



Wesdome Announces Closing of Previously Announced Sale of the Moss Lake Project to Goldshore Resources

TORONTO, May 31, 2021 (GLOBE NEWSWIRE) -- Wesdome Gold Mines Ltd. (TSX: WDO) ("Wesdome" or the "Company") is pleased to announce that it has closed the previously announced sale of the Moss Lake Project (the "Transaction") to Goldshore Resources Inc. ("Goldshore"). Wesdome received initial aggregate consideration of \$57M, comprised of the following:

- i Initial cash payment of \$12.5 million;
- i 30,085,000 Goldshore common shares acquired through Wesdome's wholly-owned subsidiary Moss Lake Gold Mines Ltd. ("Moss Lake"), having a current aggregate value of \$19.6 million and representing 30% of the issued and outstanding common shares of Goldshore following completion of the Transaction on a non-diluted basis;
- i \$20 million in common shares of Goldshore in the form of milestone payments consisting of:
 - i \$5 million within 12 months of closing;
 - i \$7.5 million upon the earlier of (i) Goldshore completing an updated PEA or pre-feasibility study; and (ii) 30 months from closing;
 - i \$7.5 million upon the earlier of (i) Goldshore completing a feasibility study; (ii) the date on which Goldshore makes a development decision on the Moss Lake Project; and (iii) 48 months from closing;
- i The grant to Wesdome of a 1.0% NSR royalty on all metal production from the Moss Lake Project. Goldshore shall have the right to repurchase the NSR royalty for (i) \$5.0 million within 30 months of closing; or (ii) \$7.5 million between 30 – 48 months from closing. The royalty buyback rights shall expire if not exercised within 48 months of closing.

Mr. Duncan Middlemiss, President and CEO, commented, "The monetization of the Moss Lake Project represents another milestone for Wesdome. This transaction bolsters our already strong balance sheet and allows Moss Lake to be advanced, while retaining meaningful exposure to the project as the largest shareholder of Goldshore. This is an exciting time for Wesdome, as we move ahead with the Kiena re-start, less than five years following the discovery of the Kiena Deep A Zone. Wesdome remains focused on advancing our vision of building Canada's next mid-tier gold producer."

Upon closing of the Transaction, Wesdome and Goldshore entered into an investor rights agreement (the "Investor Rights Agreement"), pursuant to which, among other things, Wesdome was granted the right to nominate 2 members to Goldshore's board of directors. The Investor Rights Agreement also grants Wesdome certain customary registration and pre-emptive rights in respect of future sales of securities by Goldshore.

The Goldshore common shares were acquired by Wesdome as partial consideration for the sale of the Moss Lake Project. Wesdome may increase or decrease its investment, directly or indirectly, in Goldshore from time to time, depending on market conditions or any other relevant factors. Wesdome will use the equity method of accounting to reflect its interest in the Moss Lake Project.

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 Underground Mine in Wawa, Ontario is currently producing gold at a rate of 92,000 – 105,000 ounces per year. Wesdome is actively exploring its brownfields asset, the Kiena Complex in Val d'Or, Québec. The Kiena Complex is a fully permitted former mine with a 930-metre shaft and 2,000 tonne-per-day mill, and a restart of operations was announced on May 26, 2021. The Company has completed a PFS in support of the production restart decision. The Company also retains meaningful exposure to the Moss Lake gold deposit, located 100 kilometres west of Thunder Bay, Ontario through its equity position in Goldshore Resources Inc. The Company has approximately 139.7 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

For further information and to obtain a copy of the early warning report filed under applicable Canadian provincial and territorial securities legislation in connection with the Transaction, please go to Wesdome's profile on the SEDAR website (www.sedar.com) or contact:

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

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