



WESDOME GOLD MINES LTD.

2021 Annual

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 consolidated financial statements for the years ended December 31, 2021 and 2020, 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 March 10, 2022.

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

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

<i>Abbreviation</i>	<i>Period</i>	<i>Abbreviation</i>	<i>Period</i>
Q4 2021	<i>October 1, 2021 – December 31, 2021</i>	Q4 2020	<i>October 1, 2020 – December 31, 2020</i>
Q3 2021	<i>July 1, 2021 – September 30, 2021</i>	Q3 2020	<i>July 1, 2020 – September 30, 2020</i>
Q2 2021	<i>April 1, 2021 – June 30, 2021</i>	Q2 2020	<i>April 1, 2020 – June 30, 2020</i>
Q1 2021	<i>January 1, 2021 – March 31, 2021</i>	Q1 2020	<i>January 1, 2020 – March 31, 2020</i>
FY 2021	<i>January 1, 2021 – December 31, 2021</i>	YTD 2020	<i>January 1, 2020 – December 31, 2020</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"); free cash flow and operating and free cash flow per share; and net income (adjusted) and adjusted net income per share and earnings before interest, taxes and depreciation and amortization ("EBITDA").

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

BUSINESS OVERVIEW

Wesdome is a public company existing under the laws of Ontario. The common shares of the Company are listed on the Toronto Stock Exchange ("TSX") under the symbol "WDO" 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 Canadian focused with two producing underground gold mines. The Company's goal is to build Canada's next intermediate gold producer, producing over 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. The recently re-started Kiena Complex in Val d'or, Quebec is a fully permitted underground mine and milling operation. Wesdome is actively exploring both underground and on surface within the mine areas and more regionally at both the Eagle River and Kiena Complex. 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 141.9 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol “WDO” with a secondary listing on the OTCQX under the symbol “WDOFF”. 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

FY 2021 HIGHLIGHTS AND ACHIEVEMENTS

Operations and Financial Highlights	Comparison to FY 2020
Gold production of 123,843 ounces, which includes 22,440 pre-commercial ounces from Kiena.	Gold production increased by 37% due to a 12% increase in production from the Eagle River Complex, resulting from increased ore feed, combined with the 22,440 pre-commercial ounces from Kiena.
Cash costs of \$990 (US\$789) per ounce of gold sold^{1,2,3}.	Cash costs ¹ in Canadian dollars decreased by 6% from 2020 of \$1,053 (US\$785) per ounce due to a 30% increase in ounces sold, which includes 18,000 pre-commercial ounces from Kiena.
AISC of \$1,408 (US\$1,123) per ounce of gold sold^{1,2,3}.	AISC ¹ in Canadian dollars increased by 1% from 2020 of \$1,396 (US\$1,040) per ounce due to the higher sustaining capital, corporate and general expenses and lease payments; partially offset by a 30% increase in ounces sold, which includes 18,000 pre-commercial ounces from Kiena.
Cash margin of \$145.4 million^{1,4}.	Cash margin ¹ increased by 22% or \$26.1 million from 2020 due to higher ounces sold, which includes 18,000 pre-commercial ounces from Kiena; partially offset by a lower Canadian dollar realized gold price.
Operating cash flow of \$131.0 million or \$0.93 per share^{1,2,3,4}.	Increased by 28% or \$28.7 million from 2020 cash flow from operations of \$102.3 million or \$0.74 per share ¹ due to higher ounces sold, which includes 18,000 pre-commercial ounces from Kiena, and the increase in cash from working capital changes.
Free cash outflow of \$21.3 million or (\$0.15) per share¹.	Decreased by \$50.3 million from 2020 free cash flow ¹ primarily due to higher capital spending. Invested \$143.5 million in capital expenditures at Eagle River and Kiena during the year as compared to \$68.4 million in 2020. \$99.6 million was spent in 2021 in support of the restart of the Kiena mine.
Net income attributable to shareholders of \$131.3 million or \$0.94 per share^{2,4}. Adjusted net income¹ attributable to shareholders of \$69.9 million or \$0.50 per share⁴.	Net income increased by \$80.6 million from \$50.7 million in 2020 because of the increase in cash margin of \$26.1 million, the after-tax gain on the disposal of the Moss Lake mineral properties of \$30.2 million and the \$36.3 million after-tax reversal of the previous Kiena impairment charge; partially offset by the \$5.1 million after-tax impairment charge for exploration properties. After removing these one-time items, the adjusted net

