



WESDOME GOLD MINES LTD.

Second Quarter 2023

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") audited financial statements for the years ended December 31, 2022 and 2021, 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 10, 2023.

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
Q2 2023	<i>April 1, 2023 – June 30, 2023</i>	Q2 2022	<i>April 1, 2022 – June 30, 2022</i>
Q1 2023	<i>January 1, 2023 – March 31, 2023</i>	Q1 2022	<i>January 1, 2022 – March 31, 2022</i>
Q4 2022	<i>October 1, 2022 – December 31, 2022</i>	Q4 2021	<i>October 1, 2021 – December 31, 2021</i>
Q3 2022	<i>July 1, 2022 – September 30, 2022</i>	Q3 2021	<i>July 1, 2021 – September 30, 2021</i>
YTD 2023	<i>January 1, 2023 – June 30, 2023</i>	YTD 2022	<i>January 1, 2022 – June 30, 2022</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; cash margin; all-in sustaining costs ("**AISC**"); cash margin net AISC; free cash flow and operating and free cash flow per share; and net income (loss) (adjusted) and adjusted net income (loss) 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**" with a secondary listing on the OTCQX under the symbol "**WDOFF**". The registered and principal office of the Company is located at 220 Bay Street, Suite 1200, Toronto, Ontario, M5J 2W4.

Wesdome is a Canadian focused gold producer with two high grade underground assets, the Eagle River mine and the recently commissioned Kiena mine in Quebec. The Company's primary goal is to responsibly leverage this operating platform and high-quality brownfield and greenfield exploration pipeline to build Canada's next intermediate gold producer. The Eagle River Complex in Wawa, Ontario is currently producing gold at a rate of 80,000 – 90,000 ounces per year. The recently re-started Kiena Complex in Val d'or, Quebec is a fully permitted underground mine and milling operation. The Kiena Mine is expected to produce 30,000 – 40,000 ounces in 2023. Wesdome is actively exploring both underground and on surface within the mine areas and more regionally at both the Eagle River and Kiena Complex. 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 2023 PERFORMANCE

Operations and Financial Results	Comparison to Q2 2022
Gold production of 30,992 ounces.	<p>Gold production increased by 14% compared to 27,240 ounces in Q2 2022 primarily due to higher grade at the Eagle River Complex, and despite the impact from the regional forest fires in June at Kiena. New quarterly throughput records established at both sites.</p> <p>YTD gold production of 59,360 ounces, an increase of 12% when compared to YTD 2022 production of 52,851 ounces.</p>
Cash costs of \$1,743 (US\$1,298) per ounce of gold sold¹.	<p>Cash costs¹ in Canadian dollars increased by 13% from Q2 2022 of \$1,538 (US\$1,205) per ounce due to a 39% increase in aggregate mine operating costs; partially offset by a 23% increase in ounces sold. At Eagle River, the aggregate cash costs increased by 23% due to more ore development metres, waste movement, improvements to strengthen the technical and mine management team and general maintenance of aging site infrastructure. At Kiena the aggregate cash costs increased by 77% due to a 96% increase in throughput and increased staffing levels required to support commercial production, which was declared on December 1, 2022.</p>
AISC of \$2,238 (US\$1,666) per ounce of gold sold¹.	<p>AISC¹ in Canadian dollars increased by 11% from Q2 2022 of \$2,020 (US\$1,582) per ounce due to the increased cash costs, an increase in capital spending at Eagle River resulting from the replacement of aging site infrastructure, and the inclusion of sustaining mining exploration and development costs at Kiena.</p>
Cash margin of \$28.7 million¹.	<p>Cash margin¹ increased by 31% or \$6.8 million from Q2 2022 due to higher ounces sold and a higher Canadian dollar realized gold price; partially offset by increased cash operating costs.</p>
Operating cash flow of \$14.0 million or \$0.09 per share¹.	<p>Increased by 16% or \$1.9 million (Q2 2022 - \$12.1 million or \$0.08 per share¹) due to the higher cash margin, reduced tax instalments; partially offset by the decrease in cash from working capital changes.</p>
Free cash outflow of \$5.3 million or (\$0.04) per share¹.	<p>The free cash outflow¹ decreased by \$23.3 million (Q2 2022 - \$28.6 million or (\$0.20) per share¹) primarily due to the increased operating cash flow and decreased capital spending. Invested \$17.8 million in capital expenditures at Eagle River and Kiena in the quarter as compared to \$38.3 million in Q2 2022.</p>



Net loss and adjusted net loss¹ attributable to shareholders of \$5.0 million or (\$0.03) per share.

Net loss decreased by \$9.3 million (Q2 2022 - \$14.3 million or (\$0.10 per share) primarily because of the Q2 2022 after-tax impairment of the investment in associate of \$8.9 million.

After removing this one-time item, the adjusted net loss¹ decreased by \$0.4 million from Q2 2022.

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

Scott Gilbert, Chief Financial Officer, will be stepping down from his position with the Company to pursue another senior executive role within the mining industry, effective September 12, 2023. Jonathan Singh has been appointed as interim CFO, and the Company has commenced a search for a new CFO. The goals and objectives of the Company, as well as its ability to meet them, are not affected by this change.

**Production Metrics
and Exploration
Updates**

Performance

Eagle River Complex

- Q2 2023 production increased by 25% from Q2 2022 to 22,845 ounces due to a 28% increase in head grade; offset partially by a 4% decrease in throughput, which was sourced entirely from the Eagle River underground as the Mishi Pit stockpile was fully depleted in Q1 2023. 64,672 tonnes processed in Q2 represents a new quarterly throughput record from the underground mine as a standalone source of ore for the mill.
- Q2 2023 cash cost of \$1,526 (US\$1,136) per ounce of gold sold¹ increased by 9% or \$131 per ounce from Q2 2022 due to a 23% increase in overall aggregate site operating costs resulting from higher operating costs incurred due to more ore development metres, waste movement, improvements made to strengthen the technical and mine management team at site, and general maintenance improvements; partially offset by a 13% increase in ounces sold.
- Q2 2023 AISC of \$2,019 (US\$1,504) per ounce of gold sold¹ increased by 4% or \$79 per ounce from Q2 2022 due to higher cash costs and site infrastructure spending; partially offset by a 13% increase in ounces sold.
- Generated \$13.6 million in cash margin net AISC¹ in Q2 2023 compared to \$8.8 million in Q2 2022 due to the 13% increase in ounces sold and the higher average Canadian dollar gold price; partially offset by the 23% increase in overall aggregate site operating costs and the 12% increase in site infrastructure spending.
- Recent exploration drilling within the mine diorite, has extended the 300 East Zone to the 1,600 m-level and remains open down plunge. Several of these holes have intersected wider widths along the eastern margin of the zone and is interpreted to be the result of intersecting structures with one hole returning 77.6 g/t Au over 9.4 m core length (40.7 g/t Au cut, 6.0 m true width). Drilling is continuing in this area to better define this wider part of the zone.
- The drilling of the 300 East Zone confirms the continuity of the mineralization at depth, thus suggesting that many other similar parallel zones, such as 808, 811, 818, 711 and 7 East, have this same potential to continue at depth and will be tested with ongoing drilling.
- On surface, exploration drilling is scheduled to commence in H2 2023 to test targets within the volcanic rocks adjacent to and east and west of the mine diorite. Last year's surface drilling returned a number of encouraging results, along strike of, and subparallel to the Falcon 7 Zone, and also the interpreted western extension of the mine 311 West and 5 Zones. Approximately 700 metres further to the west, drilling near the historic 9 Zone returned 19.4 g/t au over 0.7 m. All of these areas will be drilled in this year's program.
- On the eastern side of the mine diorite, previous drilling within the volcanic rocks 150 metres east and down dip of the historic 2 Zone intersected quartz veining and VG that graded 233.0 g/t Au over 0.4 metres. Similar to the Falcon zones located west of the mine diorite, the drilling highlights the potential of discovering additional zones within volcanic rocks east of the mine diorite.

Kiena

- Q2 2023 production decreased by 9% from Q2 2022 to 8,147 ounces due to a 53% decrease in head grade; partially offset by a 96% increase in throughput (51,824 tonnes, a new quarterly record since restart of operations, despite impact from forest fires in June). The head grade is above the 2023 grade guidance of 3.7 – 4.7 due to an overall positive reconciliation of recovered diluted material from previous mining, and a higher proportion of ore sourced from the higher grade Kiena Deep.
- Q2 2023 AISC of \$2,755 (US\$2,052) per ounce of gold¹ sold increased by 21% or \$471 per ounce as compared to Q2 2022 due the increased cash costs and the sustaining mine exploration and development costs; offset partially by a 58% increase in ounces sold. The costs remain consistent with the plan and will decrease once full production levels are achieved.
- Q2 2023 cash margin net AISC¹ of negative \$0.7 million decreased by \$1.2 million compared to \$0.5 million in Q2 2022 due to the increased overall aggregate cash cost and the inclusion of sustaining development and exploration costs; offset partially by the 58% increase in ounces sold and the higher average Canadian dollar gold price.
- Development of the ramp to the 129L, which provides access to the A Zone of Kiena Deep, continued to track ahead of schedule during Q2 2023, positioning the mine to achieve better than planned production levels for 2024 based on the updated Kiena schedule.
- Underground exploration drilling is ongoing to better define and expand the South Limb zone with the intent to add to the current mineral resource base at year end. Drilling is also ongoing on 33 level east of the Kiena mine to test the strike and dip extensions of the Martin and Wish zones.
- Surface drilling is ongoing at the Presqu'île zone, located approximately 2 kilometres west of the Kiena mine, to better define and subsequently convert the current inferred resource to indicated for the anticipated conversion into mineral reserves at year end. The excavation of an exploration ramp from surface to access the near-surface Presqu'île Zone is expected to proceed in H2 2023 after the required permits are secured.
- The recent surface exploration results at Shawkey and Dubuisson zones highlight the potential to increase the resource base in areas adjacent to mine infrastructure, thus providing a second source of mill feed for the underutilized Kiena mill. Both of these zones are proximal to the 33 level track drift development that extends over 3 kilometres east of the Kiena mine shaft towards the Dubuisson Zone.
- At Shawkey, surface drilling at the end of 2022 intersected wide zones of alteration and mineralization with one hole returning 2.3 g/t Au over 72.0 m within a diorite. The zone has been extended to 200 metres up dip and along strike and remains open along strike to the north-west as well as down dip. Future drilling in this area next year will be able to better define the geometry and therefore the potential of this zone. At Dubuisson, drilling has confirmed that the mineralization occurs along shear zones located at the contact between diorite and ultramafic rocks. One hole returned 9.8 g/t over 25.2 m core length (9.8 g/t Au capped*, 17.2 m true width).

