



WESDOME GOLD MINES LTD.

Second Quarter 2020

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 and six months ended June 30, 2020 and 2019, 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 August 11, 2020.

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:

<i>Abbreviation</i>	<i>Period</i>	<i>Abbreviation</i>	<i>Period</i>
Q2 2020	<i>April 1, 2020 – June 30, 2020</i>	Q2 2019	<i>April 1, 2019 – June 30, 2019</i>
Q1 2020	<i>January 1, 2020 – March 31, 2020</i>	Q1 2019	<i>January 1, 2019 – March 31, 2019</i>
Q4 2019	<i>October 1, 2019 – December 31, 2019</i>	Q4 2018	<i>October 1, 2018 – December 31, 2018</i>
Q3 2019	<i>July 1, 2019 – September 30, 2019</i>	Q3 2018	<i>July 1, 2018 – September 30, 2018</i>
YTD 2020	<i>January 1, 2020 – June 30, 2020</i>	YTD 2019	<i>January 1, 2019 – June 30, 2019</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 income 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

Q2 2020 HIGHLIGHTS AND ACHIEVEMENTS

Operations and Financial Highlights	Comparison to Q2 2019
Gold production of 25,142 ounces from the Eagle River Complex.	Gold production increased by 12% (Q2 2019 – 22,437) as a result of increased ore feed from the Eagle River Complex.
Cash costs ¹ of \$882 (US\$637) per ounce of gold sold ¹.	Cash cost in Canadian dollars increased by 5% (Q2 2019 of \$837 (US\$626) per ounce due to lower ounces sold.
AISC ¹ of \$1,218 (US\$879) per ounce.	AISC ¹ in Canadian dollars decreased slightly (Q2 2019 - \$1,220 (US\$912) per ounce due to lower sustaining capital expenditures; partially offset by lower ounces sold.
Earned mine profit ¹ of \$34.3 million.	Mine profit ¹ increased by 55% or \$12.2 million (Q2 2019 - \$22.1 million) due to higher realized gold prices.
Operating cash flow of \$30.2 million or \$0.22 per share ¹.	Increased by 96% or \$14.8 million (Q2 2019 - \$15.4 million or \$0.11 per share ¹) due to higher realized prices.
Free cash flow ¹ of \$17.7 million or \$0.13 per share ¹.	Increased by \$16.5 million or 13.8 times (Q2 2019 - \$1.2 million). Invested \$11.4 million in expenditures at Eagle River and Kiena in the quarter as compared to \$12.3 million in Q2 2019.
Net income attributable to shareholders of \$16.1 million and Adjusted net income ¹ of \$16.5 million or \$0.12 per share.	Net income and Adjusted net income ¹ increased by 1.9 times (Q2 2019 - \$8.3 million or \$0.06 per share).

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"> With normal operations curtailed due to the COVID-19 pandemic, surface and underground exploration drilling is currently operating at a reduced capacity. However, recent underground drilling from the 772 m elevation was completed to test the down plunge extension of the Falcon Zone. It is interpreted that the Falcon/7 Zone now extends from surface approximately 1,000 m down plunge and is part of the up plunge extension of the 7 Zone currently being mined near the 1,000 m elevation. This is significant, as the extension of this zone is proximal to mine infrastructure and has the potential to be included in future mine production and ultimately augment production rates in the medium term. Additional drilling is required to better define these zones and remains a priority in the second half of 2020.
Kiena	<ul style="list-style-type: none"> The Preliminary Economic Assessment (“PEA”) study was completed in Q2 2020. The PEA demonstrates a low-cost and high margin operation, with low capital requirements and a short payback period, while minimizing risks and maximizing shareholders' return. This PEA is based on the Mineral Resource Estimate (“MRE”) dated September 2019 and includes only those resources proximal to the mine infrastructure, specifically the A Zone, B Zone, S50, VC Zones and the South Zone. An updated resource estimate is planned in Q4 2020 followed by a pre-feasibility study (“PFS”) and a production restart decision in H1 2021. Diamond drilling activities at Kiena restarted on May 11th, 2020 focusing on the continuation of converting inferred into indicated resources. This drilling has continued to confirm the overall continuity of the geometry and the high-grade gold mineralization of the A Zone and identified additional mineralization outside of the most recent resource estimate. The A Zone now extends down plunge in excess of 830 m.

COVID-19 IMPACT AND RESPONSES

The Eagle River complex has reduced some operations, which will be in effect until the resumption of normal activities is deemed safe and appropriate. Some work, such as exploration, mine and tailings construction activities, that were suspended in order to facilitate enhanced physical distancing to limit the potential spread of the COVID-19 virus, have gradually restarted in the second quarter. The Mishi Open Pit operations remain shut down and will restart in H2 2020. Production levels in the first half of 2020 thus far have not been significantly impacted by the COVID-19 health and safety protocols established in mid-March. There were no reported cases at Wesdome of COVID-19 since the beginning of the outbreak. Based on results to date and short-term forecasts, the Company is maintaining production guidance of 90,000 – 100,000 ounces. However, future conditions may warrant reduced or suspended production activities which would impact on our abilities to maintain our future timelines and objectives. We are continuing to closely monitor the situation and will provide updates as they become available.

Wesdome has adopted measures since March 12th of monitoring body temperatures and requesting a health survey of all personnel wishing to enter the Eagle River Complex or the Kiena Mine. Furthermore, rigorous deep cleaning and disinfecting has been employed at all sites including the corporate office. A social distancing protocol is in place and schedules have been staggered to reduce the number of people in the Company's common areas. The health and safety of our employees, contractors, vendors, and consultants is the Company's top priority. To aid in the Company's actions, a COVID-19 Taskforce has been created to monitor developments and set about action plans which will reduce the risk to all people directly involved with Wesdome.

In accordance with the Government of Quebec's order to close non-essential services, the Company temporarily suspended exploration and development activities at its Kiena Complex in Val d'Or, Quebec. The Company resumed drilling and development work at Kiena during the week of May 11, 2020. Because of this unforeseen seven-week shutdown, the restart decision will be delayed until H1 2021.

Due to the uncertainty regarding the potential re-emergence of the COVID-19 virus as a result of loosening the restrictions during the re-opening of the economy, the future production and our guidance will be subject to higher levels of risk than usual. The company has been successful, due to its care and planning, to keep the Eagle River Complex operating, but any cases of COVID-19 at the site could change this, despite our best efforts. Wesdome has no reported cases to date.

GOLD MARKET OVERVIEW AND FOREIGN CURRENCY EXCHANGE RATE 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 Q2 2020, Wesdome realized an average gold price of \$2,365 (US\$1,707) per ounce as compared to \$1,752 (US\$1,309) per ounce realized in Q2 2019. The market price for gold in the quarter averaged US\$1,709 per ounce (Canadian dollar equivalent of \$2,366 per ounce (Q2 2019 - US\$1,309 or \$1,751 per ounce in Canadian dollars)).

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 Q2 2020 and as at June 30, 2020. This position will be reviewed from time to time as market conditions warrant. 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.

The future gold price and foreign currency exchange rate volatility is expected to be impacted by the uncertainty surrounding the US dollar's direction in 2020 deriving from U.S. interest rates fluctuations and the upcoming U.S. Presidential election, the outbreak of possible pandemic viruses around the globe, together with the geopolitical uncertainty persisted with the continuing tension over trade wars, and the liquidity provided to the markets by the central banks.

