815	837	866	937	815	886	999	1,019
Cash margin	1,142	915	867	691	756	806	699	599
AISC ¹	1,344	1,220	1,311	1,371	1,160	1,242	1,342	1,284
Production costs/tonne milled ¹	583	390	301	306	283	225	208	206
Average 1 USD → CAD exchange rates	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712
Cost Metrics (in USD)								
Cash costs ¹	618	626	651	710	624	686	790	801
AISC ¹	1,018	912	986	1,038	888	962	1,061	1,010

¹ Refer to the section 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.

³ Revenues include insignificant amounts from the sale of by-product silver.

⁴ Wesdome's strategy is to increase the amount of underground tonnes mined, thereby displacing the open pit tonnes in order to substantially increase gold production.

Q3 2019 FINANCIAL AND OPERATIONAL RESULTS

Operational Results

In \$000s	Q3 2019	Q3 2018	Change		YTD 2019	YTD 2018	Change	
Ore milled (tonnes)								
Eagle River	39,453	46,777	(7,324)	(16)%	99,148	134,635	(35,487)	(26)%
Mishi	204	4,076	(3,872)	(95)%	37,297	62,155	(24,858)	(40)%
Throughput	39,657	50,854	(11,197)	(22)%	136,445	196,790	(60,345)	(31)%
Head Grade (g/t Au)								
Eagle River	23.4	13.3	10.1	76%	21.9	12.2	9.7	79%
Mishi	2.8	3.4	(0.7)	(19)%	2.6	2.3	0.3	15%
Recoveries (percent)								
Eagle River	97.6	96.9	0.7	1%	97.2	96.2	1.0	1%
Mishi	85.5	80.9	4.6	6%	83.3	82.5	0.8	1%
Gold production (ounces)								
Eagle River	28,894	19,437	9,457	49%	67,723	50,602	17,121	34%
Mishi	15	358	(343)	(96)%	2,633	3,769	(1,136)	(30)%
	28,910	19,795	9,113	46%	70,356	54,371	15,985	29%
Gold Sold (ounces)	23,450	18,401	5,049	27%	66,323	52,404	13,919	27%

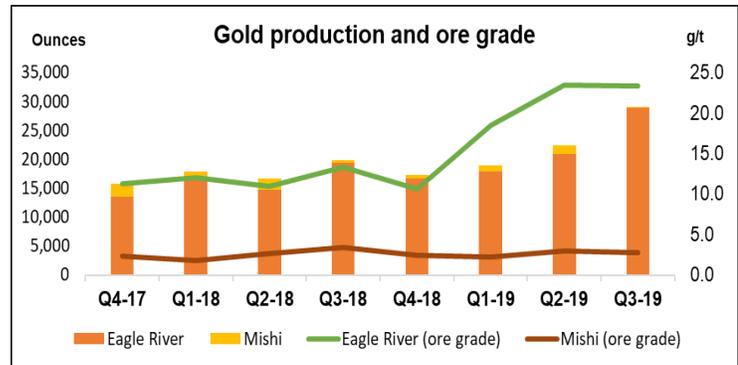
¹ Totals for tonnage and gold ounces information may not add due to rounding.



Production Review

Q3 2019 as compared to Q3 2018

Production at Eagle River Complex increased by 46% from Q3 2018 to 28,910 ounces of gold, due to an 86% improvement in head grade at Eagle River; offset partially by a 22% decrease in total throughput when compared to Q3 2018.



At Eagle River, the improvements in ore grade during Q3 2019 are largely a function of stopes in the 303 Zone contributing more tonnes at higher grades than anticipated. In Q4, the 303 Zone will remain significant for gold production due to the expected higher grade.

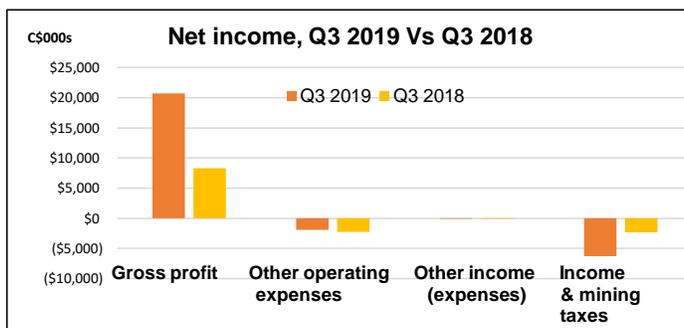
During the quarter, the Company has mined 32,601 t of Eagle River underground and processed 39,453 t, resulting in a stockpile depletion of 7,000 t. At the end of Q3 2019, the stockpile was 5,200 t. The ore stockpile will be processed in Q4 2019.

The contribution of ore feed from Mishi in Q3 2019 reduced by 95% to 204 t when compared to 4,076 t processed in Q3 2018, mainly due to lower mill availability. In Q3 2019, the Mishi pit achieved a head grade of 2.8 g/t producing 15 ounces of gold as compared to a grade of 3.4 g/t in Q3 2018, producing 358 ounces of gold. Note there was a Mishi ore surface stockpile of approximately 14,000 t as of the end of Q3 2019. The reserves from the existing Mishi pit are expected to be depleted in 2020.

YTD 2019 as compared to YTD 2018

YTD gold production was 70,356 ounces compared to 54,371 ounces YTD 2018, which represents an increase of 29% due to an 83% improvement in head grade at Eagle River Complex; offset partially by a 31% decrease in throughput when compared to 2018.

Financial Review – Q3 2019 vs Q3 2018



Net income attributable to shareholders and Adjusted net income¹ for Q3 2019 was \$12.4 million or \$0.09 per share as compared to net income of \$3.6 million or \$0.03 per share for Q3 2018.

For a reconciliation of adjusted net income to net income as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

In \$000s	Q3 2019	Q3 2018	Change		YTD 2019	YTD 2018	Change	
Revenues	45,940	28,920	17,020	59%	120,751	86,580	34,171	39%
Costs and expenses								
Cost of sales	25,246	20,599	4,647	23%	72,002	59,768	12,234	20%
Corporate and general	1,417	1,429	(12)	(1)%	4,923	3,922	1,001	26%
Stock-based compensation	486	434	52	12%	2,641	2,265	376	17%
Kiena care and maintenance	-	353	(353)		-	1,130	(1,130)	
Write-off of mining equipment	-	-	-		-	290	(290)	
	27,149	22,815	4,334		79,566	67,375	12,191	
Operating income	18,791	6,105	12,686	208%	41,185	19,205	21,980	114%
Other income (expenses) ²	(45)	(94)	49		2,684	724	1,960	
Income before taxes	18,746	6,011	12,735		43,869	19,929	23,940	
Mining and income tax expense	6,297	2,380	3,917		15,001	7,714	7,287	
Net income	12,449	3,631	8,818	243%	28,868	12,215	16,653	136%
Operating cash flows	27,275	12,823	14,452	113%	55,256	37,668	17,588	47%
Free cash flows ¹	9,199	2,137	7,062		9,925	7,315	2,610	

¹ Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.

² Other income (expenses) for YTD 2019 includes the recognition in income of the receipt of \$2.9 million from Revenue Quebec in respect of exploration tax credit.

Revenues

In \$000s	Q3 2019	Q3 2018	Change		YTD 2019	YTD 2018	Change	
Revenues from operations								
Gold	45,891	28,898	16,993	59%	120,636	86,502	34,134	39%
Silver	49	22	27		115	78	37	
	45,940	28,920	17,020	59%	120,751	86,580	34,171	39%

In Q3 2019, Wesdome generated \$45.9 million in gold sales revenue from the sale of 23,450 ounces of gold at an average realized price of \$1,957 (US\$1,482) per ounce; as compared to the sale of 18,401 ounces of gold at \$1,571 (US\$1,202) per ounce for revenue of \$28.9 million in Q3 2018. The 59% increase in sales revenues is the result of the increase in gold production, combined with a strong gold price.