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 2023, Wesdome realized an average gold price of \$2,640 (US\$1,966) per ounce as compared to \$2,380 (US\$1,864) per ounce realized in Q2 2022. The market price for gold in Q2 2023 averaged US\$1,975 per ounce (Canadian dollar equivalent of \$2,652 per ounce (Q2 2022 - US\$1,871 or \$2,388 per ounce in Canadian dollars)).

The Company's reporting and functional currency is the Canadian dollar ("CAD") as all of 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 foreign exchange rate contracts in place during Q2 2023 and as at June 30, 2023. This position will be reviewed from time to time as market conditions warrant. Please see note 24 of the Company's financial statements for an analysis of Wesdome's exposure to the Canadian and US dollar exchange rate.

OUTLOOK

In the beginning of the year, the Company set its full year 2023 combined production guidance at 110,000 – 130,000 ounces. The cash cost per ounce is currently higher than guidance due to the ore development at the Martin Zone, which was performed in H1 2023 as per plan. The cash costs are expected to be within guidance by the end of the year and the Company is on track to meet these targets:

	2023 Guidance	YTD 2023 Achievement
Gold production		
Eagle River	80,000 – 90,000 ounces	43,004 ounces
Mishi	-	332 ounces
Kiena	30,000 – 40,000 ounces	16,024 ounces
	110,000 – 130,000 ounces	59,360 ounces
Head grade (g/t Au)		
Eagle River	11.5 – 12.5	12.3
Mishi	-	2.3
Kiena	3.7 – 4.7	5.4
Cash cost per ounce ¹	\$1,500 - \$1,670 (US\$1,150 – US\$1,290)	\$1,743 (US\$1,298)
AISC per ounce ¹	\$2,100 - \$2,340 (US\$1,620 – US\$1,800)	\$2,238 (US\$1,666)

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

In 2023, the grades at Kiena are expected to range from 3.7 g/t to 4.7 g/t as ore will be sourced from the lower grade Martin, S50 and VC zones to supplement the Kiena Deep material that will be available, which is mostly lower grade fringe material and diluted ore from previously mined areas.

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021 ¹
Financial results								
Revenue ⁴	84,555	76,701	75,035	61,823	61,931	66,694	85,505	67,548
Cash margin ²	28,722	34,408	26,466	16,993	21,873	30,342	47,681	35,307
Net income (loss)	(5,014)	(345)	(3,527)	(3,899)	(14,331)	7,051	24,762	14,486
Net income (loss) adjusted ²	(5,014)	3,257	(3,527)	(3,899)	(5,481)	7,051	24,762	17,408
Earnings before interest, taxes, depreciation and amortization ²	22,020	26,124	21,309	4,814	8,844	20,650	44,235	31,848
Operating cash flow	13,979	5,120	10,267	12,945	12,101	29,893	48,160	33,890
Free cash outflow ²	(5,279)	(19,597)	(31,609)	(23,193)	(28,576)	(6,796)	(3,172)	(9,087)
Per share information:								
Net income (loss)	(0.03)	0.00	(0.02)	(0.03)	(0.10)	0.05	0.18	0.10
Adjusted net income (loss) ²	(0.03)	0.02	(0.02)	(0.03)	(0.04)	0.05	0.18	0.12
Operating cash flow ²	0.09	0.04	0.07	0.09	0.08	0.21	0.34	0.24
Free cash outflow ²	(0.04)	(0.14)	(0.22)	(0.16)	(0.20)	(0.05)	(0.02)	(0.06)
Selected Financial Statement data:								
Cash and cash equivalents	22,067	25,060	33,185	24,741	23,516	52,472	56,764	69,473
Working capital	(2,914)	(14,712)	(38,044)	(35,457)	(4,535)	26,855	39,663	51,358
Total assets	601,320	618,724	619,127	578,762	553,621	574,471	553,719	517,746
Total non-current liabilities	100,172	104,492	105,017	96,809	101,269	104,588	105,172	100,486
Operational results								
Milling (tonnes)								
Eagle River	64,672	48,133	58,306	52,247	59,964	53,217	56,159	56,003
Mishi	-	6,150	0	3,595	7,685	11,873	6,215	3,727
Kiena	51,824	42,324	51,419	16,112	26,478	21,162	38,000	30,470
Throughput	116,496	96,607	109,725	71,954	94,127	86,252	100,374	90,200
Head grades (g/t Au)								
Eagle River	11.4	13.5	14.0	10.7	9.6	11.6	13.7	13.4
Mishi	-	2.3	0.0	2.8	2.8	3.6	2.1	2.3
Kiena	5.0	5.9	5.9	10.2	10.6	7.7	14.1	5.8
Recovery (%)								
Eagle River	96.5	96.9	97.4	96.6	95.6	97.4	97.8	97.9
Mishi	-	72.5	0.0	83.0	81.2	84.8	88.1	78.0
Kiena	97.7	97.9	98.1	98.5	98.5	98.0	98.1	97.9
Production (ounces)								
Eagle River	22,845	20,159	25,502	17,405	17,756	19,334	24,267	23,621
Mishi	-	332	0	270	570	1,165	363	212
Kiena	8,147	7,877	9,614	5,208	8,914	5,112	16,929	5,511
Total gold produced	30,992	28,368	35,116	22,883	27,240	25,611	41,559	29,344
Gold sales (ounces)								
Eagle River	22,500	23,659	21,609	18,484	19,321	17,815	23,976	26,632
Mishi	-	341	41	316	679	985	361	368
Kiena	9,500	6,000	9,850	8,700	6,000	9,200	13,207	3,000
Total gold sales	32,000	30,000	31,500	27,500	26,000	28,000	37,544	30,000

In 000s, except per units and per share amounts	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021 ¹
Per ounce of gold sold ²								
Average realized price ²	2,640	2,554	2,380	2,246	2,380	2,379	2,275	2,249
Cash costs ²	1,743	1,407	1,540	1,628	1,538	1,295	1,005	1,072
Cash margin ²	897	1,147	840	618	842	1,084	1,270	1,177
AISC ²	2,238	1,977	2,136	2,217	2,020	1,695	1,412	1,495
Production costs/tonne milled ²	448	454	444	563	435	433	370	370
Average 1 USD → CAD exchange rates	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662	1.2603	1.2600
Cost Metrics (in USD)								
Cash costs ²	1,298	1,040	1,134	1,247	1,205	1,023	797	851
AISC ²	1,666	1,462	1,573	1,698	1,582	1,339	1,121	1,186

¹ Q3 2021 has been restated to correct an error in the valuation of the share consideration receivable related to the sale of the Moss Lake Project which closed on May 31, 2021. The proceeds have been restated to \$44.7 million from \$49.5 million, which has decreased the gain on sale of the Moss Lake properties to \$30.2 (net of tax of \$4.1 million) from \$34.4 million (net of tax of \$4.7 million). The Q3 net income has decreased by \$0.9 million resulting from the mark-to-market of the share consideration receivable. Earnings per share for Q3 2021 changed from \$0.11 to \$0.10 per share.

² Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.

³ Totals for tonnage and gold ounces information may not add due to rounding.

⁴ Revenues include insignificant amounts from the sale of by-product silver.

Q2 2023 FINANCIAL AND OPERATIONAL RESULTS

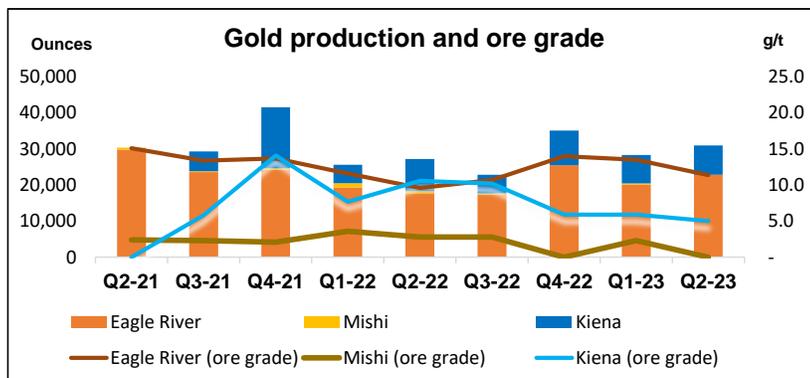
Operational Results

	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Ore milled (tonnes)								
Eagle River	64,672	59,964	4,708	8%	112,805	113,181	(376)	(0)%
Mishi	-	7,685	(7,685)	(100)%	6,150	19,558	(13,408)	(69)%
Kiena	51,824	26,478	25,346	96%	94,148	47,640	46,508	98%
Throughput	116,496	94,127	22,369	24%	213,103	180,379	32,724	18%
Head Grade (g/t Au)								
Eagle River	11.4	9.6	1.8	19%	12.3	10.6	1.7	16%
Mishi	-	2.8	(2.8)	(100)%	2.3	3.3	(1.0)	(30)%
Kiena	5.0	10.6	(5.6)	(53)%	5.4	9.3	(3.9)	(42)%
Recoveries (percent)								
Eagle River	96.5	95.6	0.9	1%	96.7	96.6	0.1	0%
Mishi	-	81.2	(81.2)	(100)%	72.5	83.6	(11.1)	(13)%
Kiena	97.7	98.5	(0.8)	(1)%	97.8	98.3	(0.5)	(1)%
Gold production (ounces)								
Eagle River	22,845	17,756	5,089	29%	43,004	37,090	5,914	16%
Mishi	-	570	(570)	(100)%	332	1,735	(1,403)	(81)%
Kiena	8,147	8,914	(767)	(9)%	16,024	14,026	1,998	14%
	30,992	27,240	3,752	14%	59,360	52,851	6,509	12%
Gold Sold (ounces)								
Eagle River	22,500	19,321	3,179	16%	46,159	37,136	9,023	24%
Mishi	-	679	(679)	(100)%	341	1,664	(1,323)	(80)%
Kiena	9,500	6,000	3,500	58%	15,500	15,200	300	2%
	32,000	26,000	6,000	23%	62,000	54,000	8,000	15%

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

Q2 2023 production at Eagle River Complex increased by 25% to 22,845 ounces of gold, due to a 28% increase in head grade; offset partially by a 4% decrease in throughput. Head grade at Eagle River in Q2 2023 averaged 11.4 g/t, which is slightly below the 2023 Eagle River guidance of 11.5 – 12.5 g/t, due to stope sequencing.