Because of the global economic crisis resulting from the COVID-19 virus, the governments have introduced extensive financial packages to support individuals and businesses. Central banks have decreased their lending rates to almost zero and have announced extensive and direct lending to private corporations and financial companies. Various businesses may fail and there could be significant loan defaults. The impact to consumer and business confidence levels is not known at this time. There is a possibility of a world-wide recession. The impacts of these circumstances are not known and their impact on the gold and forex markets is also not known and could be significant.



OUTLOOK

In the beginning of the year, the Company set its full-year 2020 production guidance at 90,000 – 100,000 ounces of gold, primarily from the Eagle River underground mine. The Company expects the production profile to be consistent throughout the year. The Company is on track to meet these targets:

	2020 Guidance	YTD 2020 Achievement
Eagle River	87,000 – 96,000 ounces	48,574 ounces
Mishi	3,000 – 4,000 ounces	1,690 ounces
	90,000 – 100,000 ounces	50,264 ounces
Head grade (g/t Au)		
Eagle River	15.0 – 16.7	15.8
Mishi	2.0 – 2.4	2.7
Cash cost per ounce ¹	\$800 - \$875 (US\$615 – US\$670)	\$1,009 (US\$739)
AISC per ounce ¹	\$1,280 - \$1,350 (US\$985 – US\$1,040)	\$1,327 (US\$972)

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

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Financial results								
Revenues ^{3,4}	54,772	57,332	43,223	45,940	42,276	32,535	29,462	28,920
Mine operating profit ¹	34,304	27,619	25,816	26,770	22,055	16,259	12,495	13,898
Net income	16,097	11,513	12,077	12,449	8,327	8,092	2,643	3,631
Net income adjusted ¹	16,473	11,513	12,077	12,449	8,327	5,723	2,643	3,631
Earnings before interest, taxes, depreciation and amortization ¹	30,723	25,414	23,276	24,960	19,410	13,076	10,329	11,656
Operating cash flow	30,246	33,429	15,821	27,275	15,400	12,581	8,632	12,823
Free cash flow ¹	17,691	16,672	(3,297)	9,199	1,155	(429)	(4,491)	2,137
Per share information:								
Net income	0.12	0.08	0.09	0.09	0.06	0.06	0.02	0.03
Adjusted net income ¹	0.12	0.08	0.09	0.09	0.06	0.04	0.02	0.03
Operating cash flow ¹	0.22	0.24	0.11	0.20	0.11	0.09	0.06	0.10
Free cash flow ¹	0.13	0.12	(0.02)	0.07	0.01	0.00	(0.03)	0.02
Selected Financial Statement data:								
Cash and cash equivalents	66,733	49,398	35,657	38,611	27,395	27,847	27,378	30,714
Working capital	54,957	37,971	32,609	27,318	20,546	16,756	11,312	14,982
Total assets	326,884	301,833	285,718	265,065	238,599	225,740	209,637	203,388
Total non-current liabilities	61,899	54,549	51,161	41,897	31,680	28,961	25,170	23,040
Operational results								
Milling (tonnes)								
Eagle River	42,349	55,874	23,257	39,453	28,754	30,941	50,536	46,777
Mishi	13,721	11,047	9,108	204	18,623	18,470	8,478	4,076
Throughput ²	56,070	66,922	32,365	39,657	47,377	49,411	59,014	50,854
Total tonnes/calendar day	616	735	352	431	521	549	641	553
Head grades (g/t Au)								
Eagle River	18.1	14.0	28.6	23.4	23.4	18.5	10.6	13.3
Mishi	2.9	2.5	1.9	2.8	3.0	2.2	2.4	3.4
Recovery (%)								
Eagle River	97.9	97.3	97.6	97.6	96.4	97.6	97.0	96.9
Mishi	79.8	74.8	77.1	85.5	85.2	80.6	81.9	80.9
Production (ounces) ²								
Eagle River	24,117	24,457	20,894	28,894	20,873	17,955	16,712	19,437
Mishi	1,026	665	438	15	1,564	1,055	542	358
Total gold produced	25,142	25,122	21,332	28,910	22,437	19,010	17,254	19,795
Gold sales (ounces)	23,140	26,500	22,100	23,450	24,113	18,760	18,077	18,401

In 000s, except per units and per share amounts	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Per ounce of gold sold ¹								
Average realized price	2,365	2,162	1,954	1,957	1,752	1,733	1,628	1,571
Cash costs	882	1,120	786	815	837	866	937	815
Cash margin	1,483	1,042	1,168	1,142	915	867	691	756
AISC ¹	1,218	1,423	1,305	1,344	1,220	1,311	1,371	1,160
Production costs/tonne milled ¹	331	425	470	583	390	301	306	283
Average 1 USD → CAD exchange rates	1.3853	1.3449	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070
Cost Metrics (in USD)								
Cash costs ¹	637	833	595	618	626	651	710	624
AISC ¹	879	1,058	988	1,018	912	986	1,038	888

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.

Q2 2020 FINANCIAL AND OPERATIONAL REVIEW

Operational Results

In \$000s	Q2 2020	Q2 2019	Change		YTD 2020	YTD 2019	Change	
Ore milled (tonnes)								
Eagle River	42,349	28,754	13,595	47%	98,223	59,695	38,528	65%
Mishi	13,721	18,623	(4,902)	(26)%	24,768	37,093	(12,325)	(33)%
Throughput	56,070	47,377	8,694	18%	122,991	96,788	26,203	27%
Head Grade (g/t Au)								
Eagle River	18.1	23.4	(5.3)	(23)%	15.8	20.9	(5.1)	(25)%
Mishi	2.9	3.0	(0.1)	(3)%	2.7	2.6	0.1	5%
Recoveries (percent)								
Eagle River	97.9	96.4	1.5	2%	97.6	96.9	0.7	1%
Mishi	79.8	85.2	(5.4)	(6)%	77.8	83.3	(5.5)	(7)%
Gold production (ounces)								
Eagle River	24,117	20,873	3,244	16%	48,574	38,828	9,746	25%
Mishi	1,026	1,564	(538)	(34)%	1,690	2,618	(928)	(35)%
	25,142	22,437	2,706	12%	50,264	41,446	8,818	21%
Gold Sold (ounces)	23,140	24,113	(973)	(4)%	49,640	42,873	6,767	16%

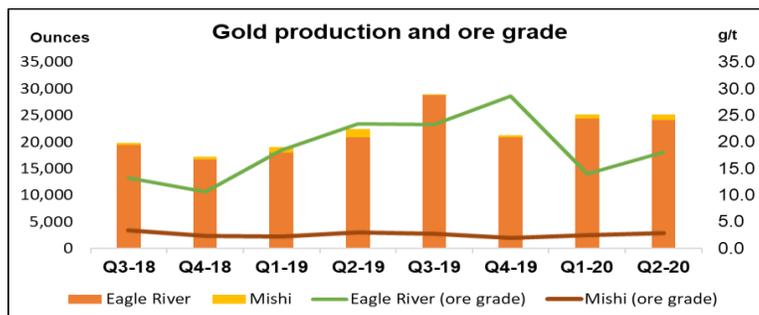
¹ Totals for tonnage and gold ounces information may not add due to rounding.