Cost of Sales

In \$000s	Q3 2019	Q3 2018	Change		YTD 2019	YTD 2018	Change	
Cost of Sales								
Mining and processing costs								
Mining	8,368	8,361	7		27,638	25,430	2,208	
Processing	4,398	3,528	870		13,438	10,554	2,884	
Site administration and camp costs	6,041	4,249	1,792		16,760	12,375	4,385	
Change in inventories ¹	(711)	(1,713)	1,002		(4,552)	(3,028)	(1,524)	
	18,096	14,425	3,671		53,284	45,331	7,953	
Royalties	1,074	597	477		2,383	1,620	763	
Depletion and depreciation	6,076	5,577	499		16,335	12,817	3,518	
	25,246	20,599	4,647	23%	72,002	59,768	12,234	20%

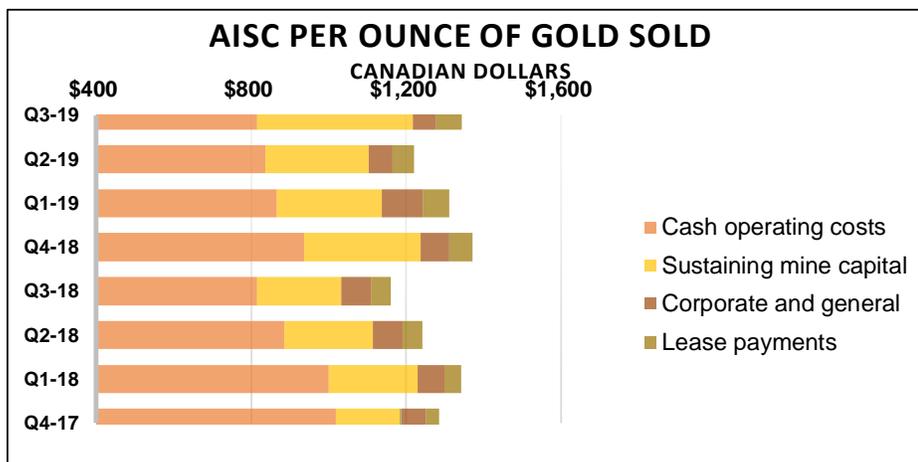
¹ See Note 16 of the Company's financial statements for a breakdown of stockpile and in-circuit inventory adjustments for the three-month and the nine-month period ended September 30, 2019 and 2018.

Cost of sales of \$25.2 million in Q3 2019 increased by \$4.6 million when compared to Q3 2018 mainly due to: (i) an increase of \$2.7 million in site operating costs due to higher costs incurred on development, general maintenance improvements for the surface infrastructure and equipment fleet, and additional expenditures for mine services and TMA water management; and (ii) a \$1.0 million negative adjustment in ore stockpile and bullion inventory, resulting from inventory level changes.



Cash cost and AISC per ounce of gold sold in Q3 2019 were \$815 (US\$618) and \$1,344 (US\$1,018) per ounce; as compared to cash cost and AISC per ounce of gold sold in Q3 2018 of \$815 (US\$624) and \$1,160 (US\$888), respectively.

While cash cost per ounce remained consistent with Q3 2018, the AISC increased because of additional development and the \$4.0 million spent on the TMA capital project during the quarter (refer to the section entitled “non-IFRS Performance Measures” for the reconciliation of these non-IFRS measurements to the financial statements).



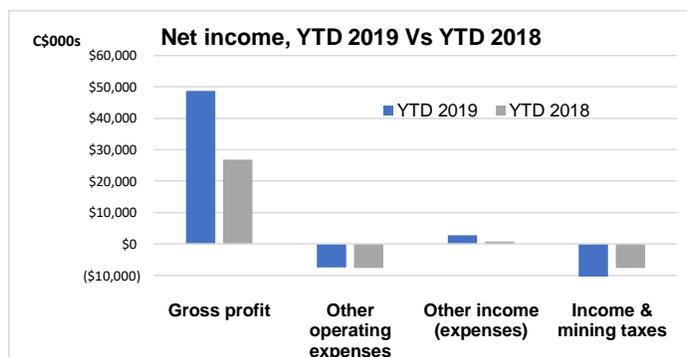
Corporate and General

Corporate and general expenditures in Q3 2019 remained consistent with Q3 2018 at \$1.4 million. The corporate and general expenditure level is expected to be between \$1.5 and \$1.7 million on a quarterly basis in 2019.

Decommissioning Provisions

In Q3 2019, the Company has revised the closure cost estimates for the Eagle River Complex from \$7.8 million to \$12.2 million, which results in an increase in mining properties and decommission provisions by \$3.5 million (determined using a risk-adjusted interest rate of 3.9%). The Company expects to submit the amended closure plans for the Eagle River Mine and mill by the end of 2019.

Financial Review – YTD 2019 vs YTD 2018



Net income attributable to shareholders for YTD 2019 was \$28.9 million or \$0.21 per share as compared to net income of \$12.2 million or \$0.09 per share for YTD 2018. After giving effect to the non-recurring recognition in income of the Québec exploration credit of \$2.9 million, Adjusted net income¹ for YTD 2019 was \$26.5 million or \$0.19 per share, as compared to an adjusted net income¹ of \$12.2 million or \$0.09 per share for YTD 2018.

For a reconciliation of adjusted net income to net income as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

Revenues

For the first nine months of 2019, Wesdome sold 66,323 ounces of gold at an average realized price of \$1,819 (US\$1,368) per ounce for revenue of \$120.6 million. Sales revenue increased by 39% when compared to the

sale of 52,404 ounces of gold at \$1,651 (US\$1,282) per ounce for revenue of \$86.5 million in the first nine months in 2018. The increase in revenue is due to a 27% increase in sales volume, combined with a favourable gold price.

Cost of Sales

The 20% or \$12.2 million increase in cost of sales for the first nine months of 2019 when compared to the same period in 2018 was due to: (i) a \$3.5 million increase in non-cash depreciation and depletion expense resulting from a larger depreciable asset base; and (ii) an increase of \$9.5 million in site operating costs due to more development work with higher development costs, general maintenance improvements for the tailings facility, surface infrastructure, and equipment fleet, and additional expenditures for mine services; offset by (iii) a \$1.5 million increase in ore stockpile and bullion inventory adjustment resulting from inventory level changes.

Corporate and General

For the first nine months of 2019, Corporate and general expenditures increased by 26% primarily due to an accrual adjustment on employees and officers' short-term incentive plans and the increase in technical and administrative staffs at the corporate level.

Tax Expense

In \$000s								
	Q3 2019	Q3 2018	Change		YTD 2019	YTD 2018	Change	
Mining and income tax expense								
Current	1,335	663	672		3,478	1,871	1,607	
Deferred	4,962	1,717	3,245		11,523	5,843	5,680	
	6,297	2,380	3,917	165%	15,001	7,714	7,287	94%

The effective tax rate for YTD 2019 was 34.2% as compared to 38.7% for YTD 2018. The Company anticipates the effective tax rate approximates between 38% and 41% for 2019. Wesdome is currently exposed to mining tax liability for any resource profits earned in Ontario.

EAGLE RIVER COMPLEX

The Eagle River Complex produced 28,910 ounces of gold in Q3 2019 as compared to 19,795 ounces in Q3 2018. YTD 2019 production of 70,356 ounces of gold as compared to 54,371 ounces for YTD 2018.

Eagle River Mill

The Eagle River mill is located in close proximity to both the Eagle River and Mishi mines. It has a permitted capacity of 1,200 tpd.

In Q3 2019, the mill processed 39,657 t or 431 tpd of Eagle River and Mishi ore as compared to 50,854 t or 553 tpd in Q3 2018. Operating tonnes per day for the quarter was 738 tpd. Availability at the mill in Q3 2019 was 58% as compared to 66% in Q3 2018. The Company installed and commissioned a new Falcon gravity concentrator during the quarter to increase the mill recovery from the gravity circuit and to reduce our milling costs. The work on the apron feeder is scheduled in Q4. The company is focusing on infrastructure improvements for the future during this period.

The mill recovery in Q3 2019 for Eagle ore was 97.6% and 85.5% for Mishi ore as compared to 96.9% for the Eagle ore and 80.9% for the Mishi ore in Q3 2018. The higher mill recovery for Eagle was mainly due to lower throughput resulting in higher retention time. The target for the mill is to process an average of 800 tpd with targeted recoveries of 96% for Eagle ore and 83% for Mishi ore.