Kiena produced 8,147 ounces of gold in Q2 2023, which is a 9% decrease compared to Q2 2022, due to a 53% decrease in head grade; partially offset by a 96% increase in throughput. Head grade at Kiena averaged 5.0 g/t, which is above the 2023 Kiena guidance of 3.7 – 4.7 g/t, due to an overall positive reconciliation of recovered diluted material from previous mining, and a higher proportion of ore sourced from the higher grade Kiena Deep.



YTD 2023 as compared to YTD 2022

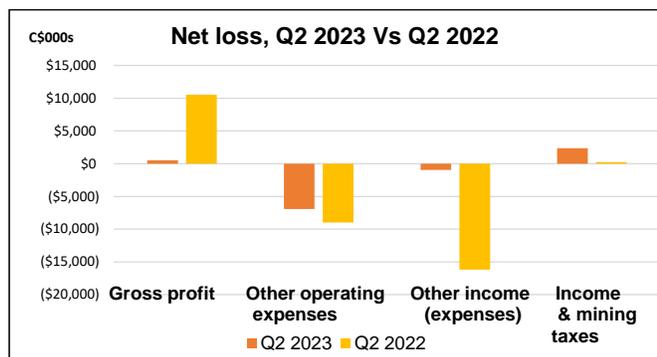
YTD 2023 gold production at Eagle River Complex was 43,336 ounces compared to 38,825 ounces YTD 2022, which reflects an increase of 12% due to a 24% increase in head grade; partially offset by a 10% decrease in throughput as the Mishi pit has been fully depleted and all of the ore was sourced from the Eagle River underground subsequent to Q1 2023. The YTD Eagle River head grade of 12.3 g/t is in the higher range of



guidance due to processing additional higher grade ore from the Falcon and the 300 Zones.

Kiena produced 16,024 ounces compared to 14,026 ounces YTD 2022, which reflects a 14% increase due to a 98% increase in throughput; partially offset by a 42% decrease in head grade. The YTD Kiena head grade of 5.4 g/t, which is above the 2023 Kiena guidance of 3.7 – 4.7 g/t, is due to an overall positive reconciliation of recovered diluted material from previous mining, and a higher proportion of ore sourced from the higher grade Kiena Deep.

Financial Review, Q2 2023 as compared to Q2 2022



Net loss and adjusted net loss¹ attributable to shareholders for the three months ended June 30, 2023 was \$5.0 million or (\$0.03) per share as compared to a net loss of \$14.3 million or (\$0.10) per share and adjusted net loss¹ of \$5.5 million or (\$0.04) for the same period in 2022.

For a reconciliation of adjusted net loss¹ to net loss as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

In \$000s	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Revenues	84,555	61,931	22,624	37%	161,256	128,625	32,631	25%
Costs and expenses								
Cost of sales	84,048	51,374	32,674	64%	145,466	96,080	49,386	51%
Corporate and general	4,007	3,221	786	24%	7,669	6,596	1,073	16%
Stock-based compensation ²	1,551	1,554	(3)	(0)%	3,325	1,630	1,695	104%
Exploration and evaluation	1,267	4,213	(2,946)	(70)%	2,227	7,169	(4,942)	(69)%
Retirement costs	-	-	-		1,190	-	1,190	
Loss (gain) on disposal of mining equipment	99	(10)	109		317	(12)	329	
	90,972	60,352	30,620		160,194	111,463	48,731	
Operating income (loss)	(6,417)	1,579	(7,996)	(506)%	1,062	17,162	(16,100)	(94)%
Fair value adjustment on share consideration receivable	459	(3,605)	4,064		(1,577)	(5,839)	4,262	
Share of earnings (loss) of associate	(310)	(131)	(179)		(666)	(543)	(123)	
Gain (loss) on dilution of ownership	228	(429)	657		228	(634)	862	
Impairment of investment in associate	-	(11,800)	11,800		(2,700)	(11,800)	9,100	
Interest and other expenses	(1,330)	(202)	(1,128)		(2,829)	(901)	(1,928)	
Loss before taxes	(7,370)	(14,588)	7,218		(6,482)	(2,555)	(3,927)	
Mining and income tax expense (recovery)	(2,356)	(257)	(2,099)		(1,123)	4,725	(5,848)	
Net loss	(5,014)	(14,331)	9,317	(65)%	(5,359)	(7,280)	1,921	(26)%
Change in fair value of marketable securities	30	1,410	(1,380)		360	900	(540)	
Total comprehensive loss	(5,044)	(15,741)	10,697		(5,719)	(8,180)	2,461	
Operating cash flows	13,979	12,101	1,878	16%	19,099	41,994	(22,895)	(55)%
Free cash outflows ¹	(5,279)	(28,576)	23,297		(24,876)	(35,372)	10,496	

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

² YTD 2023 includes the accelerated vesting of the stock-based compensation related to the retirement costs of the former Chief Executive Officer of \$0.9 million.

Revenues

In \$000s	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Revenues from operations								
Gold	84,485	61,870	22,615	37%	161,100	128,476	32,624	25%
Silver	70	61	9		156	149	7	
	84,555	61,931	22,624	37%	161,256	128,625	32,631	25%

In Q2 2023, Wesdome generated \$84.5 million in gold sales revenue from the sale of 32,000 ounces of gold at an average realized price of \$2,640 (US\$1,966) per ounce; as compared to the sale of 26,000 ounces of gold at \$2,380 (US\$1,864) per ounce for revenue of \$61.9 million in Q2 2022. The 37% increase in sales revenues is due to additional ounces sold and the higher Canadian dollar realized gold price.

Cost of Sales

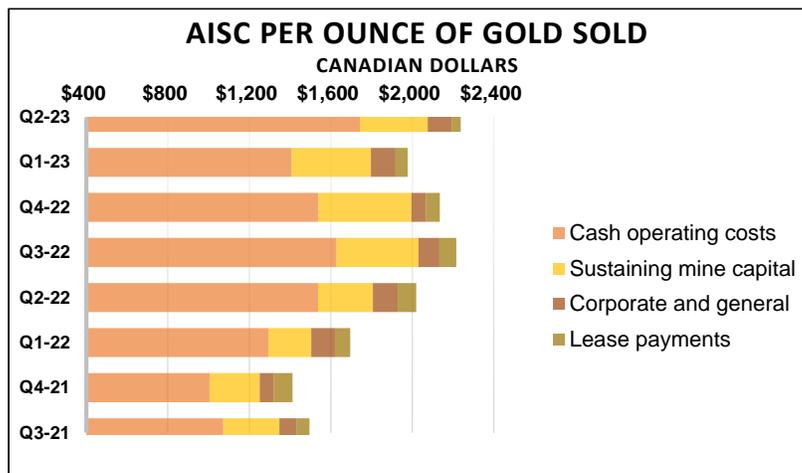
In \$000s	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Cost of Sales								
Mining and processing costs								
Mining	26,427	22,519	3,908		53,435	43,434	10,001	
Processing	8,417	5,948	2,469		15,328	11,741	3,587	
Site administration and camp costs	13,694	11,944	1,750		28,055	22,435	5,620	
Change in inventories ¹	6,123	(1,175)	7,298		(862)	(2,925)	2,063	
	54,661	39,236	15,425		95,956	74,685	21,271	
Royalties	1,172	822	350		2,170	1,725	445	
Depletion and depreciation	28,215	11,316	16,899		47,340	19,670	27,670	
	84,048	51,374	32,674	64%	145,466	96,080	49,386	51%

¹ See Note 21 of the Company's financial statements for a breakdown of stockpile and in-circuit inventory adjustments for the three month period ended June 30, 2023 and 2022.

Cost of sales of \$84.0 million in Q2 2023 increased by 64% or \$32.7 million due to: (i) an increase of \$16.9 million in non-cash depletion and depreciation resulting from a larger depreciable asset base with the inclusion of the Kiena assets; (ii) a \$7.3 million increase to ore stockpile and bullion inventory adjustment resulting from inventory level changes; (iii) an increase of \$3.3 million in the Eagle River aggregate operating costs due to increased ore development metres, waste movement, improvements made to strengthen the technical and mine management team at site, general maintenance improvements; and (iv) an increase of \$4.8 million in the Kiena aggregate operating costs resulting from a 96% increase in throughput, and increased staffing levels required to support commercial production, which was declared on December 1, 2022.

Cash cost and AISC per ounce of gold sold in Q2 2023 were \$1,743 (US\$1,298) and \$2,238 (US\$1,666) per ounce; as compared to cash cost and AISC per ounce of gold sold in Q2 2022 of \$1,538 (US\$1,205) and \$2,020 (US\$1,582), 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 in Q2 2023 increased by \$0.8 million or 24% to \$4.0 million primarily due to increased corporate activities and the increase in technical staff at the corporate level. The corporate and general expenditure level is expected to be between \$3.5 and \$3.7 million on a quarterly basis for the remainder of 2023.

Stock-based payments

During Q1 2023, the Company granted 770,498 stock options, 95,429 Restricted Share Units (“**RSUs**”) and 190,862 Performance Share Units (“**PSUs**”) to its employees and officers under its 2020 Omnibus Equity Plan. All of the stock options and RSUs have a three-year vesting term, with the first tranche vesting on the first anniversary date of the issue. The PSUs have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

On March 14, 2023, the Company granted 14,684 Deferred Share Units (“**DSUs**”) to its newly appointed non-executive director (“**Participant**”) under the Plan valued at approximately \$0.1 million. Under the Plan, as approved by the Company’s shareholders on June 2, 2020, 75% of the directors’ annual retainers are to be paid in share-based awards. Each DSU has the same value as one Wesdome common share. The DSUs may not be redeemed until the Participant has ceased to hold all offices, employment and directorships with Wesdome and all its affiliates.

On May 15, 2023, the Company granted 44,516 RSUs to one of its officers under its 2020 Omnibus Plan and 10,706 DSUs to its non-management board members (“**Participants**”). The RSUs have a three-year vesting term, with the first tranche vesting on May 14, 2024. All of the DSUs are fully vested at the grant date and become payable upon retirement of the directors.

On May 24, 2023, the Company granted 85,056 DSUs to its 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.