Production Review

Q2 2020 as compared to Q2 2019

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. Production at Eagle River Mine increased by 16% from Q2 2019 to 24,117 ounces of gold, due to a 47% increase in total throughput; offset partially by a 23% decrease in head grade. Head grade at Eagle River in Q2 2020 averaged 18.1 g/t, slightly above 2020 grade guidance of 15.5 g/t.

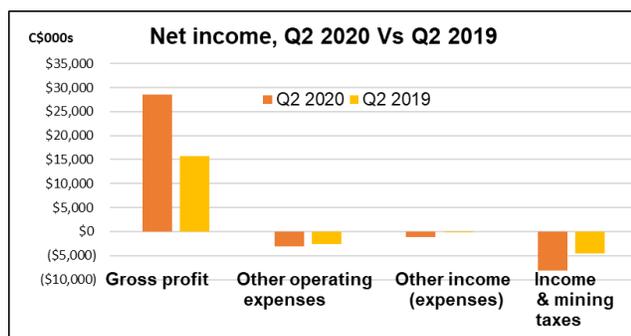


The contribution of ore feed from Mishi in Q2 2020 reduced by 26% to 13,721 t compared to 18,623 t processed in Q2 2019. Mishi pit achieved a head grade of 2.9 g/t producing 1,026 ounces of gold in Q2 2020 as compared to a grade of 3.0 g/t producing 1,564 ounces of gold in Q2 2019. Higher grade ore from Eagle was prioritized at the mill during the quarter.

YTD 2020 as compared to YTD 2019

YTD gold production was 50,264 ounces compared to 41,446 ounces YTD 2019, which represents an increase of 21% due to a 27% increase in throughput; offset partially by a 24% decrease in head grade when compared to 2019. YTD Eagle grades are within expectation. Higher mill availability compared to 2019 allowed processing more tonnes. The mill maintenance shutdown that was planned in May has been delayed until Q3 2020 due to the outbreak.

Financial Review, Q2 2020 as compared to Q2 2019



Net income attributable to shareholders and adjusted net income ¹ for Q2 2020 were \$16.1 million and \$16.5 million or \$0.12 per share as compared to \$8.3 million and \$8.3 million or \$0.06 per share for Q2 2019.

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	Q2 2020	Q2 2019	Change		YTD 2020	YTD 2019	Change	
Revenues	54,772	42,276	12,496	30%	112,104	74,811	37,293	50%
Costs and expenses								
Cost of sales	26,270	26,571	(301)	(1)%	63,860	46,756	17,104	37%
Corporate and general	1,805	1,498	307	20%	3,776	3,506	270	8%
Stock-based compensation	1,340	1,056	284	27%	1,744	2,155	(411)	(19)%
	29,415	29,125	290		69,380	52,417	16,963	
Operating income	25,357	13,151	12,206	93%	42,724	22,394	20,330	91%
COVID-19 costs	(556)	0	(556)		(556)	0	(556)	
Interest and other income (expenses) ²	(540)	(205)	(335)		(625)	2,729	(3,354)	
Income before taxes	24,261	12,946	11,315		41,543	25,123	16,420	
Mining and income tax expense	8,164	4,619	3,545		13,933	8,704	5,229	
Net income	16,097	8,327	7,770	93%	27,610	16,419	11,191	68%
Operating cash flows	30,246	15,400	14,846	96%	63,675	27,981	35,694	128%
Free cash flows ¹	17,691	1,155	16,536		34,363	726	33,637	

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	Q2 2020	Q2 2019	Change		YTD 2020	YTD 2019	Change	
Revenues from operations								
Gold	54,724	42,238	12,486	30%	112,019	74,745	37,274	50%
Silver	48	38	10		85	66	19	
	54,772	42,276	12,496	30%	112,104	74,811	37,293	50%

In Q2 2020, Wesdome generated \$54.7 million in gold sales revenue from the sale of 23,140 ounces of gold at an average realized price of \$2,365 (US\$1,707) per ounce; as compared to the sale of 24,113 ounces of gold at \$1,752 (US\$1,309) per ounce for revenue of \$42.2 million in Q2 2019. The 30% increase in sales revenues is the result of the strong Canadian dollar realized price.

Cost of Sales

In \$000s	Q2 2020	Q2 2019	Change		YTD 2020	YTD 2019	Change	
Cost of Sales								
Mining and processing costs								
Mining	9,815	9,582	233		20,292	19,270	1,022	
Processing	4,207	5,162	(955)		8,747	9,040	-293	
Site administration and camp costs	4,996	5,862	(866)		11,778	10,719	1,059	
Change in inventories ¹	339	(1,086)	1,425		7,228	(3,841)	11,069	
	19,357	19,520	(163)		48,045	35,188	12,857	
Royalties	1,111	701	410		2,136	1,309	827	
Depletion and depreciation	5,802	6,350	(548)		13,679	10,259	3,420	
	26,270	26,571	(301)	(1)%	63,860	46,756	17,104	37%

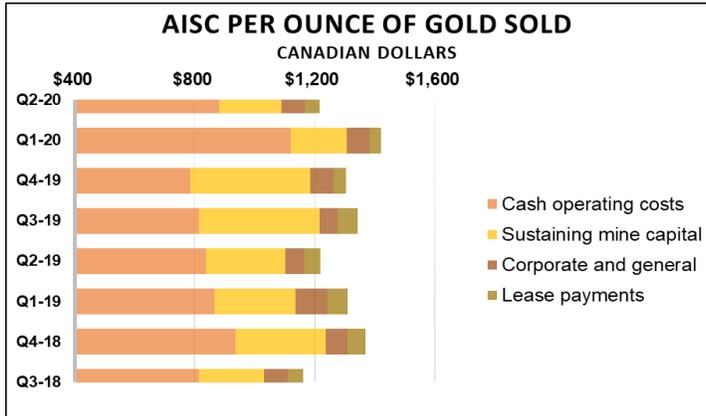
¹ See Note 16 of the Company's financial statements for a breakdown of stockpile and in-circuit inventory adjustments for the three and six months ended June 30, 2020 and 2019.

Cost of sales of \$26.3 million in Q2 2020 decreased by \$0.3 million when compared to Q2 2019 mainly due to: (i) a \$1.6 million decrease in site operating costs because of the suspension of all non-essential related work in



response to the COVID-19 pandemic; (ii) a decrease of \$0.5 million in non-cash depletion and depreciation expense due to the higher reserve base; partially offset by (iii) a \$1.4 million decrease in ore stockpile and bullion inventory adjustment resulting from inventory level changes; and (iv) higher royalties costs.

Cash cost and AISC per ounce of gold sold in Q2 2020 were \$882 (US\$637) and \$1,218 (US\$879) per ounce; as compared to cash cost and AISC per ounce of gold sold in Q2 2019 of \$837 (US\$626) and \$1,220 (US\$912), respectively. (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 remained consistent at \$1.5 million. The corporate and general expenditure level is expected to be between \$1.6 and \$1.8 million on a quarterly basis in 2020.