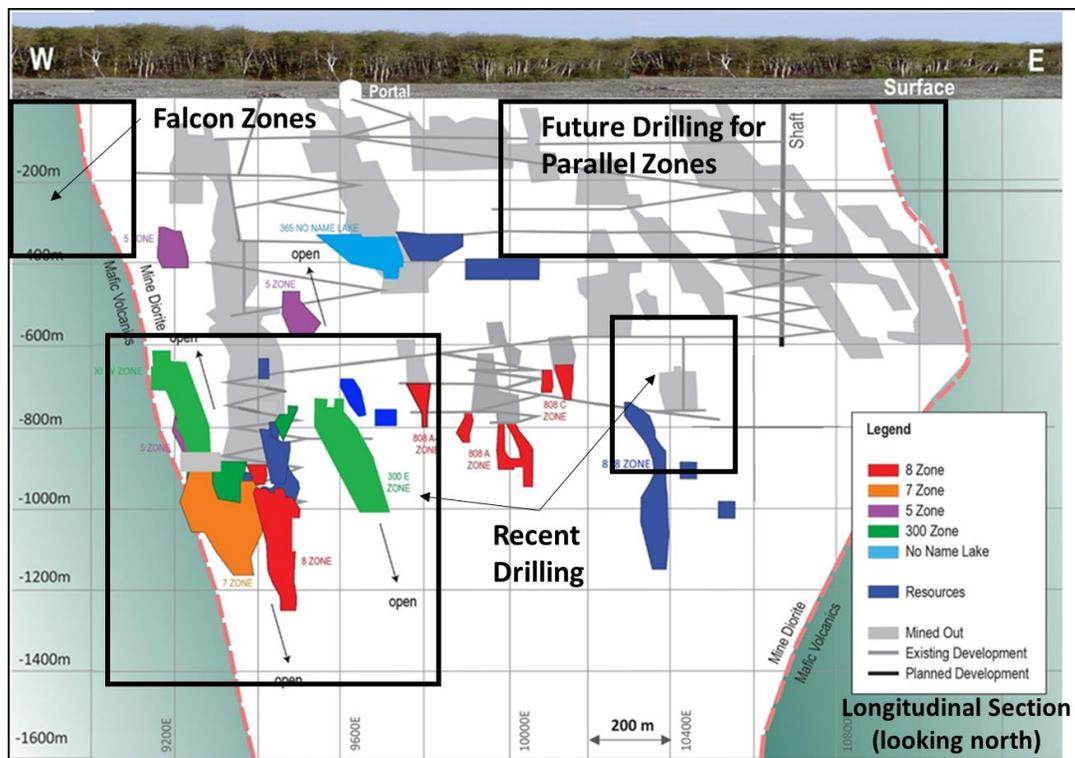


Eagle River Underground Mine

Development and Drilling

During Q3, Wesdome has continued to develop and explore two parallel zones, the No. 7 and 300 zones, located 200 m and 400 m north, respectively, of the main 8 Zone structure that has supported production of greater than one million ounces of gold over the last twenty years. Drilling is being completed with five underground and one surface drill rigs to extend the known 7 East, 300 East and 311 West zones. Earlier in 2019, drilling confirmed the existence of parallel zones of mineralization in the eastern portion of the Eagle River Underground Mine diorite. Additional drilling could add to the resource base and provide additional work places for enhanced mining flexibility and ultimately augmented production rates in the short to medium term.

Surface drilling continues to test the recently discovered Falcon zones where there exists good potential to define higher grade and wider zones of gold mineralization that would be near mine infrastructure. The Company is committed to aggressive exploration utilizing four to five underground drills and one to two surface drills in order to identify additional resources and workplaces for increased future production profiles. Wesdome's goal is to fill the mill entirely from high grade ore from Eagle River.



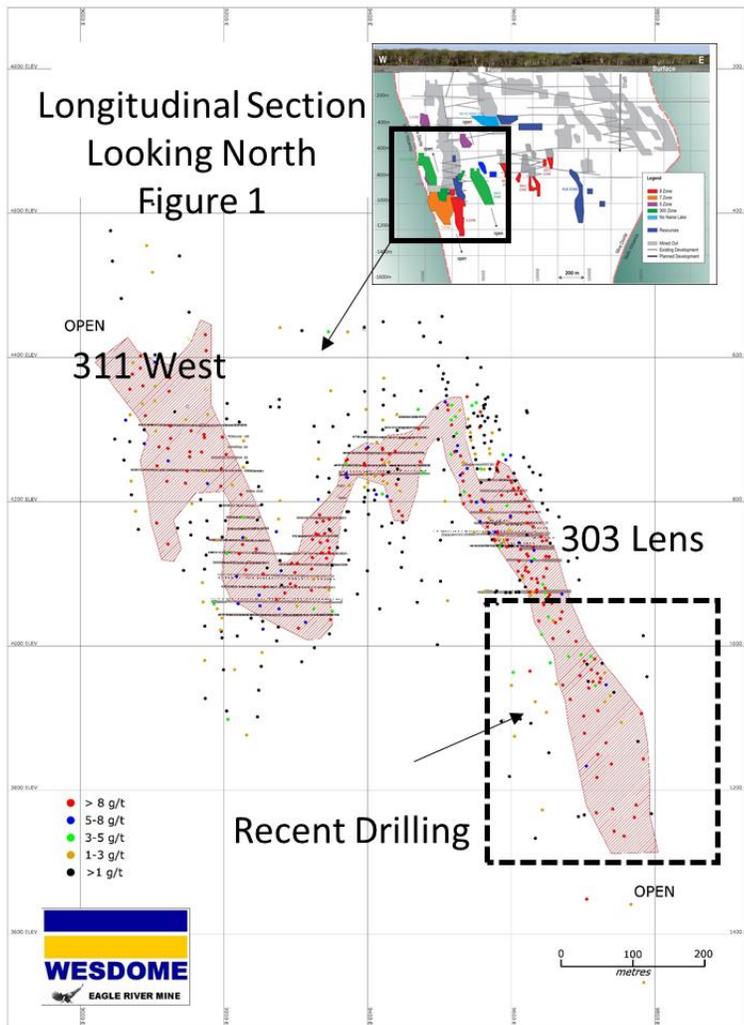
303 Lens

During Q3, the Company continued to develop the 303 Lens that was initially discovered in 2015. This continued development has demonstrated the good continuity of the gold mineralization up and down plunge and highlights the tremendous grades and widths in the 303 Lens as a result of local folding. The 303 Lens, initially defined from the 750 m-level to 1,000 m-level has now been extended an additional 300 m down plunge to the 1,300 m-level, while continuing to illustrate above average widths and grades.

Highlights of the recent drilling from the 303 Lens are listed below (Announced October 30, 2019).

- Hole 925-E-104: 92.8 g/t Au over 11.1 m core length (37.2 g/t Au cut, 6.4 m true width)
- Hole 925-E-106: 70.0 g/t Au over 11.5 m core length (48.1 g/t Au cut, 7.4 m true width)
- Hole 925-E-87: 72.2 g/t Au over 10.8 m core length (42.8 g/t Au cut, 5.4 m true width)

All assays cut to 140.0 g/t Au. True widths are estimated.



7 Zone

The 7 Zone was discovered in 2013 and accounts for 31% of the mine's reserve base at an average grade of 13.1 g/t Au. Ongoing development on 1,038 m-level has confirmed that mineralization east of the western core of the 7 Zone, have merged to form one zone now defined over 146 m in strike length and grading 30.5 g/t Au over an average true thickness of 2.61 m. Additionally, ongoing drilling has also confirmed that this longer strike length extends to depth over an additional 100 m to the 1,250 m-level and remains open down dip. This extension is a

substantial addition of potential resources compared to previous interpretations, and thus will be the focus of future drilling.

Furthermore, two sill drifts and initial drilling along strike to the east has now confirmed that the eastern extension of the 7 Zone occurs to the southeast side of a northeast transecting diabase dyke that is interpreted to offset the eastern extension approximately 20 m, which remains open down plunge and to the east along strike. Sill drift development and exploration drilling has continued on the 7 East zone throughout Q3.

New Parallel Zones along eastern portion of mine diorite

Initial limited drilling from the 758 m-level in the eastern half of the mine diorite has intersected what is interpreted to be parallel zones north of the past producing 6 and 8 zones and could be the possible extensions of the parallel 7 Zone and 300 Zone structures being mined along the western portion of the mine diorite. The interpreted 7 Zone structure is located approximately 80 m north of Zone 8 as defined by only 6 holes to date with encouraging grades and widths. In addition, one hole completed further to the east has intersected what we currently believe could be a splay from the main 6 zone shear located 21 m north of 6 Zone.

Both of these parallel zones are open up and down plunge and along strike and remain a focus for 2019 underground drilling, and also surface drilling will be completed to further test the up-plunge extension. From a potential additional workplace perspective, these discoveries are significant as the Company looks to generate approximately 800 tpd from the high-grade underground mine with proximal development already in place.

Other Targets

General exploration is focused on drilling the parallel zones both up and down plunge and to the east, testing the theory that the parallel zones may continue across the mine, similar to the 8 Zone. New development is underway to provide drill platforms for the planned 51,000 m of exploration drilling and 43,000 m of definition drilling to better define and expand the current resource base at the high grade 303 East Zone up and down plunge, the 711 and 300 W Zone down plunge, and at various locations along the 8 Zone.