On June 30, 2023, the Company granted 98,837 stock options, 37,834 RSUs and 75,668 PSUs to one of its officers under its 2020 Omnibus Plan. The stock options and RSUs have a three-year vesting term, with the first tranche vesting on June 29, 2024. The PSUs have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

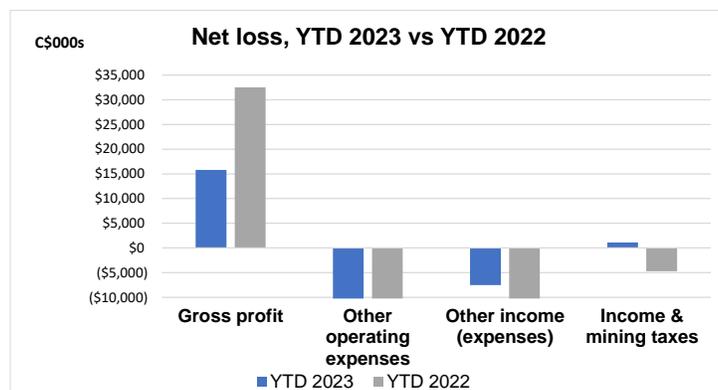
For the three months ended June 30, 2023, the compensation expense recognized under the plans was \$1.5 million.

Exploration and evaluation

All expenditures relating to exploration and evaluation activities are expensed until technical feasibility and commercial viability have been determined by the Company. In Q2 2023, Wesdome spent \$1.3 million on its exploration program, which includes \$0.4 million at Eagle River and \$0.9 million at Kiena.



Financial Review – YTD 2023 vs YTD 2022



Net loss attributable to shareholders for YTD 2023 was \$5.4 million or (\$0.04) per share as compared to \$7.3 million or (\$0.05) per share for YTD 2022. After giving effect to the non-recurring recognition in income of the impairment of the investment in associate of \$2.0 million (net of deferred taxes - \$0.7 million) due to the prolonged decrease in Goldshore's share price, and the retirement costs of \$1.6 million (net of deferred taxes - \$0.5 million), adjusted net loss¹ for YTD 2023 was \$1.8 million or (\$0.01) per share, compared to an adjusted net income¹ of \$1.6 million or \$0.01 per share for YTD 2022.

For reconciliation of adjusted net income (loss)¹ to net income (loss) 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 2023, Wesdome generated \$161.1 million in gold sales revenue from the sale of 62,000 ounces of gold at an average realized price of \$2,598 (US\$1,928) per ounce; as compared to the sale of 54,000 ounces of gold at \$2,379 (US\$1,871) per ounce for revenue of \$128.5 million in the same period of 2022. The 25% increase in sales revenues is due to a 15% increase in ounces sold, combined with a higher Canadian dollar realized gold price.

Cost of Sales

The cost of sales increased by \$49.4 million or 51% for the first half of 2023 when compared to the same period in 2022 primarily due to: (i) an increase of \$27.7 million in non-cash depletion and depreciation resulting from a larger depreciable asset base with the inclusion of the Kiena assets; (ii) an increase of \$8.3 million in the Eagle River aggregate operating costs due to increased ore development metres, waste movement, improvements made to strengthen the technical and mine management team at site, general maintenance improvements; and (iii) an increase of \$10.9 million in the Kiena aggregate operating costs resulting from a 98% increase in throughput, and increased staffing levels required to support commercial production, which was declared on December 1, 2022; and (iv) a \$2.1 million increase to ore stockpile and bullion inventory adjustment resulting from inventory level changes.

Corporate and General

For the first half of 2023 Corporate and general expenditures increased by \$1.1 million or 16% primarily due to an increase in technical and administrative staffs at the corporate level.

Retirement costs

The Company incurred total retirement costs of \$2.1 million, which includes a cash payment of \$1.2 million and the accelerated vesting of the stock-based compensation of \$0.9 million to the former Chief Executive Officer.

Decommissioning Provisions

The Company has recorded the decommissioning costs at its active and dormant mine sites on the basis of management's best estimates of future costs to settle the obligations on the closing date, based on information available on the reporting date. Although the ultimate amount of decommissioning costs is uncertain, the



Company estimated its future decommissioning costs for the Eagle River Complex to be \$16,754,000 and the Kierna Mine Complex to be \$10,253,000. The estimated costs have been discounted over a period of five to eight years using discount rates between 5.31% and 5.61% as at June 30, 2023. The Company has provided in aggregate \$16,567,000 in financial assurances for these future environmental obligations.

As at June 30, 2023, the aggregate carrying amount of the decommissioning provision is \$19,819,000.

Tax Expense

In \$000s							
	Q2 2023	Q2 2022	Change		YTD 2023	FY 2021	Change
Mining and income tax expense							
Current	1,522	1,788	(266)		3,540	4,276	(736)
Deferred	(3,878)	(2,045)	(1,833)		(4,663)	449	(5,112)
	(2,356)	(257)	(2,099)	817%	(1,123)	4,725	(5,848)
							(124)%

Wesdome is currently exposed to federal income tax, and mining tax for any resource profits earned in Ontario. As at June 30, 2023, the Company recorded a current mining and income tax receivable of \$6.0 million.

OPERATING SEGMENTS PERFORMANCE

EAGLE RIVER COMPLEX

The Eagle River Complex, located 50 kilometres due west of Wawa, Ontario, consists of the Eagle River Underground Mine (producing since 1995) and a mineral processing facility, located adjacent to the former Mishi Open Pit, permitted at 1,200 tonnes per day. The Mishi Open Pit Mine, which began operations in 2002, was mined out in Q4 2020 and the remaining stockpile has now been fully depleted.

Production Review, Q2 2023 as compared to Q2 2022

	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change
Operating Results							
Eagle River							
Tonnes milled	64,672	59,964	4,708	8%	112,805	113,181	(376)
Head grade (g/t Au)	11.4	9.6	1.8	19%	12.3	10.6	1.7
Average mill recovery (%)	96.5	95.6	0.9	1%	96.7	96.6	0.1
Gold produced (ounces)	22,845	17,756	5,089	29%	43,004	37,090	5,914
Gold sold (ounces)	22,500	19,321	3,179	16%	46,159	37,136	9,023
Mishi							
Tonnes milled	-	7,685	(7,685)	(100)%	6,150	19,558	(13,408)
Head grade (g/t Au)	-	2.8	(2.8)	(100)%	2.3	3.3	(1.0)
Average mill recovery (%)	-	81.2	(81.2)	(100)%	72.5	83.6	(11.1)
Gold produced (ounces)	-	570	(570)	(100)%	332	1,735	(1,403)
Gold sold (ounces)	-	679	(679)	(100)%	341	1,664	(1,323)
Eagle River Complex							
Tonnes milled	64,672	67,649	(2,977)	(4)%	118,955	132,739	(13,784)
Head grade (g/t Au)	11.4	8.9	2.5	28%	11.8	9.5	2.3
Average mill recovery (%)	96.5	95.1	1.4	1%	96.4	95.9	0.5
Mill availability (%)	90.7	85.9	4.8	6%	92.4	87.6	4.8
Gold produced (ounces)	22,845	18,326	4,519	25%	43,336	38,825	4,511
Gold sold (ounces)	22,500	20,000	2,500	13%	46,500	38,800	7,700



During Q2 2023, the Eagle River Complex produced 22,845 ounces of gold as compared to 18,326 ounces in Q2 2022 due to a 28% increase in head grade; partially offset by a 4% decrease in throughput as the Mishi Pit is now fully depleted. In Q2 2023, the mill processed 64,672 t, a record quarterly throughput from the underground mine as a standalone source of ore, or 711 tpd as compared to 67,649 t, or 743 tpd in Q2 2022 (including Mishi). The Eagle River Complex grade increased to 11.4 g/t in Q2 2023 from 8.9 g/t in Q2 2022 due to excellent grade performance from the 300 zone and processing only ore from the Eagle River underground. The overall recovery increased to 96.5% from 95.1%.

Financial Review, Q2 2023 as compared to Q2 2022

In 000s, except per units and per share amounts	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Financial Results								
Gold revenue from mining operation	59,061	47,638	11,423	24%	120,152	92,681	27,471	30%
Cost of Sales								
Mining	14,212	13,193	1,019	8%	29,037	25,805	3,232	13%
Processing	5,037	4,241	796	19%	9,166	8,385	781	9%
Site administration and camp costs	10,216	8,718	1,498	17%	20,714	16,468	4,246	26%
Change in inventories	3,729	963	2,766	287%	1,943	(671)	2,614	(390)%
Royalties	1,172	822	350	43%	2,170	1,725	445	26%
Depreciation and depletion expense	12,974	10,343	2,631	25%	23,246	17,977	5,269	29%
	47,340	38,280	9,060	24%	86,276	69,689	16,587	24%
Depreciation expense	(12,974)	(10,343)	(2,631)	25%	(23,246)	(17,977)	(5,269)	29%
Silver revenue	(40)	(46)	6	(13)%	(101)	(103)	2	(2)%
Total cash costs ¹	34,326	27,891	6,435	23%	62,929	51,609	11,320	22%
Cash cost per ounce of gold sold (CDN dollars) ¹	1,526	1,395	131	9%	1,353	1,330	23	2%
Cash margin ¹	24,735	19,747	4,988	25%	57,223	41,072	16,151	39%
Total cash costs ¹	34,326	27,891	6,435	23%	62,929	51,609	11,320	22%
Sustaining mine exploration and development	6,190	5,297	893	17%	11,804	10,552	1,252	12%
Sustaining mine capital equipment	1,598	1,556	42	3%	4,798	2,066	2,732	132%
Tailings management facility	12	122	(110)	(90)%	14	205	(191)	(93)%
Corporate and general	1,898	1,595	303	19%	3,714	3,229	485	15%
Payment of lease liabilities	1,410	2,345	(935)	(40)%	3,194	4,431	(1,237)	(28)%
Total all-in sustaining costs	45,434	38,806	6,628	17%	86,453	72,092	14,361	20%
All-in sustaining costs per ounce of gold (CDN dollars) ¹	2,019	1,940	79	4%	1,859	1,858	1	0%
Production costs per tonne milled ¹	503	387	116	30%	474	386	88	23%
Capital expenditures - growth	-	157	(157)	(100)%	-	499	(499)	(100)%
Capital expenditures - sustaining	7,800	6,975	825	12%	16,616	12,823	3,793	29%
Capital expenditures - total	7,800	7,132	668	9%	16,616	13,322	3,294	25%
Cash margin net AISC ¹	13,627	8,832	4,795	54%	33,699	20,589	13,110	64%

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

Revenue

In Q2 2023, the Eagle River Complex generated \$59.1 million in gold sales revenue from the sale of 22,500 ounces as compared to \$47.6 million from the sale of 20,000 ounces in Q2 2022. Sales revenue increased by 24% compared to Q2 2022 due to increased ounces sold and a higher Canadian dollar realized price.