Stock-based payments

In Q1 2020, the Company granted 366,452 stock options, 89,399 Restricted Share Units (“RSUs”) and 89,399 Performance Share Units (“PSUs”) to its employees and officers under its 2017 Omnibus Equity Plan (“Plan”). The stock options have a three-year vesting term, with the first tranche vesting on March 13, 2021. The RSUs also have a three-year vesting term with the first tranche vesting on March 26, 2021. The PSUs have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

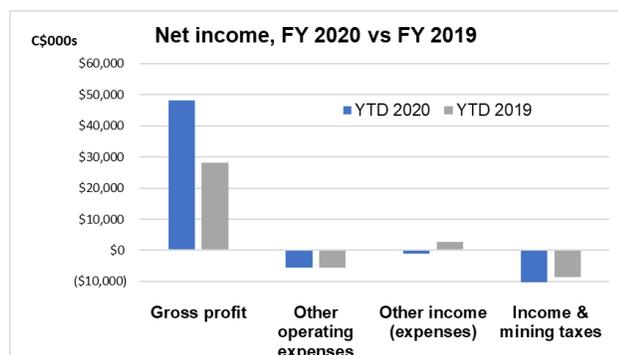
On June 3, 2020, the Company granted 65,799 Deferred Share Units (“DSUs”) to its non-management board members (“Participants”) under the 2020 Omnibus Plan. All of the DSUs are fully vested at the grant date and become payable upon retirement of the directors.

COVID-19 Costs

The Company has taken a number of measures to safeguard the health of its employees and their local communities while continuing to operate safely and responsibly. The Eagle River complex has reduced operations, which will be in effect until the resumption of normal activities is deemed safe and appropriate. Some work that was suspended, in order to facilitate enhanced physical distancing to limit the potential spread of the COVID-19 virus, has gradually restarted in the second quarter. The Mishi Open Pit operations remain shut down and will restart in H2. In Quebec, the Company acted in compliance with government-ordered restrictions, resulting in operations at Kiena being temporarily suspended from March 24, 2020 to May 11, 2020, and the gradual resumption towards full exploration activities occurred over the second quarter. The Company complied with the recommendations of governments and public health officials, with full attention to the health and safety of returning employees, contractors, and suppliers.

The above measures impacted overall operations for the quarter; however, strong gold prices minimized the impact on the Company’s financial results. In the three months ended June 30, 2020, \$0.6 million of other incremental COVID-19 costs were incurred. These costs are associated with placing Kiena in care and maintenance and the subsequent ramp-up of those operations. In addition, other incremental costs resulting from COVID-19 include the acquisition of additional personal protective equipment, higher transportation costs, and workplace modifications to accommodate social distancing.

Financial Review – YTD 2020 vs YTD 2019



Net income attributable to shareholders for YTD 2020 was \$27.6 million or \$0.20 per share as compared to net income of \$16.4 million or \$0.12 per share for YTD 2019. After giving effect to the non-recurring recognition in income of the COVID-19 costs of \$0.4 million, Adjusted net income¹ for YTD 2020 was \$28.0 million or \$0.20 per share, as compared to \$14.1 million or \$0.10 per share.

For 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 half of 2020, Wesdome sold 49,640 ounces of gold at an average realized price of \$2,257 (US\$1,653) per ounce for revenue of \$112.1 million. Sales revenue increased by 50% when compared to the sale of 42,873 ounces of gold at \$1,743 (US\$1,307) per ounce for revenue of \$74.8 million in the first six months of 2019. The increase in sales revenues is the result of the increase in gold production, combined with a strong Canadian dollar realized price.

Cost of Sales

The 37% or \$17.1 million increase in cost of sales for the first half of 2020 when compared to the same period in 2019 was due to: (i) an \$11.1 million decrease in ore stockpile and bullion inventory adjustment resulting from inventory level changes; (ii) a \$3.4 million increase in non-cash depreciation and depletion expense resulting from higher processed tonnage; and (iii) higher royalties costs.

Corporate and General

For the first half of 2020, Corporate and general expenditures increased by 8% primarily due to an increase in technical and administrative staffs at the corporate level.

Tax Expense

In \$000s							
	Q2 2020	Q2 2019	Change		YTD 2020	YTD 2019	Change
Mining and income tax expense							
Current	1,769	1,175	594		4,039	2,143	1,896
Deferred	6,395	3,444	2,951		9,894	6,561	3,333
	8,164	4,619	3,545	77%	13,933	8,704	5,229
							60%

The effective tax rate for YTD 2020 was 33.5% as compared to 34.6% for YTD 2019. The Company anticipates the effective tax rate will be approximately between 38.0% and 41% for 2020. Wesdome is currently subject to mining tax liability for any resource profits earned in Ontario as the majority of the tax deduction pools have been previously utilized.

EAGLE RIVER COMPLEX

The Eagle River Complex produced 25,142 ounces of gold in Q2 2020 as compared to 22,437 ounces in Q2 2019. YTD 2020 production of 50,264 ounces of gold as compared to 41,446 ounces for YTD 2019.

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 Q2 2020, the mill processed 56,070 t or 616 tpd of Eagle River and Mishi ore as compared to 47,377 t or 521 tpd in Q2 2019. Higher mill availability allowed for additional tonnes to be processed from the Eagle River stockpiles.

The mill availability was 73% in Q2 2020 and 69% in Q2 2019. The mill maintenance shutdown that was planned in Q2 has been delayed until Q3 due to the outbreak.

The mill recovery in Q2 2020 for Eagle ore was 97.9% and 79.8% for Mishi ore as compared to 96.4% for the Eagle ore and 85.2% for the Mishi ore in Q2 2019. The lower mill recovery for Mishi was mainly due to lower throughput.