	income ¹ increased by \$19.2 million from 2020.
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- 1 Refer to the section entitled “Non-IFRS Performance Measures” for the reconciliation of these non-IFRS measurements to the Financial Statements.
- 2 Includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.
- 3 In determining the Cash cost per ounce and AISC per ounce, the total ounces sold includes 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.
- 4 FY 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

Production and Exploration Highlights	Achievements
Eagle River	<ul style="list-style-type: none"> • FY 2021 Eagle River production increased by 13% from 2020 to 99,120 ounces of gold, due to a 16% increase in total throughput; offset partially by a 3% decrease in head grade. Head grade at Eagle River in 2021 averaged 13.8 g/t. • FY 2021 cash cost of \$978 (US\$780) per ounce of gold sold¹ decreased by 7% or \$74 from FY 2020 primarily due to a 10% increase in ounces sold. • FY 2021 AISC of \$1,456 (US\$1,162) per ounce of gold sold¹ increased by 4% or \$60 from FY 2020 primarily due to higher mine development and infrastructure spending; partially offset by a 10% increase in ounces sold. • Generated \$127.7 million in cash margin in FY 2021 compared to \$119.3 million in FY 2020, despite the average realized Canadian gold price being 5% lower at \$2,250/oz (2020 - \$2,360/oz). • Current mineral reserves at Eagle River as of December 31, 2021 are 525,000 ounces of gold from 1.1 Mt at an overall grade of 15.3 g/t Au. Measured and Indicated resources were impacted by reduced definition drilling and a revised, more conservative classification criteria, leading to a slightly smaller, higher grade reserve estimate for YE 2021. Reserve ounces declined modestly 11% after depleting Eagle's record year of production, but saw a significant grade increase of 15% compared to 2020 further improving the mines margin. • A record Inferred Resource inventory of 255,000 ounces provides a platform for potential increase Reserve replacement for 2022. Near term infill drilling is expected to increase confidence of current resources which could be deemed economic for reserve inclusion next year. • Current strategy for the corporation is to have production from the Eagle River operations to be in the 100,000 ounces per annum range by focused exploration and development of the Eagle River Mine thereby generating higher margin tonnes. This is supplemented by a growing production profile at Kiena. • Underground exploration is focused on extending the high grade 300 E and Falcon zones and targeting parallel zones in the volcanic rocks. Additionally, drilling is planned at the recently discovered North Contact zone. • Surface drilling is ongoing with 2 drills both east and west of the mine to follow up on anomalous values returned from the regional drilling program in 2021.