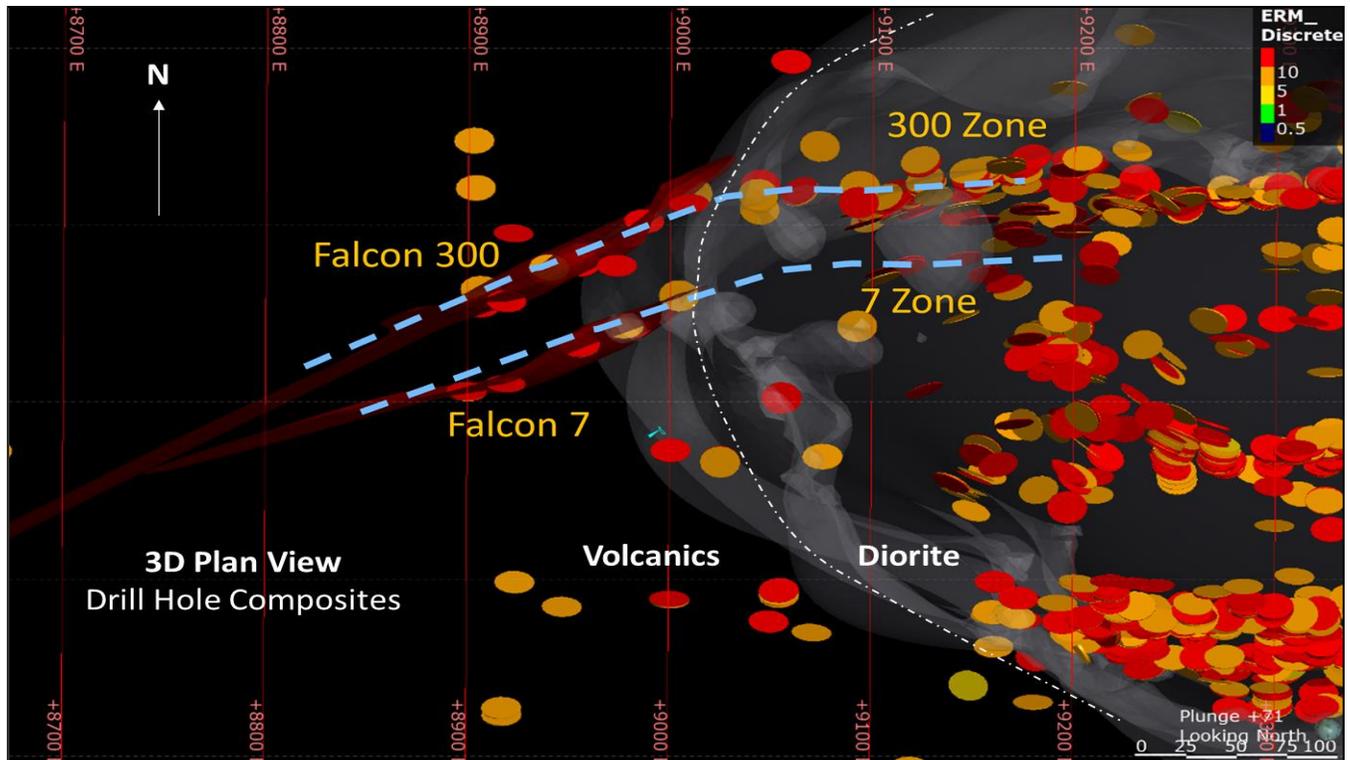
Eagle River Surface Drilling

Surface drilling in the volcanics to the west of the mine diorite encountered two sub-parallel structures that broadly follow the stratigraphy within the mafic/felsic volcanic rocks. Both structures strike approximately 240-250° and dip 70-80° to the north. These could be extensions of the 300 and 7 zone structures which lie approximately 200 m to the east within the mine diorite. Both structures exhibit broad zones of deformed rock (3-20 m wide shear zones) affiliated with strong silicification over 20-50 m width. The two new mineralized zones identified by surface drilling define an area termed the Falcon Zones.

Falcon Zones

The "**Falcon 300**" has been traced over 100 m strike length and 150 m down dip and remain open in these directions. Gold mineralization is associated with narrow quartz veins (30 cm to 1 m) with visible gold, galena, sphalerite and pyrrhotite. Mineralization has been traced west to section 8900E, and east toward section 9000E. While the zone appears to diminish along strike to the west, it remains open to the east and at depth. Its direct relation to the 300 Zone structure (at depth 200 m east) remains untested.

The "**Falcon 7**" has been traced over 130 m in strike and 180 m down dip and remain open in these directions. Gold mineralization is hosted in narrow veins (30 cm to 1 m) akin to those described above. Mineralization has been traced between sections 8850E and 8980E. The zone is open to the west and at depth. Within the mine diorite to the east, the 7 Zone structure exists 200 m away.



Additionally, surface mapping and prospecting, with potentially follow-up trenching and drilling, is continuing proximal to the mine diorite and more regionally along strike as follow-up to numerous historic showings that remain underexplored.

TAILINGS AND WATER MANAGEMENT (“TMA”)

After extensive technical reviews on our tailings and water management and corresponding updates to our risk management program, additional work is being undertaken at our tailings management area (TMA), taking advantage of the summer season in the Wawa region. An updated deposition plan, to optimize tailings placement and water management, has been put in place and work has been ongoing so far this year. Over the past 5 years, with noticeable climate change effects, there has been higher than normal precipitation in the region, with water management becoming increasingly challenging. Snow management, with the purchase of appropriate equipment, was successfully undertaken over the winter months into the spring of 2019, to mitigate the effects of rapid spring thaw. With appropriate permits in place, additional capacity for water management was garnered by temporarily utilizing our Mishi pit, as ore was available for processing from the Mishi stockpile. At the TMA, the Stage 3 vertical raise was completed during the quarter, with the majority of the Stage 3 raise having occurred in 2017. The Company plans to perform ongoing augmentation of the existing dam structure during the remainder of the year and has proceeded to the construction of the Stage 4 vertical raise in October. Construction of the dam raise will continue, weather permitting, and continue in the spring of 2020. The Stage 4 raise will add nearly 5 years of tailings capacity. A total of \$9.4 million has been allocated to this project, with \$4.0 million incurred in Q3 2019 and \$5.5 million spent to date.

KIENA COMPLEX

The Kiena Mine Complex is a fully permitted, integrated mining and milling infrastructure which includes a 930 m production shaft and 2,000 tpd capacity mill. From 1981 to 2013 the mine produced 1.75 million ounces of gold from 12.5 million tonnes at a grade of 4.5 g/t Au. The bulk of this production came from the S-50 Zone between

depths of 100 and 1,000 m. In 2013, operations were suspended due to a combination of declining gold prices and lack of developed reserves. The infrastructure has been well preserved on care and maintenance status.

In December 2018, the Company updated the exploration potential and known resources for the entire property on an interim basis included drill data as of October 12, 2018. On September 25, 2019, Wesdome announced an updated Mineral Resource Estimate including drill data as of August 6, 2019 and includes an additional 140 drill holes, for a total of 36,050 m drilled since October 12, 2018 being the close-out date for the Kiena mineral resource estimate announced on December 12, 2018 (the “2018 Interim Mineral Resource Estimate”). Of these 140 new drill holes, 66 are in Kiena Deep A Zones, resulting in the inclusion of an additional 18,365 m of drill data. The drilling information was used to update the interpretation of the geologic model, geometry of the mineralized zones and domains resulting in a higher degree of confidence in the resource estimate; in particular, the grade capping and interpolation parameters.

HIGHLIGHTS

Compared to December 2018 Resource Estimate:

- Increased Kiena Deep A Zone Indicated resources from 99,300 to 405,100 ounces
- Increased Kiena Deep A Zone Inferred resources from 241,100 ounces to 332,000 ounces
- Increased Kiena Deep A Zone Indicated resource grade from 9.95 g/t Au to 18.55 g/t Au
- Increased proportion of Indicated resources to over 50% in the A Zone (versus 30% previously in A Zone).