Cost of sales

Cost of sales increased by \$9.1 million from \$38.3 million in Q2 2022 mainly due to: (i) an increase of \$3.3 million in the aggregate operating costs due to increased ore development metres, waste movement, improvements made to strengthen the technical and mine management team at site, and general maintenance improvements; (ii) a \$2.8 million increase in ore stockpile and bullion inventory adjustment resulting from inventory level changes; and (iii) an increase of \$2.6 million in non-cash depletion and depreciation resulting from a larger depreciable asset base.

The Q2 2023 cash cost of \$1,526 (US\$1,136) per ounce of gold sold increased by 9% or \$131 per ounce as compared to \$1,395 (US\$1,093) in Q2 2022 due to the higher operating costs; partially offset by increased ounces sold. The Q2 2023 AISC of \$2,019 (US\$1,504) per ounce of gold sold increased by 4% or \$79 per ounce as compared to \$1,940 (US\$1,519) due to higher operating costs, and site infrastructure costs; partially offset by increased ounces sold.

Eagle River Underground Mine

Development and Drilling

The past discovery of at least two new significant parallel zones in the west portion of the mine (ie. the 300 and 7 zones) and more recently the Falcon zone located in volcanic rocks outside of the historically mined diorite host rock, have stimulated an increased pace of exploration drilling over the past several years.

The discovery and initial production from the Falcon 7 zone reaffirms the potential of the surrounding volcanic rocks to host sizeable deposits of gold mineralization and remains a focus for drilling. Most recently, surface and underground drilling, from the 355 m-level exploration drift, has defined the up-plunge extent of the Falcon 7 zone and has now extended the mineralization to surface with the recent drilling within 50 m from surface. The Falcon 7 zone drilling is located 150 m west of the mine diorite and intersected well altered and mineralized quartz veins with visible gold ("VG"). The gold mineralization occurs within an intermediate volcanoclastic, interpreted to be more brittle and a better host for the gold mineralization than the relatively ductile encompassing mafic volcanic flow units.

Within the mine diorite, ongoing extension and definition drilling of the 300 East Zone has continued to confirm the continuity of the geometry and the consistency of the high-grade mineralization down plunge. The 300 East Zone, previously defined from the 750 m-level to 1,400 m-level, has now been extended to the 1,600 m-level and remains open down plunge. The width of the quartz veining is typically less than 1.5 metres true width; however, recent drilling along the eastern margin of the 300 East Zone has returned wider widths. This occurs in an area that is interpreted to be at the intersection of several structures having different orientations and/or folding resulting in wider zones of gold mineralization. These wider widths and more complex geometry are similar to that of the previously mined 303 Lens located approximately 400 m up plunge from this area, which was mostly mined in 2019.

Highlights of the recent drilling are summarized as follows (see press release dated June 14, 2023):

- Hole 925-E-231: 77.6 g/t Au over 9.4 m core length (40.7 g/t Au cut, 6.0 m true width) Including 225.1 g/t Au over 3.0 m core length
- Hole 925-E-233: 42.6 g/t Au over 4.9 m core length (42.3 g/t Au cut, 1.7 m true width) Including 62.8 g/t Au over 3.3 m core length
- Hole 771-E-33: 150.7 g/t Au over 2.8 m core length (51.7 g/t Au cut, 1.6 m true width) Including 497.8 g/t Au over 0.7 m core length

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

The drilling of the 300 East Zone confirms the continuity of the mineralization at depth, thus suggesting that many other similar parallel zones, such as 808, 811, 818, 711 and 7 East, have this same potential to continue at depth.

Meanwhile, underground exploration drilling is being completed down plunge at the 300E, 711 and 811 zones that remain open down plunge.



Surface Exploration

Surface drilling is scheduled to commence in H2 2023 with one drill to test targets within the volcanic rocks adjacent to the Falcon 7 zone and other zones along this trend further to the west. Previous drilling intersected a number of encouraging results, along strike of, and subparallel to the Falcon 7 zone, including the western extension of the 311 West and 5 zones in the volcanic rocks. Limited drilling has also intersected what is interpreted as a plunging shoot further to the west near the historic 9 zone, with one hole returning 19.4 g/t Au over 0.7 m. Any resources discovered in this area could meaningfully enhance the future operational flexibility of the asset.

Additionally, initial surface drilling within the volcanic rocks 150 metres east and down dip of the previously mined 2 zone intersected altered volcanic rocks with quartz veining and VG. One hole returned 233.0 g/t Au over 0.4 metres. Similar to the Falcon 7 zone located west of the mine diorite, the recent drilling highlights the potential of discovering additional zones within volcanic rocks east of the mine diorite.

Tailings and Water Management

As mining operations from the Mishi pit have come to an end, it provides buffer storage to manage the excess water that may come from the surface freshet and reclaim pond, near the Eagle mill as required. The Stage 5 lift that is currently being constructed will provide three years of additional capacity. The engineering design work was completed in Q2 2021 and the construction work began in Q3 2021. \$5.7 million for the Stage 5 lift has been incurred to date. The Company is building a new water treatment plant using reverse osmosis to meet the increasingly stringent environmental criteria for discharge. This plant is expected to be online in H2 of 2023.

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.

Production Review, Q2 2023 as compared to Q2 2022

	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Operating Results								
Tonnes milled	51,824	26,478	25,346	96%	94,148	47,640	46,508	98%
Head grade (g/t Au)	5.0	10.6	(5.6)	(53)%	5.4	9.3	(3.9)	(42)%
Average mill recovery (%)	97.7	98.5	(0.8)	(1)%	97.8	98.3	(0.5)	(1)%
Mill availability (%)	93.5	97.6	(4.1)	(4)%	94.4	96.5	(2.1)	(2)%
Gold produced (ounces)	8,147	8,914	(767)	(9)%	16,024	14,026	1,998	14%
Gold sold (ounces)	9,500	6,000	3,500	58%	15,500	15,200	300	2%

During Q2 2023, the Kiena mine produced 8,147 ounces of gold as compared to 8,914 ounces of gold in Q2 2022 primarily due to a 53% decrease in head grade; partially offset by a 96% increase in throughput. In Q2 2023, the mill processed 51,824 t, a record quarterly throughput since restart of operations, or 569 tpd as compared to 26,478 t, or 291 tpd in Q2 of 2022 when processing activities commenced, processing stockpiled high grade ore from pre-development activities in the A Zone. The Kiena grade decreased to 5.0 g/t in Q2 2023 from 10.6 g/t in Q2 2022 due to sourcing ore from the lower grade S50 and Martin zones while the ramp to access the Kiena Deep zone is developed. Gold recovery decreased to 97.7% compared to 98.5% in the same period in 2022, mainly due to the lower head grade.

Financial Review, Q2 2023 as compared to Q2 2022

In 000s, except per units and per share amounts	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Gold revenue from mining operation	25,424	14,232	11,192	79%	40,948	35,795	5,153	14%
Cost of Sales								
Mining	12,215	9,326	2,889	31%	24,398	17,629	6,769	38%
Processing	3,380	1,707	1,673	98%	6,162	3,356	2,806	84%
Site administration and camp costs	3,478	3,226	252	8%	7,341	5,967	1,374	23%
Change in inventories	2,394	(2,138)	4,532	(212)%	(2,805)	(2,254)	(551)	24%
Depreciation and depletion expense	15,177	900	14,277	1586%	23,966	1,553	22,413	1443%
	36,644	13,021	23,623	181%	59,062	26,251	32,811	125%
Depreciation expense	(15,177)	(900)	(14,277)	1586%	(23,966)	(1,553)	(22,413)	1443%
Silver revenue	(30)	(14)	(16)	114%	(55)	(46)	(9)	20%
Total cash costs ¹	21,437	12,107	9,330	77%	35,041	24,652	10,389	42%
Cash cost per ounce of gold sold (CDN dollars) ¹	2,257	2,018	239	12%	2,261	1,622	639	39%
Cash margin ¹	3,987	2,125	1,862	88%	5,907	11,143	(5,236)	(47)%
Total cash costs ¹	21,437	12,107	9,330	77%	35,041	24,652	10,389	42%
Sustaining mine exploration and development	2,834	-	2,834	100%	5,704	-	5,704	100%
Sustaining mine capital equipment	-	-	0	100%	-	-	0	100%
Tailings management facility	-	-	0	100%	-	-	0	100%
Corporate and general	1,899	1,595	304	19%	3,714	3,230	484	15%
Payment of lease liabilities	-	-	0	100%	-	-	0	100%
Total all-in sustaining costs ¹	26,170	13,702	12,468	91%	44,459	27,882	38,999	59%
All-in sustaining costs per ounce of gold (CDN dollars) ¹	2,755	2,284	471	21%	2,868	1,834	1,034	56%
Production costs per tonne milled ¹	379	557	(178)	(32)%	430	567	(137)	(24)%
Capital expenditures - growth	7,214	28,413	(21,199)	(75)%	18,261	72,935	(54,674)	-75%
Capital expenditures - sustaining	2,834	-	2,834	0%	5,704	-	5,704	0%
Capital expenditures - total	10,048	28,413	(18,365)	(65)%	23,965	72,935	(54,674)	-67%
Cash margin net AISC ¹	(746)	530	(1,276)	(241)%	(3,511)	7,913	(11,424)	(144)%

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

Revenue

In Q2 2023, Kiena generated \$25.4 million in gold sales revenue from the sale of 9,500 ounces as compared to \$14.2 million from the sale of 6,000 ounces in the same period of 2022. Sales revenue increased by 79% compared to Q2 2022 due to increased ounces sold and a higher Canadian dollar realized price.

Cost of sales

Cost of sales of \$36.6 million in Q2 2023 increased by \$23.6 million compared to Q2 2022 mainly due to: (i) an increase of \$4.8 million in the aggregate operating costs due to a 96% increase in throughput and increased staffing levels required to support commercial production, which was declared on December 1, 2022; (ii) an increase of \$14.3 million in non-cash depletion and depreciation resulting from a larger depreciable asset base; and (iii) a \$4.5 million increase in ore stockpile and bullion inventory adjustment resulting from inventory level changes.

The Q2 2023 cash cost of \$2,257 (US\$1,681) per ounce of gold sold increased by 12% or \$239 per ounce as compared to \$2,018 (US\$1,581) in Q2 2022 and the AISC of \$2,755 (US\$2,052) per ounce of gold sold increased by 21% or \$471 per ounce as compared to \$2,284 (US\$1,789) in Q2 2022 primarily due to increased



throughput, higher operating costs and the inclusion of sustaining mining exploration and development costs; partially offset by a 58% increase in ounces sold.