Kiena

- In Q2 2021, based on the positive results of the Preliminary Feasibility Study (“PFS”), a Kiena restart decision was made. In 2021, Kiena produced 22,240 pre-commercial ounces. Total throughput was 68,470 tonnes or 372 tpd and the head grade averaged 10.4 g/t. The mill start-up in July went according to plan with no major issues. Mine operations were halted for 18 days in September for upgrading of the hoist system which has now been completed. Progress on the paste fill plant and tailings management area construction is on schedule. All key mobile equipment has been ordered and the mine has already received four underground haulage trucks with the remainder of the equipment scheduled to arrive by Q2 of 2022.
- Despite the planned low pre-commercial production levels, FY 2021 cash cost was \$1,052 (US\$839) per ounce of gold sold¹ and AISC was \$1,138 (US\$908) per ounce of gold sold¹.
- Generated \$17.6 million in cash margin despite the high cash costs of \$1,052 per ounce of gold sold¹ due to planned low pre-commercial production levels.
- Successful underground exploration at Kiena resulted in an 11% increase in the 2021 Measured Indicated and Inferred (“MI&I”) Resource (inclusive of reserves) from the 2021 PFS MI&I Resource at a slightly lower grade on average. An increase in the Measured and Indicated resources lead to an 8% increase of Reserves.
- Current mineral reserves at Kiena as of December 31, 2021 are 651,000 ounces of gold from 1.8 Mt at an overall grade of 11.1 g/t Au.
- Kiena Deep continues to show potential to add additional ounces in the resource base and additional ounces are planned for conversion to reserves with 2022 drilling, particularly at the Footwall Zone where an inferred resource has been defined.
- The discovery of a new Footwall Zone was initially announced in March of this year. To date, the Footwall Zone is defined by new intersections of gold mineralization located within a 50 metre (‘m’) wide corridor adjacent to the footwall of the A2 Zone. The Footwall Zone corridor remains open laterally and down plunge. The location of new gold intercepts in recent holes suggest that the Footwall Zone extends over 300 m along plunge. The deepest hole returned 41.2 g/t Au (uncapped) over 51.2 m core length.
- Ongoing drilling also continues to better define and expand the Kiena Deep A Zone predominantly along the lateral extensions of the zone. The high grades intersected will be included in future resource updates. One hole returned 132.1 g/t Au over 7.4 m core length (27.6 g/t Au capped, 3.9 m true width).
- Initial surface drilling has focused on the Presqu’ile and Shawkey areas located northwest and southeast of the Kiena Mine, respectively. Since July 2021, two drills on barges have been testing the continuity of some gold anomalies in the Jacola Formation which host the Kiena mine. Recent drilling at

	<p>Presqu'île zones returned 1,</p> <ul style="list-style-type: none"> • 515.0 g/t Au over 0.5 m core length. • Wesdome finalized the purchase of the Tarmac Gold Property from Globex Mining Enterprises. The Property consists of 6 claims covering 94 hectares located entirely within Wesdome's Kiena Mine Complex and less than 2 kilometers northeast of the Kiena underground mine, all located beneath Lac De Montigny.
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COVID-19 IMPACT AND RESPONSES

Operations at the Eagle River Complex and drilling and pre-commercial operations at the Kiena Site have continued throughout the year with measures in place to facilitate enhanced physical distancing to limit the potential spread of the COVID-19 virus. We are continuing to closely monitor the situation and will provide updates as they become available.

Wesdome has adopted measures since March 12, 2020 of monitoring body temperatures and requesting a health survey of all personnel wishing to enter the Eagle River Complex or the Kiena Site. Furthermore, rigorous deep cleaning and disinfecting has been employed at all sites including the corporate office. A social distancing protocol is in place and schedules have been staggered to reduce the number of people in the Company's common areas. The health and safety of our employees, contractors, vendors, and consultants is the Company's top priority. To aid in the Company's actions, a COVID-19 Taskforce has been created to monitor developments and set about action plans which will reduce the risk to all people directly involved with Wesdome.

Due to the uncertainty regarding the potential emergence of the new COVID-19 variants and as a result of loosening the restrictions during the re-opening of the economy, the future production and our guidance will be subject to higher levels of risk than usual. The Company has been successful, due to its care and planning in keeping the Eagle River Complex and Kiena Site operating, but any cases of COVID-19 at the sites could change this, despite our best efforts.

Supply chain networks, which have been disrupted globally due to staffing shortages as people are either sick or under quarantine, may cause delays to the delivery of goods and services. Global inflation, which has risen due to factors, such as rising demand for oil and gas and the shortage of goods, may impact the operating costs and capital spending.

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 2021, Wesdome realized an average gold price of \$2,250 (US\$1,795) per ounce as compared to \$2,360 (US\$1,759) per ounce realized in 2020. The market price for gold in 2021 averaged US\$1,799 per ounce (Canadian dollar equivalent of \$2,254 per ounce (2020 - US\$1,770 or \$2,370 per ounce in Canadian dollars)).