HIGHLIGHTS OF MINERAL RESOURCE ESTIMATE – September 25, 2019

A Zone Mineral Resource Estimate (Kiena Deep)

	Tonnes	Gold Grade g/t Au	Gold Ounces
Indicated	679,200	18.55	405,100
Total M+I	679,200	18.55	405,100
Inferred	676,300	15.27	332,000

Mineral Resources proximal to Kiena Mine Development (A, B, South, VC and S50 zones – includes table above)

	Tonnes	Gold Grade g/t Au	Gold Ounces
Indicated	968,900	14.46	450,400
Total M+I	968,900	14.46	450,400
Inferred	1,121,200	11.02	397,100

Polygonal Resources outside of Kiena Mine Area (Martin, Dubuisson, Northwest, Presqu'île Zones and Wesdome Deposit)

	Tonnes	Gold Grade g/t Au	Gold Ounces
Indicated	1,859,300	5.65	337,700
Total M+I	1,859,300	5.65	337,700
Inferred	1,796,900	6.94	401,000

Kiena Mine Complex Global Resource Estimate (below 100 m thick crown pillar)

	Tonnes	Gold Grade g/t Au	Gold Ounces
Indicated	2,828,200	8.67	788,100
Total M+I	2,828,200	8.67	788,100
Inferred	2,918,100	8.51	798,100

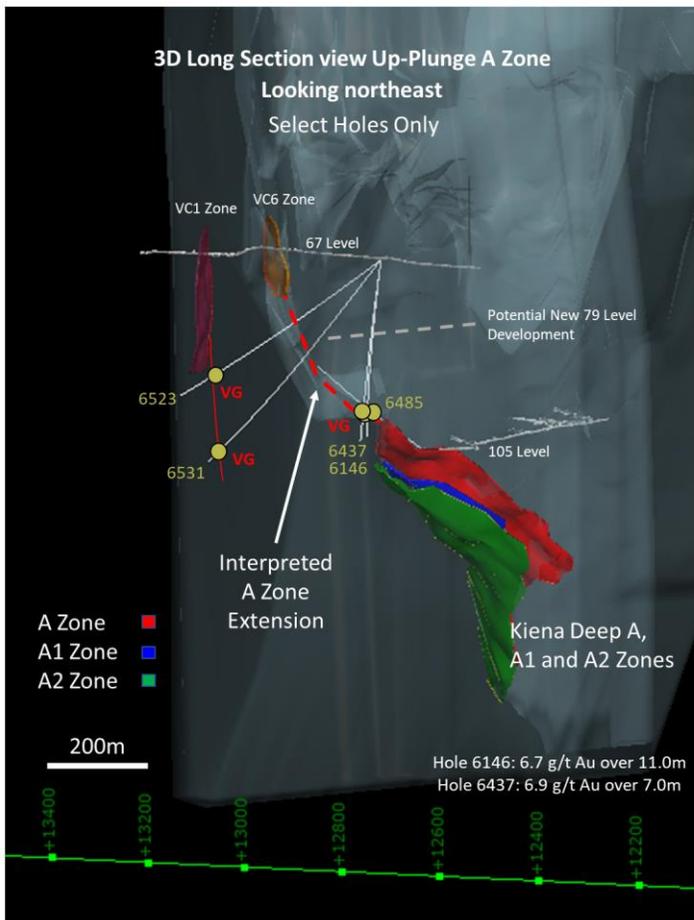
CONTINUING EXPLORATION DRILLING

Four drills continue to operate on the 1050 m-level exploration ramp completing the infill and immediate plunge extension drilling of the Kiena Deep A Zone. The ongoing definition drilling has continued to confirm the overall continuity of the geometry and the high grade gold mineralization of the Kiena Deep A Zone that now extends over 700 m along plunge. Meanwhile a 5th drill is located on the 670 m-level and continues to return high grade intersections along the interpreted up plunge extension of the Kiena Deep A Zone towards the VC zone area with one hole returning 31.1 g/t Au over 5.1 m. It is now interpreted that A Zone is folded as it extends up plunge to intersect the VC1 and VC6 zones.

Highlights of Q3 drilling of the Kiena Deep A Zone are listed below (Announced July 31, 2019).

- Hole 6456: 68.2 g/t Au over 19.0 m core length (28.1 g/t Au cut, 14.4 m true width)
- Hole 6450: 126.3 g/t Au over 4.3 m core length (23.6 g/t Au cut, 3.8 m true width) A2 Zone
- Hole 6449: 44.5 g/t Au over 9.0 m core length (17.0 g/t Au cut, 7.3 m true width)
- Hole 6449: 37.6 g/t Au over 4.6 m core length (28.5 g/t Au cut, 4.5 m true width) A1 Zone
- Hole 6505: 52.7 g/t Au over 4.7 m core length (32.0 g/t Au, 4.3 m true width)

All assays cut to 90.0 g/t Au. True widths are estimated.



Our 2019 underground exploration program calls for 50,000 m of drilling. This information will then lead into a Preliminary Economic Assessment expected in Q1 2020 and next steps will be determined at that juncture. The development of an exploration drift on 79m level started during the quarter and will be completed early in December to better explore the up plunge extension of the A Zone between the 670 m level and 1050 m level.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, Wesdome had working capital of \$27.3 million compared to \$11.3 million at December 31, 2018. Cash and cash equivalents at the end of the quarter was \$38.6 million as compared to \$27.4 million at the beginning of the year. An abbreviated cash flow statement is as follows:

In Millions (Canadian dollar)	Q3 2019	Q3 2018	Change	YTD 2019	YTD 2018	Change
Eagle River						
Mine profits ¹	\$26.8	\$13.9	\$12.9	\$65.1	\$39.6	25.5
Sustaining capital and mine exploration	(5.5)	(4.0)	(1.5)	(15.5)	(11.8)	(3.7)
Tailings management facility	(4.0)	0.0	(4.0)	(5.5)	0.0	(5.5)
Capitalized exploration	(1.2)	0.0	(1.2)	(2.7)	(0.1)	(2.6)
Lease payments and other	(5.5)	(0.9)	(4.5)	(8.1)	(2.5)	(5.5)
	10.6	9.0	1.7	33.4	25.2	8.2
Kiena						
Investment in exploration & evaluation	(5.9)	(5.7)	(0.1)	(16.9)	(15.8)	(1.0)
Corporate	(1.4)	(1.5)	0.0	(4.9)	(4.0)	(0.8)
Stock options exercised	1.0	0.7	0.3	3.6	1.0	2.6
Mining tax paid	(1.1)	0.0	(1.1)	(2.2)	0.0	(2.2)
Borrowings	3.3	0.0	3.3	3.3	0.0	3.3
Net change in working capital and other	4.6	1.5	3.1	(5.1)	2.2	(7.3)
Net increase in cash	\$11.2	\$4.0	\$7.2	\$11.2	\$8.6	\$2.5
Cash, beginning of period	\$27.4	\$26.7		\$27.4	\$22.1	
Cash, end of period	\$38.6	\$30.7		\$38.6	\$30.7	

¹ Mine profits is a non-IFRS performance measure. Please refer to the disclosures of non-IFRS measures in this MD&A

Eagle River generated \$26.8 million in mine profits¹ in Q3 2019, as compared to \$13.9 million in Q3 2018, and \$65.1 million YTD 2019, as compared to \$39.6 million YTD 2018 due to increased production. The increase in mine profits has led to the use of cash flow from operations to invest \$7.1 million in the Eagle River surface exploration and the Kiena asset in the quarter (Q3 2018 - \$5.7 million), and \$19.6 million YTD 2019 (2018 - \$15.9 million).

The net change in working capital and other for YTD 2019 decreased by \$7.3 million when compared to YTD 2018 was substantively the result of the increase in gold in process inventory and ore stockpiles.

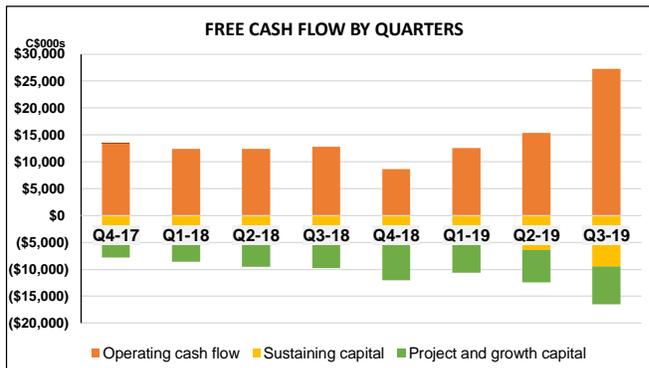
The following table identifies the significant movements in operating cash flow for the three months and nine months ended September 30, 2019:

In \$000s								
	Q3 2019	Q3 2018	Change		YTD 2019	YTD 2018	Change	
Operating cash flow, previous period	15,400	12,422	2,978	24%	8,632	13,468	(4,836)	(36)%
Increase (decrease) in cash margin from mine operations	4,715	(1,115)	5,830		52,589	27,966	24,623	
Decrease (increase) in other operating expenditures	81	12	69		(3,021)	(3,418)	397	
Mining and income tax recovery (payments)	(50)	-	(50)		301	(122)	423	
NIER Program	-	(1,032)	1,032		0	1,032	(1,032)	
Net change in working capital balances	7,117	2,528	4,589		(3,155)	(1,513)	(1,642)	
Other	12	8	4		(90)	255	(345)	
Net increase (decrease) in operating cash flows	11,875	401	11,474		46,624	24,200	22,424	93%
Operating cash flow, current period	27,275	12,823	14,452	113%	55,256	37,668	17,588	47%