Eagle River Underground Mine

Development and Drilling

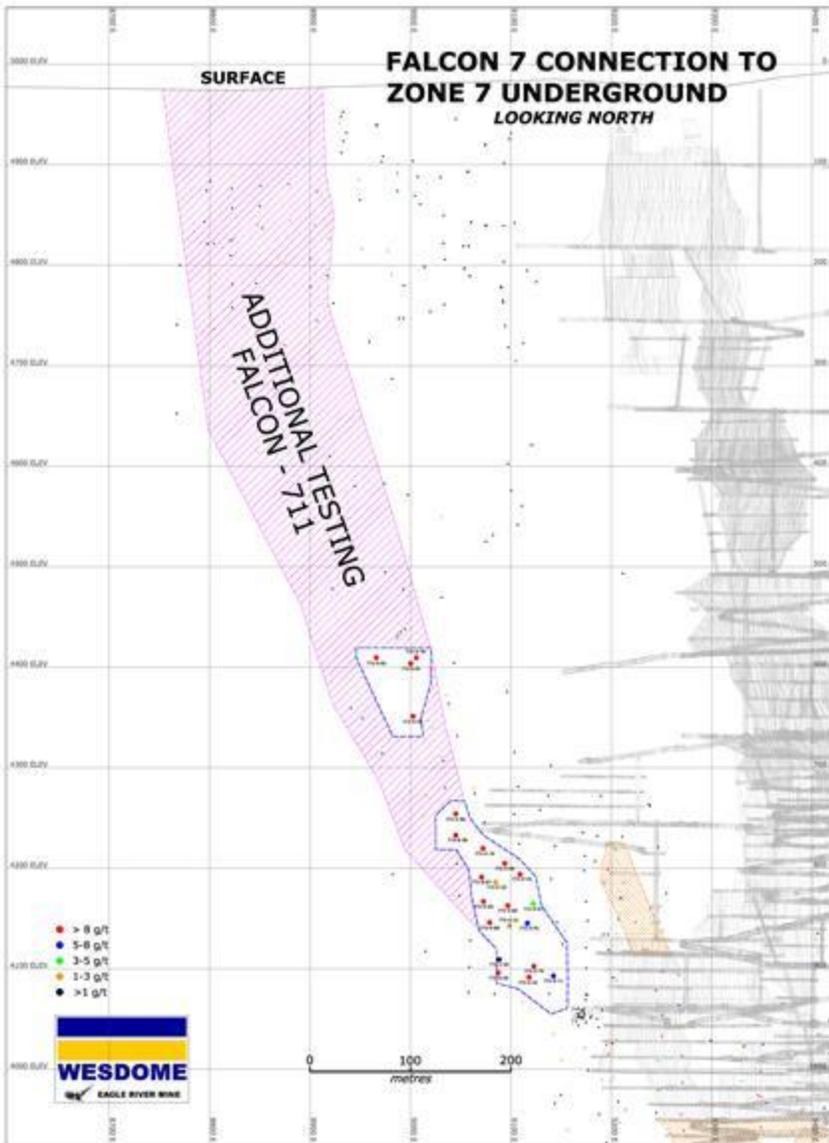
Falcon/7 Zone

Although surface and underground exploration drilling is currently operating at a reduced capacity due to COVID-19 restrictions, recent underground drilling from the 772 m elevation was completed to test the down plunge extension of the Falcon Zone. Initial drilling from underground has intersected visible gold mineralization in quartz veining and defines a steep easterly plunge. Highlights of the recent drilling are listed below.

- Hole 772-E-81: 49.9 g/t over 4.9 m core length (44.7 g/t Au cut, 2.1 m true width)
- Hole 772-E-86: 314.4 g/t Au over 6.0 m core length (76.2 g/t Au cut, 5.2 m width)
- Hole 772-E-88: 68.4 g/t Au over 2.3 m core length (64.7 g/t Au cut, 2.1 m true width)

Assays capped at 125 g/t Au. True widths are estimated.

It is interpreted that the Falcon/7 Zone now extends from surface approximately 1,000 m down plunge and is part of the up plunge extension of the 7 Zone currently being mined near the 1,000 m elevation. This is significant, as the extension of this zone is proximal to mine infrastructure and has the potential to be included in future mine production and ultimately augment production rates in the medium term. Additional drilling remains a priority in the second half of 2020.



- Elsewhere, underground exploration drilling is continuing down plunge at the high grade 300 E zone.

TAILINGS AND WATER MANAGEMENT

The Eagle site did not experience any water management issues during the 2020 spring freshet. The Mishi pit was used to manage the excess of water at the reclaim pond, near the Eagle mill. In addition, the Company plans to complete the work, that has been undertaken last year, at the Tailings Management Area, with completion of the vertical raise (Stage 4) of the existing dam structure. This work is substantially planned for June to October of this year and will allow for additional tailings capacity for the future. The Stage 4 raise will add nearly 4 years of tailings capacity at current production rates.

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.

Preliminary Economic Assessment (“PEA”)

The Preliminary Economic Assessment (“PEA”) study was completed in Q2 2020. The PEA demonstrates a low-cost and high margin operation, with low capital requirements and a short payback period, while minimizing risks and maximizing shareholders return. This PEA is based on the Mineral Resource Estimate (“MRE”) dated September 2019 and includes only those resources proximal to the mine infrastructure, specifically the A Zone, B Zone, S50, VC Zones and the South Zone.

Highlights of the PEA:

- After-tax IRR of 102%
- After-tax NPV (discount rate 5%) \$416 million
- Preproduction capital cost of \$35 million
- Sustaining Life of Mine (“LOM”) Capital Cost of \$121 million
- After-tax payback period (after resumption of operations) 1.7 years
- Average diluted grade of 10.65 grams per tonne (“gpt”) based on current Kiena Mine Resource Estimate of September 2019
- Contained gold in Mined Resources: 709,000 ounces
- PEA Life of Mine of 8 years
- Total Unit Cash Operating Costs CDN\$492 per ounce (US\$374 per ounce)
- All-in sustaining costs CDN\$674 per ounce (US\$512 per ounce)
- Gold Price US\$1,532 per ounce
- Exchange Rate: C\$1.00:US\$0.76

An updated resource estimate is planned in Q4 2020 followed by a pre-feasibility study (“PFS”) and a production restart decision in H1 2021. Detailed metallurgical and environmental studies are being conducted. The installation of hydrostatic barriers to secure previously mined out areas is continuing, and the resumption of ongoing activities to improve mine ventilation in further support of a possible mine restart.

EXPLORATION DRILLING

In accordance with the Government of Quebec’s order on March 23, 2020 to close non-essential services, the Company temporarily suspended exploration and development activities at its Kiena Complex in Val d’Or, Quebec. The development and drilling activities resumed on May 11, 2020 focusing on the continuation of converting inferred into indicated resources.

This drilling has continued to confirm the overall continuity of the geometry and the high-grade gold mineralization of the A Zone and identified additional mineralization outside of the most recent resource estimate. The A Zone now extends down plunge in excess of 830 m (see February 19, 2020 press release). As of May, a total of 47,800 m in 164 new drill holes have now been drilled since the latest resource estimate (September 2019), which is expected to be updated later in 2020.

Highlights of the recent drilling are listed below and summarized below.

Kiena Deep A Zone

- Hole 6599: 108.2 g/t Au over 3.0 m core length (30.5 g/t Au cut, 2.8 m true width) A Zone
- Hole 6660: 47.8 g/t Au over 5.2 m core length (42.8 g/t Au cut, 5.0 m true width) A Zone
- Hole 6583: 41.3 g/t Au over 12.4 m core length (23.2 g/t Au cut, 6.1 m true width) A2 Zone