Kiena Underground Mine

Development and Drilling

Since the completion of the PFS in 2021 and subsequent preproduction activities, underground drilling has been focused on exploration to test sectors proximal to the Kiena Deep A Zones, which now extends continuously from 1,100 m to approximately 2,000 m below surface and remains open at depth. As part of this exploration focus, early success discovered the Footwall Zones. Then in 2022, exploration confirmed the presence of the South limb in the folded Kiena Deep A Zone at depth. This area remains open along strike and down dip.

In the latter half of 2022, drilling intersected two new zones in the hanging wall basalt. These new basalt zones all occur below an observed bend or steepening in the plunge of the Kiena Deep A Zone. This remains a priority for underground drilling throughout 2023, which remain outside the current mineral reserves.

The discovery of the Footwall zones, South Limb Zone and New Basalt zones have the potential to increase the number of ounces per vertical metre and to provide additional working faces during mining of the same infrastructure. The discovery of these zones highlights the potential to add ounces within the basalt, where the rock quality is significantly better than in the footwall of the A Zone allowing for increased development rates. This area remains one of the focuses of the current drilling.

Surface Exploration

Since 2021, surface exploration at Kiena has been ramping up with the initial focus on exploration targets proximal to the Kiena Mine. Initially, these drilling programs have been completed along strike (Shawkey zones) or east (Dubuisson zones) from the Kiena mine within the prospective Jacola Formation in order to discover gold-rich zones that could provide additional feed for the Kiena mill.

Shawkey Zone

Initial surface drilling completed along strike and deeper than the previously mined Shawkey 10 zone, intersected wide zones of alteration and mineralization with one hole returning 2.3 g/t Au over 72.0 m within a diorite (see press release dated May 23, 2023). Mineralization, which consists of disseminated pyrite with locally visible gold is associated with stockwork of white narrow quartz-carbonate and tourmaline veins. The mineralization defines a large, low-grade zone defined by increased percentage of stockwork veins and gold grades rather than by individual veins and shear zones. The zone has been extended to 200 metres up dip and along strike and remains open along strike to the north-west as well as down dip.

Highlights of the recent drilling are summarized as follows:

- Hole S-21-831: 2.3 g/t over 72.0 m core length (2.1 g/t Au capped*)
- Hole S-21-823: 2.3 g/t Au over 29.4 m core length (2.1 g/t Au capped*)
- Hole S-21-852: 3.0 g/t Au over 20.1 m core length (3.0 g/t Au capped*)

* All assays capped at 35 g/t. Au. True width cannot be estimated at this stage of the exploration program as the exploration model is not updated for Shawkey.

Dubuisson Zone

Recent drilling of the Dubuisson Zone has confirmed that the mineralization occurs along shear zones located at the contact between diorite and ultramafic rocks. Mineralization is characterized by disseminated pyrite with visible gold occurring locally in quartz-carbonate and tourmaline veins (stockwork).

Highlights of the recent drilling at Dubuisson Zone are summarized as follows:.



- Hole DB-22-001 (New Zone) : 5.0 g/t Au over 24.0 m core length (4.6 g/t Au capped*)
- Hole DB-22-002 (DUB Zone 1): 5.0 g/t Au over 9.3 m core length (5.0 g/t Au capped*, 4.6 m true width)
- Hole DB-22-003 (DUB Zone 2): 9.8 g/t over 25.2 m core length (9.8 g/t Au capped*, 17.2 m true width)
- Hole DB-22-004 (DUB Zone 3): 11.4 g/t Au over 4.2 m core length (11.4 g/t Au capped*, 2.6 m true width)

* All assays capped at 50 g/t Au. True widths are estimated based on 3D model construction. True width cannot be estimated at this stage of the exploration program for DB-22-001.

The recent surface exploration results at Shawkey and Dubuisson zones could potentially increase our resource base in areas adjacent to the mine. These zones present an opportunity to provide a second source of mill feed for the underutilized Kiena mill. Both of these zones are proximal to the 33 level track drift development that extends over 3 kilometres east of the Kiena mine shaft towards the Dubuisson Zone.

Additionally, surface drilling is continuing on the near surface Presqu'île Zone located approximately 2 km west of the Kiena mine. The drilling is designed to better define the mineralization for conversion into reserves at year end and to provide better confidence of the local geometry prior to mining. Surface drilling was suspended for 2 weeks due to forest fire concerns. A third surface drill was added to return drilling to budgeted production rate. The Company is planning to proceed with the excavation of an exploration ramp from surface. Permitting and engineering studies are ongoing, with development potentially to start in H2 2023. This infrastructure would provide the ideal platform for exploration activities to test the potential of the Presqu'île area. It could also easily be connected to Kiena's existing underground ramp network, providing access to surface for the existing operation and ventilation benefits. This could represent a significant milestone on the Company's journey to unlock the full potential of Kiena and its currently underutilized mill, as it would provide a second access for conveyance of material and personnel, freeing time for additional ore hoisting via the shaft. Other gains, such as reduced ventilation costs and savings from added operational flexibility are also expected.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2023, Wesdome had a working capital deficiency of \$2.9 million compared to \$38.0 million at December 31, 2022. Cash and cash equivalents at June 30, 2023 was \$22.1 million as compared to \$33.2 million at the beginning of the year and the senior secured revolving credit facility was reduced from \$55.0 million at December 31, 2022 to \$39.0 million at June 30, 2023. An abbreviated cash flow statement is as follows:



In Millions (Canadian dollar)	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Eagle River						
Cash Margin ¹	\$24.7	\$19.7	\$5.0	\$57.2	\$41.1	16.2
Sustaining capital and mine exploration	(7.8)	(6.9)	(0.9)	(16.6)	(12.6)	(4.0)
Tailings management facility	-	(0.1)	0.1	-	(0.2)	0.2
Ventilation project	-	(0.2)	0.2	-	(0.5)	0.5
	16.9	12.6	4.4	40.6	27.8	12.9
Kiena						
Cash Margin ¹	4.0	2.1	1.9	5.9	11.1	(5.2)
Sustaining capital and mine exploration	(2.8)	-	(2.8)	(5.7)	-	(5.7)
Ramp development - Kiena Deep	(4.3)	-	(4.3)	(8.7)	-	(8.7)
Mining equipment and infrastructure upgrades	(2.9)	-	(2.9)	(9.6)	-	(9.6)
Investment in development, exploration & evaluation	-	(31.2)	31.2	-	(59.6)	59.5
	(6.1)	(29.1)	23.1	(18.1)	(48.5)	30.3
Corporate	(4.0)	(3.2)	(0.8)	(7.7)	(6.6)	(1.1)
Exploration	(1.3)	(4.2)	2.9	(2.2)	(7.2)	4.9
Retirement costs	-	-	-	(1.2)	-	(1.2)
Stock options exercised	-	0.3	(0.3)	0.7	3.0	(2.3)
Mining and income tax refund (paid)	-	(5.5)	5.5	(3.0)	(11.2)	8.2
Lease payments	(1.4)	(2.3)	0.9	(3.2)	(4.4)	1.2
Investment in marketable securities	-	-	-	-	-	0.0
Repayment of revolving credit facility	(8.0)	-	(8.0)	(15.9)	-	(15.9)
Proceeds from ATM equity program	10.6	-	10.6	30.7	-	30.7
Cash collateralized for letter of credit facilities	-	(0.5)	0.5	0.0	(0.5)	0.5
Interest payments	(1.2)	(0.3)	(0.9)	(2.5)	(0.6)	(1.9)
Net change in working capital and other	(8.6)	3.2	(11.8)	(29.4)	14.9	(44.3)
Net decrease in cash	(\$3.0)	(\$29.0)	\$26.1	(\$11.1)	(\$33.3)	\$22.0
Cash, beginning of period	\$25.1	\$52.5		\$33.2	\$56.8	
Cash, end of period	\$22.1	\$23.5		\$22.1	\$23.5	

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

Total cash margin¹ for Q2 2023 increased to \$28.7 million compared to \$21.9 million from Q2 2022 due to the increase in the number of ounces of gold sold, a higher Canadian dollar realized gold price; partially offset by higher aggregate mine operating costs. The Company invested a total of \$17.8 million in capital spending in Q2 2023 as compared to \$38.3 million in the same period of 2022 due to the reduced spending at Kiena as commercial production was declared effective December 1, 2022. The net change in working capital and other for Q2 2023 decreased by \$11.8 million when compared to Q2 2022 primarily due to the reduction in the accounts payable and accruals.

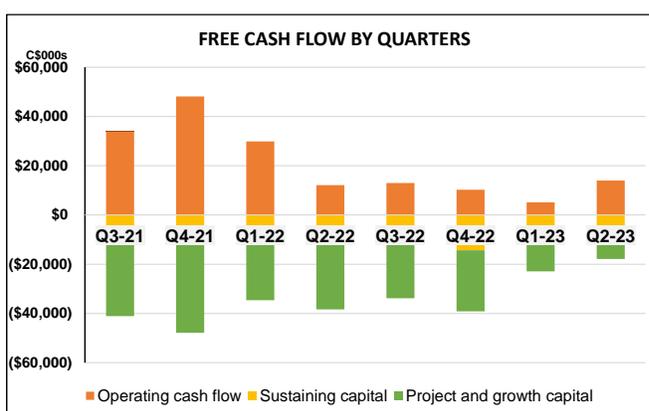
The following table identifies the significant movements in operating cash flow for the three and six months ended June 30, 2023 and 2022 as follows:

In \$000s	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Operating cash flow, previous period	5,120	29,893	(24,773)	(83)%	10,267	48,160	(37,893)	(79)%
Increase (decrease) in cash margin from mine operations	(5,686)	(8,469)	2,783		36,664	4,535	32,129	
Decrease (increase) in other operating expenditures	(652)	(1,103)	451		(5,662)	(10,773)	5,111	
Mining and income tax recovery (payments)	1,026	859	167		1,588	(7,568)	9,156	
Retirement costs	1,190	-	1,190		(1,190)	-	(1,190)	
Net change in working capital balances	12,455	(9,622)	22,077		(19,817)	7,180	(26,997)	
Other	526	543	(17)		(2,751)	460	(3,211)	
Net increase (decrease) in operating cash flows	8,859	(17,792)	26,651		8,832	-6,166	14,998	(243)%
Operating cash flow, current period	13,979	12,101	1,878	16%	19,099	41,994	(22,895)	(55)%