The Company's reporting and functional currency is the Canadian dollar ("CAD") as all its assets and operations are based in Canada. However, the Company's revenues, profitability and cash flows are exposed to the changes in the United States dollar ("USD") to Canadian dollar exchange rates as the Company's primary product, gold, is predominately traded in the US dollar. Wesdome had no forward foreign exchange rate contracts in place during 2021 and as at December 31, 2021. This position will be reviewed from time to time as market conditions warrant. Please see note 31 of the Company's financial statements for an analysis of Wesdome's exposure to the Canadian and US dollar exchange rate.

The future gold price and foreign currency exchange rate volatility is expected to be impacted by the uncertainty surrounding the US dollar's direction in 2022 deriving from U.S. interest rate fluctuations, the level of inflation, the level of new cases of the COVID-19 virus or variant thereof around the globe, together with the geopolitical uncertainty persisted with the continuing tension over trade wars, and the liquidity provided to the markets by the central banks.



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

OUTLOOK

In the beginning of the year, the Company set its full-year 2021 production guidance at 92,000 – 105,000 ounces of gold, primarily from the Eagle River underground mine. The following table shows the tracking of Wesdome's performances to these guidelines:

	2021 Guidance	2021 Achievement	2022 Guidance
Gold production			
Eagle River	90,000 – 102,000 ounces	99,120 ounces	95,000 – 105,000 ounces
Mishi	2,000 – 3,000 ounces	2,283 ounces	1,000 – 2,000 ounces
Kiena	15,000 – 25,000 ounces	22,440 ounces	64,000 – 73,000 ounces
	107,000 – 130,000 ounces	123,843 ounces	160,000 – 180,000 ounces
Head grade (g/t Au)			
Eagle River	13.0 -15.0	13.8	12.1 – 13.4
Mishi	2.0 – 2.5	2.4	2.0 – 2.5
Kiena	-	-	10.6 – 11.8
Cash cost per ounce ¹	\$900 - \$1,000 (US\$680 – US\$770)	\$990 (US\$789)	\$875 - \$970 (US\$700 – US\$775)
AISC per ounce ¹	\$1,300 - \$1,450 (US\$980 – US\$1,090)	\$1,408 (US\$1,123)	\$1,270 - \$1,400 (US\$1,015 – US\$1,125)