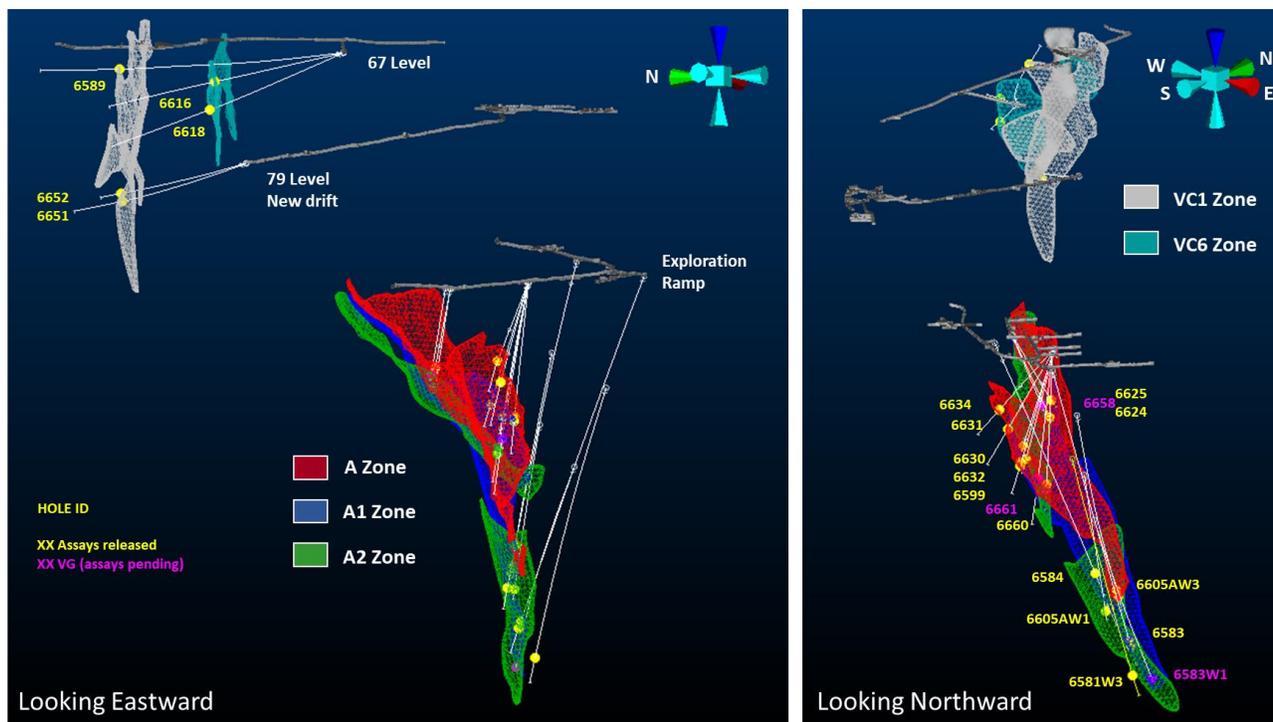
All assays cut to 90.0 g/t Au. True widths are estimated.

With the resumption of activities at the Kiena Mine Complex, down ramp development is continuing in order to



enhance and increase drill platforms and provide access to the lower areas of the A Zone and further site preparations.

In addition, a 10,000 m surface drilling program is planned to explore for zones similar to the Kiena Deep A Zone later in 2020.



LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, Wesdome had working capital of \$55.0 million compared to \$32.6 million at December 31, 2019. Cash and cash equivalents at June 30, 2020 was \$66.7 million as compared to \$35.7 million at the beginning of the year. An abbreviated cash flow statement is as follows:

In Millions (Canadian dollar)	Q2 2020	Q2 2019	Change	YTD 2020	YTD 2019	Change
Eagle River						
Mine profits ¹	\$34.3	\$22.1	\$12.2	\$61.9	\$38.3	23.6
Sustaining capital and mine exploration	(4.4)	(4.9)	0.5	(9.4)	(10.0)	0.6
Tailings management facility	(0.4)	(1.5)	1.1	(0.4)	(1.5)	1.1
Capitalized exploration	(0.6)	(0.5)	(0.1)	(2.1)	(1.5)	(0.5)
Lease payments and other	(1.2)	(1.3)	0.3	(2.2)	(2.6)	0.4
	27.8	13.8	14.0	47.9	22.7	25.2
Kiena						
Investment in exploration & evaluation	(6.0)	(5.5)	(0.5)	(15.2)	(11.0)	(4.1)
Corporate	(1.8)	(1.5)	(0.3)	(3.8)	(3.5)	(0.3)
COVID-19	(0.6)	0.0	(0.6)	(0.6)	0.0	(0.6)
Stock options exercised	1.1	0.8	0.3	1.8	2.7	(0.9)
Mining tax paid	0.0	0.0	0.0	(1.3)	0.0	(1.3)
Borrowings	0.0	0.0	0.0	(3.6)	0.0	(3.6)
Net change in working capital and other	(3.2)	(8.0)	4.8	5.8	(10.8)	16.6
Net increase in cash	\$17.3	(\$0.4)	\$17.7	\$31.0	\$0.0	\$30.7
Cash, beginning of period	\$49.4	\$27.8		\$35.7	\$27.4	
Cash, end of period	\$66.7	\$27.4		\$66.7	\$27.4	

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

Mine profits¹ for Q2 2020 increased by 55% from Q2 2019 primarily due to higher realized gold price. The Company invested \$6.6 million in the Eagle River surface exploration and the Kiena asset in Q2 2020.

The following table identifies the significant movements in operating cash flow for the three and six months ended June 30, 2020 and 2019 as follows:

In \$000s	Q2 2020	Q2 2019	Change		YTD 2020	YTD 2019	Change	
Operating cash flow, previous period	33,429	12,581	20,848	166%	15,821	8,632	7,189	83%
Increase (decrease) in cash margin from mine operations	6,685	5,796	889		36,107	25,819	10,288	
Decrease (increase) in other operating expenditures	(390)	510	(900)		(2,587)	(1,604)	(983)	
Mining and income tax recovery (payments)	1,814	(3,074)	4,888		(3,888)	3,235	(7,123)	
Net change in working capital balances	(10,144)	(36)	(10,108)		17,948	(8,104)	26,052	
Other	(1,148)	(377)	(771)		274	3	271	
Net increase (decrease) in operating cash flows	(3,183)	2,819	(6,002)		47,854	19,349	28,505	147%
Operating cash flow, current period	30,246	15,400	14,846	96%	63,675	27,981	35,694	128%

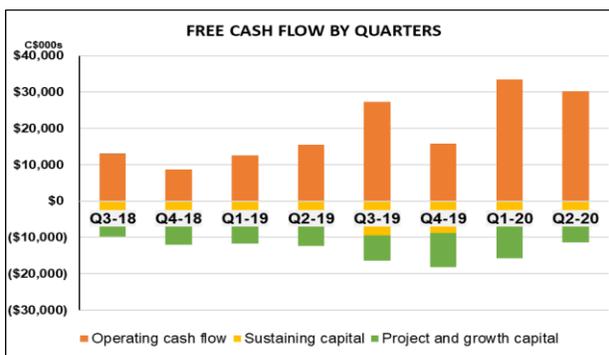
The net change in working capital balances is primarily due to the increase in ore stockpile and bullion inventory resulting from inventory level changes.

Capital and exploration and evaluation expenditures incurred in Q2 2020 decreased to \$11.4 million as compared

to \$12.3 million in Q2 2019, primarily due to COVID-19 restrictions, which suspended the development and drilling program at Kiena and all non-essential related work at Eagle River. A breakdown of the capital expenditures for the three and six months ended June 30, 2020 and 2019 are as follows:

In \$000s	Q2 2020	Q2 2019	Change		YTD 2020	YTD 2019	Change	
Mining properties and plant and equipment								
Eagle River								
Capitalized exploration costs	565	1,390	(825)		2,060	3,137	(1,077)	
Sustaining mine development costs	4,299	3,794	505		9,064	7,818	1,246	
Mining equipment and infrastructure upgrades	122	221	(99)		318	557	(239)	
Tailings management facility	389	1,509	(1,120)		423	1,509	(1,086)	
	5,375	6,914	(1,539)		11,865	13,021	(1,156)	
Corporate Office	-	(110)	110		-	-	0	
Kiena								
Exploration equipment	70	-	70		126	-	126	
Additions to Mining properties	5,445	6,804	(1,359)	(20)%	11,991	13,021	(1,030)	(8)%
Exploration and evaluation expenditures								
Eagle River	-	-	-		-	-	-	
Kiena	5,908	5,493	415		15,056	11,019	4,037	
Moss Lake	50	5	45		56	17	39	
Additions to Exploration properties	5,958	5,498	460	8%	15,112	11,036	4,076	37%
Total capital investments	11,403	12,302	(899)	(7)%	27,103	24,057	3,046	13%

Wesdome generated \$17.7 million of free cash flow ¹ in Q2 2020 compared to \$1.2 million in Q2 2019. The increase in free cash flow ¹ was primarily due to higher realized gold prices and lower spending due to COVID-19 restrictions, which suspended the development and drilling program at Kiena and all non-essential related work at Eagle River.



