



Wesdome to Monetize Moss Lake via Vend-In Transaction With Goldshore Resources

TORONTO, Jan. 26, 2021 (GLOBE NEWSWIRE) -- Wesdome Gold Mines Ltd. (TSX: WDO) ("Wesdome" or the "Company") is pleased to announce that it has entered into a definitive purchase agreement (the "Agreement") with Goldshore Resources Inc. ("Goldshore") to monetize its Moss Lake Project ("Moss Lake") located in Ontario, Canada (the "Transaction"). Pursuant to the Agreement, Goldshore will acquire all of Wesdome's property, assets and rights related to Moss Lake. Following the closing of the Transaction ("Closing"), Goldshore will hold a 100% interest in Moss Lake.

Under the terms of the Agreement, Wesdome will receive minimum initial aggregate consideration of \$57M, comprised of the following:

- | C\$12.5 million in cash upon Closing;
- | Shares of Goldshore in an amount equal to the greater of a) \$19.5 million and b) 30% of the issued and outstanding common shares at Closing;
- | C\$20 million in shares of Goldshore in the form of milestone payments consisting of:
 - | C\$5 million within 12 months of Closing;
 - | C\$7.5 million upon the earlier of (i) Goldshore completing an updated PEA or pre-feasibility study; and (ii) 30 months from Closing;
 - | C\$7.5 million upon the earlier of (i) Goldshore completing a feasibility study, (ii) the date on which Goldshore makes a development decision on Moss Lake; and (iii) 48 months from Closing;
- | The grant to Wesdome of a 1.00% NSR royalty on all metal production from Moss Lake. Goldshore shall have the right to repurchase the NSR royalty for (i) C\$5 million within 30 months of Closing; or (ii) C\$7.5 million between 30 – 48 months from Closing. The royalty buyback rights shall expire if not exercised within 48 months of Closing
- | Wesdome representation on Goldshore's Board of Directors with two appointees, Heather Laxton, Chief Governance Officer and Corporate Secretary, and Michael Michaud, Vice President, Exploration

Mr. Duncan Middlemiss, President and CEO, commented, "Wesdome remains focused on advancing our vision of building Canada's next mid-tier gold producer. The opportunity to advance Moss Lake and bolster our already strong balance sheet, all while retaining meaningful exposure to the project through a strategic equity position as the largest shareholder of Goldshore allows the Company to remain fully focused on our underground high-grade gold mining expertise. This year is pivotal as Wesdome expects to deliver the Kienna Complex into commercial production, expand operations at Eagle as well as move forward on aggressive surface and underground exploration programs at both sites."

The Transaction is subject to customary closing conditions for a transaction of this nature, including completion of the proposed reverse take-over business combination between Goldshore and Sierra Madre Developments Inc. (resulting in the listing of Goldshore on the TSX Venture Exchange) and receipt of required regulatory approvals. For more information regarding the transaction please see the public filings of Sierra Madre Developments Inc. on Sedar and the Goldshore Resources Inc. press release dated January 26, 2021.

Closing of the Transaction is expected to occur in early Q2 2021.

Advisors and Counsel

Laurentian Bank Securities Inc. acted as financial advisor to Wesdome, and Stikeman Elliott LLP acted as Wesdome's legal advisors.

COVID-19

The health and safety of our employees, contractors, vendors, and consultants is the Company's top priority. In response to the COVID-19 outbreak, Wesdome has adopted all public health guidelines regarding safety measures and protocols at all of its mine operations and corporate offices. In addition, our internal COVID-19 Taskforce continues to monitor developments and implement policies and programs intended to protect those who are engaged in business with the Company.

Through care and planning, to date the Company has successfully maintained operations, however there can be no assurance that this will continue despite our best efforts. Future conditions may warrant reduced or suspended production activities which could negatively impact our ability to maintain projected timelines and objectives. Consequently, the Company's actual future production and production guidance is subject to higher levels of risk than usual. We are continuing to closely monitor the situation and will provide updates as they become available.

ABOUT WESDOME

Wesdome has had over 30 years of continuous gold mining operations in Canada. The Company is 100% Canadian focused with a pipeline of projects in various stages of development. The Company's strategy is to build Canada's next intermediate gold producer, producing 200,000+ ounces from two mines in Ontario and Québec. The Eagle River Complex in Wawa, Ontario is currently producing gold from two mines, the Eagle River Underground Mine and the Mishi Open pit, from a central mill. Wesdome is actively exploring its brownfields asset, the Kienna Complex in Val d'Or, Québec. The Kienna Complex is a fully permitted former mine with a 930-metre shaft and 2,000 tonne-per-day mill. The Company has further upside at its Moss Lake gold deposit, located 100 kilometres west of Thunder Bay, Ontario. The Company has approximately 139.4 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

For further information, please contact:

Duncan Middlemiss
President and CEO
416-360-3743 ext. 2029
duncan.middlemiss@wesdome.com

or

Lindsay Carpenter Dunlop
VP Investor Relations
416-360-3743 ext. 2025
lindsay.dunlop@wesdome.com

220 Bay St. East, Suite 1200
Toronto, ON, M5J 2W4

Toll Free: 1-866-4-WDO-TSX
Phone: 416-360-3743, Fax: 416-360-7620

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained herein are made as of the date of this press release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.