Capital expenditures incurred in Q2 2023 totaled \$17.8 million as compared to \$38.3 million in Q2 2022. A breakdown of the capital expenditures for the three and six months ended June 30, 2023 and 2022 are as follows:

In \$000s	Q2 2023	Q2 2022	Change		YTD 2023	YTD 2022	Change	
Mining properties and plant and equipment								
Eagle River								
Capitalized exploration costs	1,434	1,388	46		2,483	2,596	(113)	
Sustaining mine development costs	4,756	3,909	847		9,321	7,956	1,365	
Mining equipment and infrastructure upgrades	1,598	1,556	42		4,798	2,066	2,732	
Tailings management facility	12	122	(110)		14	205	(191)	
Ventilation project	-	157	(157)		-	499	(499)	
	7,800	7,132	668		16,616	13,322	3,294	
Kiena								
Capitalized exploration costs	937	-	937		2,119	-	2,119	
Sustaining mine development costs	1,897	-	1,897		3,585	-	3,585	
Ramp development - Kiena Deep	4,316	-	4,316		8,676	-	8,676	
Mining equipment and infrastructure upgrades	2,898	-	2,898		9,585	-	9,585	
	10,048	-	10,048		23,965	-	23,965	
Additions to Mining properties	17,848	7,132	10,716	150%	40,581	13,322	27,259	205%
Mines under development and plant and equipment								
Capitalized mine development costs	-	8,404	(8,404)		-	16,094	(16,094)	
Mining equipment and infrastructure upgrades	-	22,796	(22,796)		-	43,519	(43,519)	
Additions to Mines under development	-	31,200	(31,200)	(100)%	-	59,613	(59,613)	(100)%
Total capital investments	17,848	38,332	(20,484)	(53)%	40,581	72,935	(32,354)	(44)%

Free cash outflow¹ was \$5.3 million in Q2 2023 compared to free cash outflow¹ of \$28.6 million in Q2 2022. The decrease in free cash outflow¹ of \$23.3 million was due to decreased capital spending at Kiena, increased cash margin¹, and reduced tax instalment payments; offset partially by the decrease in the net change in working capital and other resulting from a reduction in the accounts payable and accruals.



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

On August 31, 2022, Wesdome executed an amended and restated credit agreement that upsizes its senior secured revolving credit facility (“**NBF Facility**”), led by National Bank Financial Inc. (“**NBF**”) to \$150.0 million. The NBF Facility also extends the term to August 25, 2025 from March 29, 2024. During Q2 2023, the Company was in compliance with the financial covenants stipulated under the NBF Facility. 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 1.75% to 2.75% over NBF’s Prime Rate or Base Rate, as applicable, (ii) Canadian dollar Bankers’ Acceptances at acceptance fees ranging from 2.75% to 3.75%, and (iii) U.S. dollar Secured Overnight Financing Rate (“**SOFR**”), with interest rates ranging from 2.75% to 3.75% over SOFR. The actual spread or rate will be determined based on the Company’s net leverage ratio. The Facility is also available for letters of credit. As of August 10, 2023, CDN\$39.0 million is drawn owing under the NBF facility, bearing an interest rate of 7.98% per annum, which is a reduction of CDN\$15.9 million from December 31, 2022.

Leasing Facility

The Company currently has a leasing facility (“**C\$ Leasing Facility**”) with a chartered Canadian bank and a leasing facility (“**US\$ Leasing Facility**”) with a U.S. based leasing company. As at June 30, 2023, \$4.7 million and US\$0.4 million was owing under the C\$ Leasing Facility and US\$ Leasing Facility, respectively.

Reclamation Bonds

The Company has an agreement with a financial institution whereby the financial institution has issued unsecured surety bonds to the extent of \$9.6 million to satisfy the Company’s financial assurance requirements for the Eagle River Complex, and \$7.0 million to satisfy the Kiena Complex requirements. As at June 30, 2023, the total reclamation bonds issued to government environmental agencies amounted to \$16.6 million (December 31, 2022 - \$16.6 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 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.

The Company submitted an updated Closure Plan for the Kiena Complex in Q2 2021, which will include the planned upgrades to the site’s Tailings Management Area. The Company anticipates, and is prepared for, increased financial assurance to be required under the updated Closure Plan.

SUMMARY OF SHARES ISSUED

As of August 10, 2023, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	148,952
Common share purchase options	1,863
Deferred Share Units	540
Performance Share Units	495
Restricted Share Units	231

At-the-Market Equity Program

On December 2, 2022, Wesdome established an at-the-market equity program (the “ATM Program”) allowing



Wesdome to issue and sell up to \$100.0 million of common shares from treasury (the “Common Shares”) to the public from time to time at the Company’s sole discretion and at the prevailing market price. Shares cannot be issued under the ATM Program while the Company is in a blackout period. Sales of the Common Shares under the ATM Program will be made pursuant to the terms of an equity distribution agreement (the “Distribution Agreement”) dated December 2, 2022 entered into among the Company and a syndicate of agents including National Bank Financial, BMO Capital Markets and Desjardins Capital Markets (collectively, the “Agents”). The volume and timing of distributions under the ATM Program will be determined at the Company’s sole discretion, subject to applicable regulatory limitations.

Management of the Company has discretion with respect to the actual use of the net proceeds of the ATM Program. Subsequent to quarter end, a careful review of near-term operating and financial projections concluded that use of the ATM facility is no longer required.

All Common Shares sold pursuant to the ATM Program will be sold through the Toronto Stock Exchange (the “TSX”) or on any other “marketplace” within the meaning of National Instrument 21-101 – Marketplace Operation upon which the Common Shares are listed or quoted or where the Common Shares are traded in Canada, at prices related to prevailing market price at the time of sale. Since the Common Shares will be distributed at the prevailing market prices at the time of the sale or certain other prices, prices may vary among purchasers and during the period of distribution. The TSX has approved the listing of the Common Shares that may be sold under the ATM Program.

During the three months ended June 30, 2023, the Company issued 1,425,976 common shares under the ATM Program for gross proceeds of \$10,998,000 with aggregate costs of \$401,000. Since inception, the Company has raised \$45,067,000 of gross proceeds by issuing 6,007,376 common shares at an average price of \$7.50 per share with aggregate costs of \$1,803,000.

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at June 30, 2023:

In \$000s	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	\$30,883	\$30,883	-	-	-
Borrowings	39,000	39,000	-	-	-
Lease liabilities	6,406	4,256	2,128	22	-
Purchase commitments	26,964	26,964	-	-	-
Decommissioning provisions	27,007	-	-	-	27,007
	\$130,260	\$101,103	\$2,128	\$22	\$27,007

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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	YTD 2023	YTD 2022
Revenues per financial statements	84,555	76,701	75,035	61,823	61,931	66,694	85,505	67,548	161,256	128,625
Silver revenue from mining operations	(70)	(86)	(60)	(54)	(61)	(88)	(95)	(69)	(156)	(149)
Gold revenue from mining operations (a)	84,485	76,615	74,975	61,769	61,870	66,606	85,410	67,479	161,100	128,476
Ounces of gold sold (b)	32,000	30,000	31,500	27,500	26,000	28,000	37,544	30,000	62,000	54,000
Average realized price gold sold CAD (c) = (a) ÷ (b)	2,640	2,554	2,380	2,246	2,380	2,379	2,275	2,249	2,598	2,379
Average 1 USD → CAD exchange rate (d)	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662	1.2603	1.2600	1.3477	1.2715
Average realized price gold sold USD (c) ÷ (d)	1,966	1,888	1,753	1,720	1,864	1,879	1,805	1,785	1,928	1,871

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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	YTD 2023	YTD 2022
Cost of sales per financial statements	84,048	61,418	61,997	56,294	51,374	44,706	45,945	39,636	145,466	96,080
Depletion and depreciation	(28,215)	(19,125)	(13,428)	(11,464)	(11,316)	(8,354)	(8,121)	(7,395)	(47,340)	(19,670)
Silver revenue from mining operations	(70)	(86)	(60)	(54)	(61)	(88)	(95)	(69)	(156)	(149)
Cash costs (a)	55,763	42,207	48,509	44,776	39,997	36,264	37,729	32,172	97,970	76,261
Ounces of gold sold (b)	32,000	30,000	31,500	27,500	26,000	28,000	37,544	30,000	62,000	54,000
Cash costs per ounce of gold sold (c) = (a) ÷ (b)	1,743	1,407	1,540	1,628	1,538	1,295	1,005	1,072	1,580	1,412
Average 1 USD → CAD exchange rate (d)	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662	1.2603	1.2600	1.3477	1.2715
Cash costs per ounce of gold sold USD (c) ÷ (d)	1,298	1,040	1,134	1,247	1,205	1,023	797	851	1,172	1,111



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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	YTD 2023	YTD 2022
Cost of sales per financial statements	84,048	61,418	61,997	56,294	51,374	44,706	45,945	39,636	145,466	96,080
Depletion and depreciation	(28,215)	(19,125)	(13,428)	(11,464)	(11,316)	(8,354)	(8,121)	(7,395)	(47,340)	(19,670)
Royalties	(1,172)	(998)	(1,172)	(766)	(822)	(903)	(1,078)	(1,038)	(2,170)	(1,725)
Inventory adjustments	(2,526)	2,524	1,288	(3,518)	1,697	1,856	373	2,170	(2)	3,553
Mining and processing costs, before inventory adjustments (a)	52,135	43,819	48,685	40,546	40,933	37,305	37,119	33,373	95,954	78,238
Ore milled (tonnes) (b)	116,496	96,607	109,725	71,954	94,127	86,252	100,374	90,200	213,103	180,379
Production costs per tonne milled (a) ÷ (b)	448	454	444	563	435	433	370	370	450	434



Cash margin

Cash margin 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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	YTD 2023	YTD 2022
Gold revenue from mining operations (per above)	84,485	76,615	74,975	61,769	61,870	66,606	85,410	67,479	161,100	128,476
Cash costs (per above)	55,763	42,207	48,509	44,776	39,997	36,264	37,729	32,172	97,970	76,261
Cash margin	28,722	34,408	26,466	16,993	21,873	30,342	47,681	35,307	63,130	52,215
Per ounce of gold sold (Canadian dollar):										
Average realized price (a)	2,640	2,554	2,380	2,246	2,380	2,379	2,275	2,249	2,598	2,379
Cash costs (b)	1,743	1,407	1,540	1,628	1,538	1,295	1,005	1,072	1,580	1,412
Cash margin (a) – (b)	897	1,147	840	618	842	1,084	1,270	1,177	1,018	967