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

Secured Credit Facility and Lease Facilities

Secured Credit Facility

During Q2 2020, the Company was in compliance with the financial covenants stipulated under its \$45.0 million senior secured revolving credit facility (“**NBF Facility**”), led by National Bank Financial Inc. (“**NBF**”). The NBF Facility, which will be used for general corporate and working capital purposes, 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. At June 30, 2020 the entire \$45.0 million facility was available.



Leasing Facility

The Company currently has a leasing facility (“**C\$ Leasing Facility**”) with a chartered Canadian bank. On June 2, 2020 the facility was increased to \$11.6 million of which \$11.2 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\$3.7 million is currently drawn. As at June 30, 2020, \$7.2 million and US\$2.7 million was owing under the C\$ Leasing Facility and US\$ Leasing Facility, respectively.

Reclamation Bonds

The Company currently has an agreement with a financial institution whereby the financial institution has issued surety bonds, on an unsecured basis to satisfy the Company’s reclamation obligations for the Eagle River Complex. During Q1 2020, the financial institution increased the surety bond for the Eagle River Complex by \$8.0 million. As at June 30, 2020, the total reclamation bonds issued to government environmental agencies amounted to \$16.6 million (December 31, 2019 - \$8.6 million).

The final closure plans were submitted during Q4 2019, for the Eagle River Complex to the Ontario Ministry of Energy, Northern Development and Mines (“**MENDM**”) for approval. The MENDM has approved the closure plan for the Eagle River Mill in Q1 2020 and the closure plans for the Eagle River Mine and the Mishi-Magnacon Mine are still being reviewed. 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 August 11, 2020, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	138,928
Common share purchase options	4,135
Deferred Share Units	315
Performance Share Units	89
Restricted Share Units	343

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at June 30, 2020:

	In \$000s				
	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	18,077	\$18,077	-	-	-
Mining and income liabilities	4,137	4,137	-	-	-
Lease liabilities	12,089	5,579	4,680	1,830	-
Purchase and work commitments ¹	2,258	2,258	-	-	-
Decommissioning liabilities	24,254	-	7,027	-	17,227
	\$60,815	\$30,051	\$11,707	\$1,830	\$17,227

¹ The Company anticipates 38.7% of the outstanding purchase and work commitments as at June 30, 2020 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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Revenues per financial statements	54,772	57,332	43,223	45,940	42,276	32,535	29,462	28,920	112,104	74,811
Silver revenue from mining operations	(48)	(37)	(40)	(49)	(38)	(28)	(30)	(22)	(85)	(66)
Gold revenue from mining operations (a)	54,724	57,295	43,183	45,891	42,238	32,507	29,432	28,898	112,019	74,745
Ounces of gold sold (b)	23,140	26,500	22,100	23,450	24,113	18,760	18,077	18,401	49,640	42,873
Average realized price gold sold CAD (c) = (a) ÷ (b)	2,365	2,162	1,954	1,957	1,752	1,733	1,628	1,571	2,257	1,743
Average 1 USD → CAD exchange rate (d)	1.3853	1.3449	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070	1.3651	1.3336
Average realized price gold sold USD (c) ÷ (d)	1,707	1,608	1,480	1,482	1,309	1,303	1,233	1,202	1,653	1,307



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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Cost of sales per financial statements	26,270	37,590	22,804	25,246	26,571	20,185	22,162	20,599	63,860	46,756
Depletion and depreciation	(5,802)	(7,877)	(5,397)	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(13,679)	(10,259)
Silver revenue from mining operations	(48)	(37)	(40)	(49)	(38)	(28)	(30)	(22)	(85)	(66)
Cash costs (a)	20,420	29,676	17,367	19,121	20,183	16,248	16,937	15,000	50,096	36,431
Ounces of gold sold (b)	23,140	26,500	22,100	23,450	24,113	18,760	18,077	18,401	49,640	42,873
Cash costs per ounce of gold sold (c) = (a) ÷ (b)	882	1,120	786	815	837	866	937	815	1,009	850
Average 1 USD → CAD exchange rate (d)	1.3853	1.3449	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070	1.3651	1.3336
Cash costs per ounce of gold sold USD (c) ÷ (d)	637	833	595	618	626	651	710	624	739	637

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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Cost of sales per financial statements	26,270	37,590	22,804	25,246	26,571	20,185	22,162	20,599	63,860	46,756
Depletion and depreciation	(5,802)	(7,877)	(5,397)	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(13,679)	(10,259)
Royalties	(1,111)	(1,025)	(797)	(1,074)	(701)	(608)	(529)	(597)	(2,136)	(1,309)
Inventory adjustments	(774)	(215)	(1,407)	5,023	(1,063)	(788)	1,615	(47)	(989)	(1,851)
Mining and processing costs, before inventory adjustments (a)	18,583	28,473	15,203	23,119	18,457	14,880	18,053	14,378	47,056	33,337
Ore milled (tonnes) (b)	56,070	66,922	32,365	39,657	47,377	49,411	59,014	50,854	122,992	96,788
Production costs per tonne milled (a) ÷ (b)	331	425	470	583	390	301	306	283	383	344

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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Gold revenue from mining operations (per above)	54,724	57,295	43,183	45,891	42,238	32,507	29,432	28,898	112,019	74,745
Cash costs (per above)	20,420	29,676	17,367	19,121	20,183	16,248	16,937	15,000	50,096	36,431
Mine profit	34,304	27,619	25,816	26,770	22,055	16,259	12,495	13,898	61,923	38,314
Per ounce of gold sold (Canadian dollar):										
Average realized price (a)	2,365	2,162	1,954	1,957	1,752	1,733	1,628	1,571	2,257	1,743
Cash costs (b)	882	1,120	786	815	837	866	937	815	1,009	850
Cash margin (a) – (b)	1,483	1,042	1,168	1,142	915	867	691	756	1,247	893