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

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q4 2021	Q3 2021 ¹	Q2 2021 ¹	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Financial results								
Revenue ⁶	85,505	67,548	63,881	45,973	48,362	55,000	54,772	57,332
Cash margin ^{2,4}	47,681	35,307	40,590	21,776	25,211	32,116	34,304	27,619
Net income ⁴	24,762	14,486	84,937	7,103	8,491	14,614	16,097	11,513
Net income adjusted ^{2,4}	24,762	17,408	20,630	7,103	8,491	14,614	16,097	11,513
Earnings before interest, taxes, depreciation and amortization ^{2,4}	44,235	31,848	37,454	18,662	18,017	28,564	30,347	25,414
Operating cash flow ⁴	48,160	33,890	26,875	22,033	12,893	25,560	30,348	33,491
Free cash flow ^{2,4}	(3,172)	(9,087)	(9,131)	99	(8,813)	3,295	17,793	16,734
Per share information:								
Net income ⁴	0.18	0.10	0.61	0.05	0.06	0.10	0.12	0.08
Adjusted net income ^{2,4}	0.18	0.12	0.15	0.05	0.06	0.10	0.12	0.08
Operating cash flow ^{2,4}	0.34	0.24	0.19	0.16	0.09	0.18	0.22	0.24
Free cash flow ^{2,4}	(0.02)	(0.06)	(0.07)	0.00	(0.06)	0.02	0.13	0.12
Selected Financial Statement data:								
Cash and cash equivalents	56,764	69,473	67,799	63,884	63,480	73,513	66,733	49,398
Working capital	39,663	51,358	63,856	60,850	54,400	59,237	54,957	37,971
Total assets	553,719	517,746	481,671	365,046	348,280	342,096	316,581	291,530
Total non-current liabilities	105,172	100,486	97,221	65,205	61,406	63,168	58,077	50,727
Operational results								
Milling (tonnes)								
Eagle River	56,159	56,003	63,057	53,540	53,551	44,667	42,349	55,874
Mishi	6,215	3,727	9,347	17,219	3,555	11,533	13,721	11,047
Kiena	38,000	30,470	-	-	-	-	-	-
Throughput	100,374	90,200	72,404	70,759	57,106	56,200	56,070	66,921
Head grades (g/t Au)								
Eagle River	13.7	13.4	15.1	12.8	11.7	13.8	18.1	14.0
Mishi	2.1	2.3	2.4	2.5	3.5	2.5	2.9	2.5
Kiena	14.1	5.8	-	-	-	-	-	-
Recovery (%)								
Eagle River	97.8	97.9	97.4	97.1	98.0	97.7	97.9	97.3
Mishi	88.1	78.0	76.1	84.8	84.5	74.7	79.8	74.8
Kiena	98.1	97.9	-	-	-	-	-	-
Production (ounces)								
Eagle River	24,267	23,621	29,836	21,396	19,667	19,319	24,117	24,457
Mishi	363	212	539	1,169	339	689	1,026	665
Kiena	16,929	5,511	-	-	-	-	-	-
Total gold produced	41,559	29,344	30,375	22,565	20,006	20,008	25,143	25,122
Gold sales (ounces)								
Eagle River	23,976	26,632	27,894	19,714	19,485	20,927	22,235	25,772
Mishi	361	368	606	950	404	773	905	728
Kiena ⁸	13,207	3,000	-	1,793	-	-	-	-
Total gold sales	37,544	30,000	28,500	22,457	19,889	21,700	23,140	26,500

In 000s, except per units and per share amounts	Q4 2021	Q3 2021 ¹	Q2 2021 ¹	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Per ounce of gold sold ²								
Average realized price ²	2,275	2,249	2,239	2,223	2,430	2,532	2,365	2,162
Cash costs ^{2,4,5,7}	1,005	1,072	814	1,076	1,162	1,052	882	1,120
Cash margin ^{2,4,7}	1,270	1,177	1,425	1,147	1,268	1,480	1,483	1,042
AISC ^{2,4,5,7}	1,412	1,495	1,240	1,497	1,567	1,395	1,218	1,423
Production costs/tonne milled ^{2,4,7}	370	370	324	335	400	389	331	425
Average 1 USD → CAD exchange rates	1.2603	1.2600	1.2282	1.2660	1.3030	1.3321	1.3853	1.3449
Cost Metrics (in USD)								
Cash costs ^{2,4,5,7}	797	851	663	850	892	790	637	833
AISC ^{2,4,5,7}	1,121	1,186	1,009	1,182	1,203	1,047	879	1,058

¹ Q2 2021 and 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 Q2 2021 net income has decreased by \$2.9 million, which includes a \$1.5 million gain resulting from the mark-to-market of the share consideration receivable. Earnings per share for Q2 2021 changed from \$0.63 to \$0.61 per share. 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 Q1 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The \$3.9 million of revenue from the Kiena bulk sample was excluded from revenue and credited against the cost of the Kiena exploration asset.

⁵ In determining the Cash cost per ounce and AISC per ounce for Q1 2021, the total ounces sold includes 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.

⁶ Revenues include insignificant amounts from the sale of by-product silver.

⁷ Q4 2020 excludes \$1.0 million (Q3 2020 - \$1.3 million, Q2 2020 - \$0.5 million) of incremental Covid-19 costs incurred for workplace modifications to accommodate social distancing, education of new protocols, the acquisition of additional personal protective equipment, and higher transportation costs. The additional costs due to inefficiencies in operations from revised protocols during the pandemic have not been quantified.