Capital and exploration and evaluation expenditures incurred in Q3 2019 totaled \$16.5 million as compared to \$9.8 million in Q3 2018. A breakdown of the capital expenditures for the three months and nine months ended September 30, 2019 and 2018 are as follows:

In \$000s								
	Q3 2019	Q3 2018	Change		YTD 2019	YTD 2018	Change	
Mining properties and plant and equipment								
Eagle River								
Capitalized exploration costs	2,576	-	2,576		5,713	125	5,588	
Sustaining mine development costs	4,133	3,677	456		11,953	10,871	1,082	
Mining equipment and infrastructure upgrades	(43)	317	(360)		512	922	(410)	
Tailings management facility	3,950	-	3,950		5,459	-	5,459	
	10,616	3,994	6,622		23,637	11,918	11,719	
Corporate Office	-	28	(28)		-	93	(93)	
Additions to Mining properties	10,616	4,022	6,594	164%	23,637	12,011	11,626	97%
Exploration and evaluation expenditures								
Eagle River	-	-	-		-	-	-	
Kiena	5,862	5,721	141		16,881	15,743	1,138	
Moss Lake	10	12	(2)		27	53	(26)	
Additions to Exploration properties	5,872	5,733	139	2%	16,908	15,796	1,112	7%
Total capital investments	16,488	9,755	6,733	69%	40,545	27,807	12,738	46%

Free cash flow¹ in Q3 2019 was \$9.2 million compared to \$2.1 million in Q3 2018. For the nine months ended September 30, 2019, the free cash flow¹ was \$9.9 million as compared with \$7.3 million in the same period last year. The increase in free cash flow¹ was primarily due to the increase in the number of ounces sold, combined with a favourable gold price; offset by higher spending on the Eagle River surface exploration, the Kiena asset and the TMA project.



¹ Free cash flow is a non-IFRS performance measures. Please refer to the disclosures of non-IFRS measures in this MD&A

Secured Credit Facility and Lease Facilities



Wesdome Gold Mines Ltd.

Secured Credit Facility

In Q3 2019, Wesdome closed its three-year \$45.0 million senior secured revolving credit facility (“**NBF Facility**”), led by National Bank Financial Inc. (“**NBF**”), to replace its \$36.0 million credit facility (“**Old Facility**”). The NBF Facility is secured by all of the Company’s present and future real and personal property. The NBF Facility is available by way of (i) Canadian dollar Prime Rate or U.S. dollar Base Rate, with interest rates ranging from 2.5% to 3.5% over NBF’s Prime Rate or Base Rate, as applicable, (ii) Canadian dollar Bankers’ Acceptances at acceptance fees ranging from 3.5% to 4.5%, and (iii) U.S. dollar LIBOR with interest rates ranging from 3.5% to 4.5% over LIBOR. The actual spread or rate will be determined based on the Company’s net leverage ratio (as defined). The NBF Facility is also available for letters of credit.

On closing, the Company drew down \$4.4 million under the NBF Facility, of which \$4.0 million was used to repay in full the amounts owed under the Company’s \$36.0 million credit facility, and the balance was used to pay fees and expenses related to the NBF Facility. The NBF Facility shall be used for general corporate and working capital purposes.

At September 30, 2019, the Company is in compliance with the financial covenants stipulated under its existing secured credit facilities.

Leasing Facility

The Company currently has a \$9.9 million leasing facility (“**C\$ Leasing Facility**”) with a chartered Canadian bank of which \$7.5 million were drawn. In addition, the Company also established a US\$4.5 million leasing facility with a U.S. based leasing company (“**US\$ Leasing Facility**”), of which US\$1.1 million were currently drawn. As at September 30, 2019, \$6.1 million and US\$1.0 million was owing under the C\$ Leasing Facility and US\$ Leasing Facility, respectively.

Reclamation Bonds

In Q1 2019, the Company entered into an agreement with a financial institution whereby the financial institution has issued surety bonds, on an unsecured basis, to the extent of \$1.5 million to satisfy the Company’s reclamation obligations for the Eagle River Complex. As at September 30, 2019, the total reclamation bonds issued to government environmental agencies amounted to \$8.6 million (December 31, 2018 - \$7.0 million).

During Q3 2019, the Company has submitted updated closure plans for its Eagle River Complex to the Ontario Ministry of Energy, Northern Development and Mines (“**MENDM**”) for approval. The review is ongoing and it is anticipated the final closure plans for the respective sites will be filed by the end of the year. The Company has obtained financial commitment from the financial institution to amend the surety bonds for the anticipated increase in financial assurance to be provided to the government for the estimate of the financial assurance requirements.

SUMMARY OF SHARES ISSUED

As of November 6, 2019, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	137,325
Common share purchase options	5,298
Deferred Share Units	249
Restricted Share Units	444

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at September 30, 2019:

In \$000s					
	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	22,073	\$22,073			
Mining and income liabilities	1,379	1,379			
Leases related to mining operations	8,048	3,127	3,075	1,846	
Other leases ¹	695	212	172	311	
Borrowings	4,358	4,358			
Purchase and work commitments ²	5,988	5,988			
Decommissioning liabilities	19,185	7,027			12,158
	\$61,726	\$44,164	\$3,247	\$2,157	\$12,158

¹ Other leases are leases substantively related to the lease of the office premise.

² The Company anticipates 30% of the outstanding purchase and work commitments as at September 30, 2019 will be financed by finance leases.

NON-IFRS PERFORMANCE MEASURES

Average realized price per ounce of gold sold

Average realized price per ounce of gold sold is a non-IFRS measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS. Average realized price per ounce of gold sold is calculated by dividing gold sales proceeds received by the Company for the relevant period by the ounces of gold sold. It may not be comparable to information in other gold producers' reports and filings.

In 000s, except per unit amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Revenues per financial statements	45,940	42,276	32,535	29,462	28,920	31,443	26,217	31,544	120,751	86,580
Silver revenue from mining operations	(49)	(38)	(28)	(30)	(22)	(32)	(24)	(225)	(115)	(78)
Gold revenue from mining operations (a)	45,891	42,238	32,507	29,432	28,898	31,411	26,193	31,319	120,636	86,502
Ounces of gold sold (b)	23,450	24,113	18,760	18,077	18,401	18,573	15,430	19,351	66,323	52,404
Average realized price gold sold CAD (c) = (a) ÷ (b)	1,957	1,752	1,733	1,628	1,571	1,692	1,698	1,618	1,819	1,651
Average 1 USD → CAD exchange rate (d)	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712	1.3292	1.2878
Average realized price gold sold USD (c) ÷ (d)	1,482	1,309	1,303	1,233	1,202	1,311	1,342	1,273	1,368	1,282

Cash costs per ounce of gold sold

Cash cost per ounce of gold sold is a non-IFRS performance measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS, as well it may not be comparable to information in other gold producers' reports and filings. The Company has included this non-IFRS performance measure throughout this document as Wesdome believes that this generally accepted industry performance measure provides a useful indication of the Company's operational performance. 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. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of total cash costs per ounce of gold sold to cost of sales per the financial statements for each of the last eight quarters:

In 000s, except per unit amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Cost of sales per financial statements	25,246	26,571	20,185	22,162	20,599	20,405	18,764	23,780	72,002	59,768
Depletion and depreciation	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(3,919)	(3,321)	(3,842)	(16,335)	(12,817)
Silver revenue from mining operations	(49)	(38)	(28)	(30)	(22)	(32)	(24)	(225)	(115)	(78)
Cash costs (a)	19,121	20,183	16,248	16,937	15,000	16,454	15,419	19,713	55,552	46,873
Ounces of gold sold (b)	23,450	24,113	18,760	18,077	18,401	18,573	15,430	19,351	66,323	52,404
Cash costs per ounce of gold sold (c) = (a) ÷ (b)	815	837	866	937	815	886	999	1,019	838	894
Average 1 USD → CAD exchange rate (d)	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712	1.3292	1.2878
Cash costs per ounce of gold sold USD (c) ÷ (d)	618	626	651	710	624	686	790	801	630	695



Production costs per tonne milled

Mine-site cost per tonne milled is a non-IFRS performance measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS, as well it may not be comparable to information in other gold producers' reports and filings. As illustrated in the table below, this measure is calculated by adjusting cost of sales, as shown in the statements of income for non-cash depletion and depreciation, royalties and inventory level changes and then dividing by tonnes processed through the mill. Management believes that mine-site cost per tonne milled provides additional information regarding the performance of mining operations and allows Management to monitor operating costs on a more consistent basis as the per tonne milled measure reduces the cost variability associated with varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, the estimated revenue on a per tonne basis must be in excess of the production cost per tonne milled in order to be economically viable. Management is aware that this per tonne milled measure is impacted by fluctuations in throughput and thus uses this evaluation tool in conjunction with production costs prepared in accordance with IFRS. This measure supplements production cost information prepared in accordance with IFRS and allows investors to distinguish between changes in production costs resulting from changes in production versus changes in operating performance.