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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	YTD 2023	YTD 2022
Cost of sales, per financial statements	84,048	61,418	61,997	56,294	51,374	44,706	45,945	39,636	145,466	96,080
Depletion and depreciation	(28,215)	(19,125)	(13,428)	(11,464)	(11,316)	(8,354)	(8,121)	(7,395)	(47,340)	(19,670)
Silver revenue from mining operations	(70)	(86)	(60)	(54)	(61)	(88)	(95)	(69)	(156)	(149)
Cash costs	55,763	42,207	48,509	44,776	39,997	36,264	37,729	32,172	97,970	76,261
Sustaining mine exploration and development	9,024	8,484	7,179	5,134	5,297	5,255	5,523	4,390	17,508	10,552
Sustaining mine capital equipment	1,598	3,200	5,585	2,232	1,556	510	1,956	2,231	4,798	2,066
Tailings management facility	12	2	1,597	3,692	122	83	1,752	1,727	14	205
Corporate and general	4,007	3,662	2,309	2,918	3,221	3,375	2,817	2,565	7,669	6,596
Less: Corporate development	(210)	(31)	(72)	(87)	(31)	(106)	(258)	(116)	(241)	(137)
Payment of lease liabilities	1,410	1,784	2,167	2,300	2,345	2,086	3,502	1,876	3,194	4,431
All-in Sustaining costs (AISC) (a)	71,604	59,308	67,274	60,965	52,507	47,467	53,021	44,845	130,912	99,974
Ounces of gold sold (b)	32,000	30,000	31,500	27,500	26,000	28,000	37,544	30,000	62,000	54,000
AISC (c) = (a) ÷ (b)	2,238	1,977	2,136	2,217	2,020	1,695	1,412	1,495	2,111	1,851
Average 1 USD → CAD exchange rate (d)	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662	1.2603	1.2600	1.3477	1.2715
AISC USD (c) ÷ (d)	1,666	1,462	1,573	1,698	1,582	1,339	1,121	1,186	1,567	1,456



Cash margin net AISC

Cash margin net AISC 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 AISC (see AISC 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	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	YTD 2023	YTD 2022
Gold revenue from mining operations (per above)	84,485	76,615	74,975	61,769	61,870	66,606	85,410	67,479	161,100	128,476
AISC (per above)	71,604	59,308	67,274	60,965	52,507	47,467	53,021	44,845	130,912	99,974
Cash margin net AISC	12,881	17,307	7,701	804	9,363	19,139	32,389	22,634	30,188	28,502
Per ounce of gold sold (Canadian dollar):									-	-
Average realized price (a)	2,640	2,554	2,380	2,246	2,380	2,379	2,275	2,249	2,598	2,379
AISC (b)	2,238	1,977	2,136	2,217	2,020	1,695	1,412	1,495	2,111	1,851
Cash margin net AISC (a) – (b)	402	577	244	29	361	684	863	754	487	528



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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	YTD 2023	YTD 2022
Net cash provided by operating activities per financial statements (c)	13,979	5,120	10,267	12,945	12,101	29,893	48,160	33,890	19,099	41,994
Sustaining mine exploration and development	(9,024)	(8,484)	(7,179)	(5,134)	(5,297)	(5,255)	(5,523)	(4,390)	(17,508)	(10,552)
Sustaining mine capital equipment	(1,598)	(3,200)	(5,585)	(2,232)	(1,556)	(510)	(1,956)	(2,231)	(4,798)	(2,066)
Tailings management facility	(12)	(2)	(1,597)	(3,692)	(122)	(83)	(1,752)	(1,727)	(14)	(205)
Ventilation project	-	-	-	-	(157)	(342)	(228)	(1,482)	-	(499)
Leasehold improvements and IT fixtures	-	-	-	-	-	-	-	-	-	-
Capitalized development, exploration and evaluation expenditures	-	-	(4,284)	(5,550)	(8,404)	(7,690)	(5,353)	(6,666)	-	(16,094)
Mines under development capital equipment	-	-	(13,958)	(17,230)	(22,796)	(20,723)	(30,103)	(20,815)	-	(43,519)
Growth mine exploration and development	(4,316)	(4,360)	(919)	-	-	-	-	-	(8,676)	-
Growth mine capital equipment	(2,898)	(6,687)	(5,668)	-	-	-	-	-	(9,585)	-
Purchase of mineral properties	-	(200)	-	-	-	-	-	(1,000)	(200)	-
Surface exploration at Eagle River	-	-	-	-	-	-	(2,915)	(2,790)	-	-
Funds held against standby letters of credit	-	-	(519)	-	-	-	-	-	-	-
Payment of lease liabilities	(1,410)	(1,784)	(2,167)	(2,300)	(2,345)	(2,086)	(3,502)	(1,876)	(3,194)	(4,431)
Free cash flows (a)	(5,279)	(19,597)	(31,609)	(23,193)	(28,576)	(6,796)	(3,172)	(9,087)	(24,876)	(35,372)
Weighted number of shares (000s) (b)	148,001	144,463	142,782	142,487	142,478	141,830	141,156	140,432	146,242	142,146
Per Share data										
Operating cash flow (c) ÷ (b)	0.09	0.04	0.07	0.09	0.08	0.21	0.34	0.24	0.13	0.30
Free cash flow (a) ÷ (b)	(0.04)	(0.14)	(0.22)	(0.16)	(0.20)	(0.05)	(0.02)	(0.06)	(0.17)	(0.25)



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 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021 ¹	YTD 2023	YTD 2022
Net income (loss) per financial statements	(5,014)	(345)	(3,527)	(3,899)	(14,331)	7,051	24,762	14,486	(5,359)	(7,280)
Adjustments for:										
Impairment of exploration properties	-	-	-	-	-	-	-	4,394	-	-
Impairment of investment in associate	-	2,700	-	-	11,800	-	-	-	2,700	11,800
Retirement costs	-	2,102	-	-	-	-	-	-	2,102	-
Total adjustments	-	4,802	-	-	11,800	-	-	4,394	4,802	11,800
Related income tax effect	-	(1,200)	-	-	(2,950)	-	-	(1,098)	(1,200)	(2,950)
Recognition of mining taxes	-	-	-	-	-	-	-	(374)	-	-
Net income (loss) adjusted (a)	(5,014)	3,257	(3,527)	(3,899)	(5,481)	7,051	24,762	17,408	(1,757)	1,570
Weighted number of shares (000s) (b)	148,001	144,463	142,782	142,487	142,478	141,830	141,156	140,432	146,242	142,146
Per Share data										
Net adjusted income (loss) (a) ÷ (b)	(0.03)	0.02	(0.02)	(0.03)	(0.04)	0.05	0.18	0.12	(0.01)	0.01

¹ Q3 2021 have been restated to correct an error in the valuation of the share consideration receivable related to the sale of the Moss Lake Project which closed on May 31, 2021. The proceeds have been restated to \$44.7 million from \$49.5 million, which has decreased the gain on sale of the Moss Lake properties to \$30.2 (net of tax of \$4.1 million) from \$34.4 million (net of tax of \$4.7 million). The Q3 net income has decreased by \$0.9 million resulting from the mark-to-market of the share consideration receivable. Earnings per share for Q3 2021 changed from \$0.11 to \$0.10 per share.



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 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 financial statements to EBITDA:

In 000s	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021 ¹	YTD 2023	YTD 2022
Net income (loss) per financial statements	(5,014)	(345)	(3,527)	(3,899)	(14,331)	7,051	24,762	14,486	(5,359)	(7,280)
Adjustments for:										
Mining and income tax expense	(2,356)	1,233	10,129	(3,339)	(257)	4,982	11,013	5,248	(1,123)	4,725
Depletion and depreciation	28,215	19,125	13,428	11,464	11,316	8,354	8,121	7,395	47,340	19,670
Non-recurring expenses (income)	-	4,802	-	-	11,800	-	-	4,394	4,802	11,800
Interest expense	1,175	1,309	1,279	588	316	263	339	325	2,484	579
EBITDA	22,020	26,124	21,309	4,814	8,844	20,650	44,235	31,848	48,144	29,494

¹ Q3 2021 have been restated to correct an error in the valuation of the share consideration receivable related to the sale of the Moss Lake Project which closed on May 31, 2021. The proceeds have been restated to \$44.7 million from \$49.5 million, which has decreased the gain on sale of the Moss Lake properties to \$30.2 (net of tax of \$4.1 million) from \$34.4 million (net of tax of \$4.7 million). The Q3 2021 net income has decreased by \$0.9 million resulting from the mark-to-market of the share consideration receivable. Earnings per share for Q3 2021 changed from \$0.11 to \$0.10 per share.



ACCOUNTING MATTERS

BASIS OF PRESENTATION

The condensed interim financial statements of Wesdome for the three and six months ended June 30, 2023 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 financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2022.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s financial statements for the year ended December 31, 2022.

The preparation of condensed interim 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 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 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

New standards and interpretations

The following new standards and interpretations adopted since the release of the Company's financial statements for the year ended December 31, 2022.

Disclosure of Accounting Policies (Amendments to IAS 1)

The IASB has issued amendments to IAS 1 *Presentation of Financial Statements* which require entities to disclose their "material" accounting policy information rather than their "significant" accounting policies.

The amendments explain that accounting policy information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements

make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The adoption of these amendments did not have a significant impact on the Company's Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The IASB has issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction, and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The adoption of these amendments did not have a significant impact on the Company's Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IFRS 1 and IAS 12)

The IASB has issued amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 12 *Income Taxes* which clarify that the initial recognition exemption set out in IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The adoption of these amendments did not have a significant 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, 2024. Earlier application is permitted. This is just a clarification and the Company has been consistently following above requirements. The amendment is expected to have no impact on the Company's financial statements on adoption.

Temporary relief from accounting for deferred taxes (Amendments to IAS 12)

The IASB has issued amendments to IAS 12. The amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform.

The OECD published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. More than 135 countries and jurisdictions representing more than 90% of global GDP have agreed to the Pillar Two model rules.

The amendments will introduce:

- a temporary exception—to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. This will help to ensure consistency in the financial statements while easing into the implementation of the rules; and
- targeted disclosure requirements—to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after January 1, 2023. The amendments are expected to have no impact on the Company's financial statements on adoption.

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 24 of the Company's condensed interim 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 2022 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 2023.

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 and six months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, Wesdome's internal control over financial reporting.

Limitations of Controls and Procedures

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 Frederic Langevin, 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 release 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 - *Standards of Disclosure for Mineral Projects* ("**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 2022 Annual Information Form filed on SEDAR at www.sedar.com.