⁸ Q1 2021 includes 1,793 ounces sold from the Kiena bulk sample, which was processed in Q4 2020.

ANNUAL FINANCIAL AND OPERATIONAL RESULTS

In thousands of Canadian dollars, except
per share amounts and otherwise indicated

	FY 2021	FY 2020	FY 2019
Financial Results			
Revenues ³	262,907	215,466	163,974
Cash margin ^{1,2,3,4}	145,354	119,250	90,900
Net income ^{3,4}	131,288	50,715	40,945
Net income adjusted ^{1,3,4}	69,903	50,715	38,576
Operating cash flow ^{3,4}	130,958	102,292	71,163
Free cash flow ^{1,4}	(21,291)	29,009	6,714
Per share information:			
Net income ^{3,4}	0.94	0.36	0.30
Adjusted net income ^{1,3,4}	0.50	0.36	0.28
Operating cash flow ^{3,4}	0.93	0.74	0.52
Free cash flow ^{1,4}	(0.15)	0.21	0.05
Selected Financial Statement data:			
Cash and cash equivalents	56,764	63,480	35,657
Working capital	39,663	54,400	32,609
Total assets	553,719	348,280	285,718
Total non-current liabilities	105,172	61,406	51,161
Operating Results and Cost Metrics			
Gold produced (ounces)	123,843	90,278	91,688
Gold sold (ounces)	118,501	91,229	88,423
Cash cost per ounce of gold sold ^{1,2,4}			
Canadian dollar	990	1,053	825
US dollar	789	785	621
All-in sustaining cost per ounce of gold sold ^{1,2,4}			
Canadian dollar	1,408	1,396	1,293
US dollar	1,123	1,040	975

1. Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.
2. Cash cost and AISC per ounce of gold sold for FY 2020 exclude \$2.8 million of incremental Covid-19 costs incurred for workplace modifications to accommodate social distancing, education of new protocols, the acquisition of additional personal protective equipment, and higher transportation costs. The additional costs due to inefficiencies in operations from revised protocols during the pandemic have not been quantified.
3. FY 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.
4. FY 2021 includes a charge of \$0.4 million for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.



Annual Operational Results

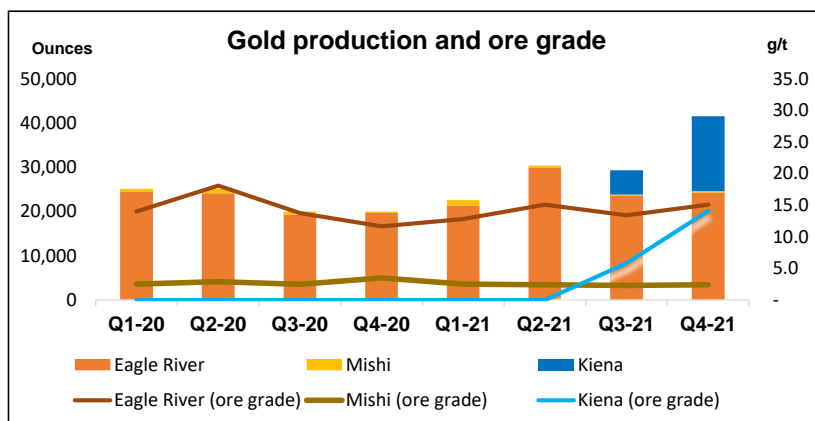
	FY 2021	FY 2020	Change	
Ore milled (tonnes)				
Eagle River	228,759	196,441	32,318	16%
Mishi	36,508	39,856	(3,348)	(8)%
Kiena	68,470	-	68,470	-
Throughput	333,737	236,297	97,440	41%
Head Grade (g/t Au)				
Eagle River	13.8	14.2	(0.4)	(3)%
Mishi	2.4	2.7	(0.3)	(11)%
Kiena	10.4	-	10.4	-
Recoveries (percent)				
Eagle River	97.5	97.7	(0.2)	(0)%
Mishi	82.4	77.8	4.6	6%
Kiena	98.0	-	98.0	-
Gold production (ounces)				
Eagle River	99,120	87,560	11,560	13%
Mishi	2,283	2,718	(435)	(16)%
Kiena	22,440	-	22,440	-
	123,843	90,278	33,565	37%
Gold Sold (ounces)				
Eagle River	98,216	88,419	9,797	11%
Mishi	2,285	2,810	(525)	(19)%
Kiena ²	18,000	-	18,000	-
	118,501	91,229	27,272	30%