In 000s, except per unit amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Cost of sales per financial statements	25,246	26,571	20,185	22,162	20,599	20,405	18,764	23,780	72,002	59,768
Depletion and depreciation	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(3,919)	(3,321)	(3,842)	(16,335)	(12,817)
Royalties	(1,074)	(701)	(608)	(529)	(597)	(484)	(539)	(424)	(2,383)	(1,620)
Inventory adjustments	5,023	(1,063)	(788)	1,615	(47)	(570)	1,184	(3,530)	3,172	567
Mining and processing costs, before inventory adjustments (a)	23,119	18,457	14,880	18,053	14,378	15,432	16,088	15,984	56,456	45,898
Ore milled (tonnes) (b)	39,657	47,377	49,411	59,014	50,854	68,610	77,326	77,488	136,445	196,790
Production costs per tonne milled (a) ÷ (b)	583	390	301	306	283	225	208	206	414	233

Mine profit

Mine profit is a non-IFRS measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS, as well it may not be comparable to information in other gold producers' reports and filings. It is calculated as the difference between gold sales revenue from mining operations and cash mine site operating costs (see Cash cost per ounce of gold sold under this Section above) per the Company's Financial Statements. The Company believes it illustrates the performance of the Company's operating mines and enables investors to better understand the Company's performance in comparison to other gold producers who present results on a similar basis.

In 000s, except per unit amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Gold revenue from mining operations (per above)	45,891	42,238	32,507	29,432	28,898	31,411	26,193	31,319	120,636	86,502
Cash costs (per above)	19,121	20,183	16,248	16,937	15,000	16,454	15,419	19,713	55,552	46,873
Mine profit	26,770	22,055	16,259	12,495	13,898	14,957	10,774	11,606	65,084	39,629
Per ounce of gold sold (Canadian dollar):										
Average realized price (a)	1,957	1,752	1,733	1,628	1,571	1,692	1,698	1,618	1,819	1,651
Cash costs (b)	815	837	866	937	815	886	999	1,019	838	894
Cash margin (a) – (b)	1,142	915	867	691	756	807	699	599	981	757



All-in sustaining costs

All-in sustaining costs (AISC) include mine site operating costs incurred at Wesdome mining operations, sustaining mine capital and development expenditures, mine site exploration expenditures and equipment lease payments related to the mine operations and corporate administration expenses. The Company believes that this measure represents the total costs of producing gold from current operations and provides Wesdome and other stakeholders with additional information that illustrates the Company's operational performance and ability to generate cash flow. This cost measure seeks to reflect the full cost of gold production from current operations on a per-ounce of gold sold basis. New project and growth capital are not included.

In 000s, except per unit amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Cost of sales, per financial statements	25,246	26,571	20,185	22,162	20,599	20,405	18,764	23,780	72,002	59,768
Depletion and depreciation	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(3,919)	(3,321)	(3,842)	(16,335)	(12,817)
Silver revenue from mining operations	(49)	(38)	(28)	(30)	(22)	(32)	(24)	(225)	(115)	(78)
Cash costs	19,121	20,183	16,248	16,937	15,000	16,454	15,419	19,713	55,552	46,873
Sustaining mine exploration and development	5,515	4,696	4,740	4,142	3,677	3,744	3,450	3,053	14,951	10,871
Sustaining mine capital equipment	(43)	221	336	1,280	317	499	106	162	514	922
Tailings management facility	3,950	1,509	-	-	-	-	-	-	5,459	-
Corporate and general	1,417	1,498	2,008	1,337	1,429	1,416	1,077	1,248	4,923	3,922
Payment of lease liabilities ¹	1,558	1,316	1,255	1,086	931	956	659	674	4,129	2,546
All-in Sustaining costs (AISC) (a)	31,518	29,423	24,587	24,782	21,354	23,069	20,711	24,850	85,528	65,134
Ounces of gold sold (b)	23,450	24,113	18,760	18,077	18,401	18,573	15,430	19,351	66,323	52,404
AISC (c) = (a) ÷ (b)	1,344	1,220	1,311	1,371	1,160	1,242	1,342	1,284	1,290	1,243
Average 1 USD → CAD exchange rate (d)	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712	1.3292	1.2878
AISC USD (c) ÷ (d)	1,018	912	986	1,038	888	962	1,061	1,010	970	965

¹ The payment of the lease liabilities excludes the cancellation payment of \$3.9 million.



Free cash flow and operating and free cash flow per share

Free cash flow is calculated by taking net cash provided by operating activities less cash used in capital expenditures and lease payments as reported in the Company's financial statements. Free cash flow per share is calculated by dividing free cash flow by the weighted average number of shares outstanding for the period.

Operating cash flow per share is a non-IFRS measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS. Operating cash flow per share is calculated by dividing cash flow from operating activities in the Company's Financial Statements by the weighted average number of shares outstanding for each year. It may not be comparable to information in other gold producers' reports and filings.

In 000s, except per share amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Net cash provided by operating activities per financial statements (c)	27,275	15,400	12,581	8,632	12,823	12,422	12,423	13,468	55,256	37,668
Sustaining mine exploration and development	(5,515)	(4,696)	(4,740)	(4,142)	(3,677)	(3,744)	(3,450)	(3,053)	(14,951)	(10,871)
Sustaining mine capital equipment	43	(221)	(336)	(1,280)	(317)	(499)	(106)	(162)	(514)	(922)
Tailings management facility	(3,950)	(1,509)	-	-	-	-	-	-	(5,459)	-
Leasehold improvements and IT fixtures	-	110	(110)	(27)	(28)	(65)	-	-	-	(93)
Capitalized exploration and evaluation expenditures	(5,872)	(5,498)	(5,538)	(5,699)	(5,733)	(5,071)	(4,992)	(4,598)	(16,908)	(15,796)
Surface exploration at Eagle River	(1,194)	(488)	(1,031)	(889)	-	(125)	-	-	(2,713)	(125)
Funds held against standby letters of credit	(30)	(627)	-	-	-	-	-	-	(657)	-
Payment of lease liabilities ¹	(1,558)	(1,316)	(1,255)	(1,086)	(931)	(956)	(659)	(674)	(4,129)	(2,546)
Free cash flows (a)	9,199	1,155	(429)	(4,491)	2,137	1,962	3,216	4,981	9,925	7,315
Weighted number of shares (000s) (b)	137,302	136,740	135,788	135,132	134,754	134,276	134,132	133,890	136,615	134,390
Per Share data										
Operating cash flow (c) ÷ (b)	0.20	0.11	0.09	0.06	0.10	0.09	0.09	0.10	0.40	0.28
Free cash flow (a) ÷ (b)	0.07	0.01	0.00	(0.03)	0.02	0.01	0.02	0.04	0.07	0.05

¹ The payment of the lease liabilities excludes the cancellation payment of \$4.0 million.



Net income (adjusted) and Adjusted net earnings per share

Adjusted net income (loss) and adjusted net earnings per share are non-IFRS performance measures and do not constitute a measure recognized by IFRS and do not have standardized meanings defined by IFRS, as well both measures may not be comparable to information in other gold producers' reports and filings. Adjusted net income (loss) is calculated by removing the one-time gains and losses resulting from the disposition of non-core assets, non-recurring expenses and significant tax adjustments (mining tax recognition and exploration credit refunds) not related to current period's earnings, as detailed in the table below. Wesdome discloses this measure, which is based on its financial statements, to assist in the understanding of the Company's operating results and financial position.