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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Cost of sales, per financial statements	26,270	37,590	22,804	25,246	26,571	20,185	22,162	20,599	63,860	46,756
Depletion and depreciation	(5,802)	(7,877)	(5,397)	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(13,679)	(10,259)
Silver revenue from mining operations	(48)	(37)	(40)	(49)	(38)	(28)	(30)	(22)	(85)	(66)
Cash costs	20,420	29,676	17,367	19,121	20,183	16,248	16,937	15,000	50,096	36,431
Sustaining mine exploration and development	4,299	4,765	5,634	5,515	4,696	4,740	4,142	3,677	9,064	9,436
Sustaining mine capital equipment	122	196	323	(43)	221	336	1,280	317	318	557
Tailings management facility	389	34	2,863	3,950	1,509	-	-	-	423	1,509
Corporate and general	1,805	1,971	1,745	1,417	1,498	2,008	1,337	1,429	3,776	3,506
Payment of lease liabilities ¹	1,152	1,057	901	1,558	1,316	1,255	1,086	931	2,209	2,571
All-in Sustaining costs (AISC) (a)	28,187	37,699	28,833	31,518	29,423	24,587	24,782	21,354	65,886	54,010
Ounces of gold sold (b)	23,140	26,500	22,100	23,450	24,113	18,760	18,077	18,401	49,640	42,873
AISC (c) = (a) ÷ (b)	1,218	1,423	1,305	1,344	1,220	1,311	1,371	1,160	1,327	1,260
Average 1 USD → CAD exchange rate (d)	1.3853	1.3449	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070	1.3651	1.3336
AISC USD (c) ÷ (d)	879	1,058	988	1,018	912	986	1,038	888	972	945

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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Net cash provided by operating activities per financial statements (c)	30,246	33,429	15,821	27,275	15,400	12,581	8,632	12,823	63,675	27,981
Sustaining mine exploration and development	(4,299)	(4,765)	(5,634)	(5,515)	(4,696)	(4,740)	(4,142)	(3,677)	(9,064)	(9,436)
Sustaining mine capital equipment	(122)	(196)	(323)	43	(221)	(336)	(1,280)	(317)	(318)	(557)
Tailings management facility	(389)	(34)	(2,863)	(3,950)	(1,509)	-	-	-	(423)	(1,509)
Leasehold improvements and IT fixtures	-	-	-	-	110	(110)	(27)	(28)	-	-
Capitalized exploration and evaluation expenditures	(5,958)	(9,154)	(8,312)	(5,872)	(5,498)	(5,538)	(5,699)	(5,733)	(15,112)	(11,036)
Exploration capital equipment	(70)	(56)	(32)	-	-	-	-	-	(126)	-
Surface exploration at Eagle River	(565)	(1,495)	(1,053)	(1,194)	(488)	(1,031)	(889)	-	(2,060)	(1,519)
Funds held against standby letters of credit	-	-	-	(30)	(627)	-	-	-	-	(627)
Payment of lease liabilities ¹	(1,152)	(1,057)	(901)	(1,558)	(1,316)	(1,255)	(1,086)	(931)	(2,209)	(2,571)
Free cash flows (a)	17,691	16,672	(3,297)	9,199	1,155	(429)	(4,491)	2,137	34,363	726
Weighted number of shares (000s) (b)	138,918	138,464	137,867	137,302	136,740	135,788	135,132	134,754	138,691	136,266
Per Share data										
Operating cash flow (c) ÷ (b)	0.22	0.24	0.11	0.20	0.11	0.09	0.06	0.10	0.46	0.21
Free cash flow (a) ÷ (b)	0.13	0.12	(0.02)	0.07	0.01	0.00	(0.03)	0.02	0.25	0.01

¹ The payment of the lease liabilities excludes the cancellation payment of \$3.9 million in Q3 2019.



Net income (adjusted) and Adjusted net income per share

Adjusted net income (loss) and adjusted net income 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 income, 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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Net income per financial statements	16,097	11,513	12,077	12,449	8,327	8,092	2,643	3,631	27,610	16,419
Adjustments for:										
Annual General Meeting									-	-
COVID-19	556	-	-	-	-	-	-	-	556	-
Exploration credit refund	-	-	-	-	-	(2,867)	-	-	-	(2,867)
Other	-	-	-	-	-	(255)	-	-	-	(255)
Total adjustments	556	-	-	-	-	(3,122)	-	-	556	(3,122)
Related income tax effect	(133)	-	-	-	-	753	-	-	(133)	753
Recognition of mining taxes	(47)	-	-	-	-	-	-	-	(47)	-
	376	-	-	-	-	(2,369)	-	-	376	(2,369)
Net income adjusted (a)	16,473	11,513	12,077	12,449	8,327	5,723	2,643	3,631	27,986	14,050
Weighted number of shares (000s) (b)	138,918	138,464	137,867	137,302	136,740	135,788	135,132	134,754	138,691	136,266
Per Share data										
Net adjusted income (a) ÷ (b)	0.12	0.08	0.09	0.09	0.06	0.04	0.02	0.03	0.20	0.10



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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2020	YTD 2019
Net income per financial statements	16,097	11,513	12,077	12,449	8,327	8,092	2,643	3,631	27,610	16,419
Adjustments for:										
Mining and income tax expense	8,164	5,769	5,487	6,297	4,619	4,085	2,408	2,380	13,933	8,704
Depletion and depreciation	5,802	7,877	5,397	6,076	6,350	3,909	5,195	5,577	13,679	10,259
Non-recurring expenses (income)	376	-	-	-	-	(3,122)	-	-	376	(3,122)
Interest expense	284	255	315	138	114	112	83	68	539	226
	30,723	25,414	23,276	24,960	19,410	13,076	10,329	11,656	56,137	32,486



ACCOUNTING MATTERS

BASIS OF PRESENTATION

The condensed interim consolidated financial statements of Wesdome for the three and six months ended June 30, 2020 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, 2019.

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, 2019.

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

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. 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

Proven and probable 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 its proven and probable reserves and measured, indicated and inferred 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 proven and probable reserves or measured, indicated and inferred mineral resources 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 applicable to 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 not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. 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 and is estimated based on historical forfeitures and expectations of future forfeitures, 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 taxes and deferred 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 income taxes and deferred tax 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 be recognized changes 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 advice received, 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 Standards

The following new standards, and amendments to standards and interpretations, are effective for the first time for the annual periods beginning on or after January 1, 2020 and have been applied in preparing these condensed interim consolidated financial statements:

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7)

IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosure* have been revised to incorporate amendments issued by the IASB in response to the ongoing reform of interest rate benchmarks around the world. The replacement of existing benchmarks with new risk-free rates over the next few years can have significant effects on hedge accounting. The amendments aim to provide relief for hedging relationships. The amendments provide temporary exceptions from applying certain hedge accounting requirements in IFRS 9 and IAS 39 to all hedging relationships directly affected by interest rate benchmark reform. Without these amendments, the uncertainty surrounding the replacement of benchmark rates could result in entities having to discontinue hedge accounting solely because of the reform's effect on their ability to make forward-looking assessments. The amendments to IFRS 7 also provide specific disclosure requirements regarding uncertainty arising from interest rate benchmark reform. The adoption of this amendment did not have a material impact on the Company's financial statements.

Definition of Material

The IASB has issued *Definition of Material*, amending IAS 1 *Presentation of Financial Statements* and IAS 8



Accounting Policies, Changes in Accounting Estimates and Errors to make it easier for entities to judge whether information is material for inclusion in the financial statements. The amendments:

- include in the definition of material guidance that was previously only featured elsewhere in IFRS
- improve the explanations that accompany the definition
- ensure the definition of material is consistent across all IFRS standards

The adoption of this amendment did not have a material impact on the Company's financial statements.

New standards and interpretations not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

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 18 of the Company's financial statements 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 2019 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 made to Wesdome's disclosure controls and procedures in Q2 2020.



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 June 30, 2020 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 2020 Annual Information Form filed on SEDAR at www.sedar.com.