In 000s, except per share amounts	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Net income (loss) per financial statements	12,449	8,327	8,092	2,643	3,631	5,725	2,859	(567)	28,868	12,215
Adjustments for:										
Restructuring costs:	-	-	-	-	-	-	-	-	-	-
Exploration credit refund	-	-	(2,867)	-	-	-	-	-	(2,867)	-
Other	-	-	(255)	-	-	-	-	-	(255)	-
Total adjustments	-	-	(3,122)	-	-	-	-	-	(3,122)	-
Related income tax effect	-	-	753	-	-	-	-	-	753	-
Recognition of mining taxes	-	-	-	-	-	-	-	3,924	-	-
	-	-	(2,369)	-	-	-	-	3,924	(2,369)	-
Net income adjusted (a)	12,449	8,327	5,723	2,643	3,631	5,725	2,859	3,357	26,499	12,215
Weighted number of shares (000s) (b)	137,302	136,740	135,788	135,132	134,754	134,276	134,132	133,890	136,615	134,390
Per Share data										
Net adjusted earnings (a) ÷ (b)	0.09	0.06	0.04	0.02	0.03	0.04	0.02	0.03	0.19	0.09

EBITDA

Earnings before interest, taxes and depreciation and amortization (“**EBITDA**”) is a non-IFRS financial measure which excludes the following items from net income (loss): interest expense; mining and income taxes and depletion and depreciation expenses. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use EBITDA and as an indicator of Wesdome’s ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. EBITDA is intended to provide additional information to investors and analysts and do not have any standardized definition under IFRS, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other producers may calculate EBITDA differently. The following table provides a reconciliation of net income in the Company’s consolidated financial statements to EBITDA:

In 000s	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	YTD 2019	YTD 2018
Net income (loss) per financial statements	12,449	8,327	8,092	2,643	3,631	5,725	2,859	(567)	28,868	12,215
Adjustments for:										
Mining and income tax expense	6,297	4,619	4,085	2,408	2,380	3,532	1,802	5,840	15,001	7,714
Depletion and depreciation	6,076	6,350	3,909	5,195	5,577	3,919	3,321	3,842	16,335	12,817
Non-recurring expenses (income)	-	-	(3,122)	-	-	-	-	-	(3,122)	-
Interest expense	138	114	112	83	68	72	51	60	364	191
	24,960	19,410	13,076	10,329	11,656	13,248	8,033	9,175	57,446	32,937

ACCOUNTING MATTERS

BASIS OF PRESENTATION

The condensed interim consolidated financial statements of Wesdome for the three and nine months ended September 30, 2019 have been prepared in accordance with International Accounting Standard 34 – “*Interim Financial Reporting*” (“**IAS 34**”) using accounting policies consistent with IFRS. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2018.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended December 31, 2018, with the exception of the adoption of new lease accounting policy on the new accounting standard IFRS 16 in January, 2019 (see “*Accounting Pronouncement*” in this MD&A).

The preparation of condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company’s condensed interim consolidated financial statements are consistent with those applied and disclosed.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

CRITICAL JUDGMENT IN APPLYING ACCOUNTING POLICIES

Exploration and evaluation expenditures

Judgment is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable by future exploration, which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available.

KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) *Reserves and Resources*

Mineral Reserves are the economically mineable parts of the Company’s Measured and Indicated Mineral Resources that have been incorporated into the mine plan. The Company estimates Mineral Reserves and Mineral Resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to Proven and Probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body.

Changes in the Mineral Reserves estimates may impact the carrying value of mining properties and equipment, depletion, impairment assessments and the timing of decommissioning and remediation obligations.



(ii) Depletion

Mining properties are depleted using the units of production (“UOP”) method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from Proven and Probable reserves.

The calculation of the UOP rate, and therefore the annual depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(iii) Provision for decommissioning obligations

The Company assesses its provision for decommissioning on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning obligations requires management to make estimates of the future costs the Company will incur to complete the decommissioning work required to comply with existing laws and regulations at each mining operation. Also, future changes to environmental laws and regulations could increase the extent of decommissioning work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning. The provision represents management's best estimate of the present value of the future decommissioning obligation. Actual future expenditures may differ from the amounts currently provided.

(iv) Stock-based compensation

The determination of the fair value of Stock-based compensation is based on subjective assumptions input into an option pricing model, instead of based on historical cost. The model requires that management make forecasts as to future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates and is adjusted if the actual forfeiture rate differs from the expected rate.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

(v) Income and mining and income taxes

The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to different interpretations by the taxpayer and the relevant tax authority. The provision for mining and income taxes represents management's interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions and events during the period. The Company may be required to change its provision for income taxes or deferred tax balances when the ultimate deductibility of certain items is successfully challenged by taxing authorities or if estimates used in determining the amount of deferred tax asset to recognized change significantly, or when receipt of new information indicates the need for adjustment in the amount of deferred tax to be recognized. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income tax, deferred tax balances and the effective tax rate. Any such changes could materially affect the amounts reported in the consolidated financial statements in the year these changes occur.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets are realizable. The impact of different interpretations and applications could be material.

(vi) Recoverability of mining properties

The Company's management reviews the carrying values of its mining properties on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining properties depends on confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on life-of-mine ("LOM") plans in its assessments of economic recoverability and probability of future economic benefit. LOM plans provide an economic model to support the economic extraction of reserves and resources. A long-term LOM plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.

(vii) Inventory – ore stockpile

Expenditures incurred, and depletion of assets used in mining and processing activities are deferred and accumulated as the cost of ore maintained in stockpiles. These deferred amounts are carried at the lower of cost or net realizable value ("NRV"). Impairments of ore in stockpiles resulting from NRV impairments are reported as a component of current period costs.

The allocation of costs to ore in stockpiles and the determination of NRV involve the use of estimates. There is a significant degree of uncertainty in estimating future milling costs, future milling levels, prevailing and long-term gold and silver prices, and the ultimate estimated recovery for ore.

(viii) Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advisement, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Pronouncements

IFRS 16 – Leases

This new accounting pronouncement, which supersedes IAS 17 – Leases and will be effective for periods beginning on or after January 1, 2019, eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, the new accounting standard sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. The Company prospectively adopted IFRS 16 at the beginning of 2019 with no restatement of prior year comparatives using the modified retrospective approach. The adoption of this accounting pronouncement resulted in an increase of \$0.9 million in plant and equipment and a corresponding \$0.9 million increase in lease liabilities (see note 3 to the Financial Statements).

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments disclosures require the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and, b) the nature and extent of risks



arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Please refer to note 19 of the Company's unaudited condensed consolidated financial statements for the three months and nine months ended September 30, 2019 for a discussion of the factors that affects Wesdome.

RISKS AND UNCERTAINTIES

Risks and uncertainties related to economic and industry factors and the Company's approach to the management of these risks are discussed in detail in the 2018 annual MD&A.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In compliance with the Canadian Securities Administrators' Regulation we have filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure Controls and Procedures

The CEO and the CFO have designed disclosure controls and procedures, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- (i) material information relating to the Corporation has been made known to them; and
- (ii) information required to be disclosed in the Corporation's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation

There were no changes were made to Wesdome's disclosure controls and procedures in Q3 2019,

Internal Control over Financial Reporting

The CEO and the CFO have also designed internal controls over financial reporting ("ICFR") or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (COSO 2013).

Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation. There have been no significant changes in our internal controls during the three months ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, Wesdome's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that any design will not succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

RESPONSIBILITY FOR TECHNICAL INFORMATION

The technical and scientific information relating to exploration activities disclosed in this document was prepared under the supervision of and verified and reviewed by Marc-André Pelletier, P. Eng., Chief Operating Officer of Wesdome, and Michael Michaud, P.Geo., Vice President, Exploration of Wesdome, both and a "**Qualified Persons**" as defined in NI 43-101.

Data verification involves data input and review by senior project geologists at site, scheduled weekly and monthly reporting to senior exploration management and the completion of project site visits by senior exploration management to review the status of ongoing project activities and data underlying reported results. All drilling results for exploration projects or supporting resource and reserve estimates referenced in this MD&A have been previously reported in news releases disclosures by the Company, and have been prepared in accordance with NI 43-101 Standards of Disclosure for Mineral Projects. The sampling and assay data from drilling programs are monitored through the implementation of a quality assurance - quality control ("**QA-QC**") program designed to follow industry best practice.

INFORMATION CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

The mineral reserve and resource estimates were prepared in accordance with NI 43-101 as required by Canadian securities regulatory authorities. For United States reporting purposes, the United States Securities and Exchange Commission ("**SEC**") applies different standards in order to classify mineralization as a reserve. In particular, while the terms "measured," "indicated" and "inferred" mineral resources are required pursuant to NI 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into 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 will ever be upgraded to a higher category. Under Canadian securities laws, issuers must not make any disclosure of results of an economic analysis that includes inferred mineral resources, except in rare cases.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, constitute "forward-looking statements" and are based on expectations, estimates and projections as of the date of this MD&A. The words – "believe", "expect", "anticipate", "plan", "intend", "continue", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Wesdome to be materially different from the Company's estimated future results, performance or achievements expressed or implied by the forward-looking statements and the forward-looking statements are not guarantees of future performance. Factors that could cause results or events to differ materially from current expectations expressed or implied are inherent to the gold mining industry and include, but are not limited to, those discussed in the section entitled "Risks and Uncertainties". The Company does not intend and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by applicable laws.



RISK FACTORS

Refer to the risk factors described in the Company's 2018 Annual Information Form filed on SEDAR at www.sedar.com.