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

² FY 2021 includes 1,793 ounces from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.

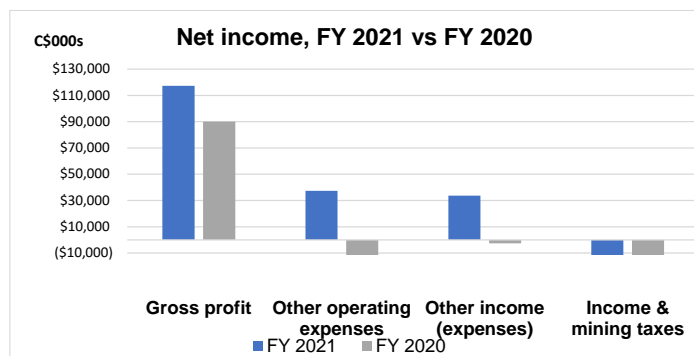
Production at Eagle River increased by 13% from 2020 to 99,120 ounces of gold, due to a 16% increase in throughput; offset by a 3% decrease in head grade when compared to 2020. Head grade at Eagle River in 2021 averaged 13.8 g/t which is slightly below reserves grade of 15.3 g/t.

Kiena produced 22,440 pre-commercial ounces in 2021 by processing 68,470 tonnes of ore at a head grade of 10.4 g/t.



The contribution of ore feed from Mishi in 2021 decreased by 8% to 36,508 t when compared to 39,856 t processed in 2020. In 2021, the Mishi pit achieved a head grade of 2.4 g/t producing 2,283 ounces of gold as compared to a grade of 2.7 g/t achieved in 2020, producing 2,718 ounces of gold. Mishi pit was mined out as per plan in 2020 and only stockpiled ore will be processed in 2022. As a result of the above, combined throughput in 2021 increased by 12% from 2020 as Wesdome's strategy is to increase the amount of underground tonnes mined, thereby displacing the open pit tonnes in order to substantially increase gold production. The underground exploration and definition program at Eagle River are progressing as planned and has resulted in the addition of underground workplaces, which continues to increase production.

Annual 2021 Financial Review



Net income attributable to shareholders for 2021 was \$131.3 million or \$0.94 per share as compared to net income of \$50.7 million or \$0.36 per share for 2020. After recognizing one-time net gains totaling \$61.4 million, Adjusted net income¹ for 2021 was \$69.9 million or \$0.50 per share.

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

In \$'000s				
	FY 2021	FY 2020	Change	
Revenues ²	262,907	215,466	47,441	22%
Costs and expenses				
Cost of sales ³	145,619	125,386	20,233	16%
Corporate and general	10,614	7,378	3,236	44%
Stock-based compensation	2,604	2,786	(182)	(7)%
Exploration	471	-	471	
Impairment reversal of Kiena	(58,563)	-	(58,563)	
Impairment charge on exploration properties	7,507	2,034	5,473	
Impairment charge on mining equipment	-	427	(427)	
Gain on disposal of mining assets	(3)	-	(3)	
	108,249	138,011	(29,762)	
Operating income	154,658	77,455	77,203	100%
Gain on disposal of Moss Lake mineral properties	34,330	-	34,330	
Share of loss of associate	(497)	-	(497)	
Interest and other income (expenses)	(166)	(2,555)	2,389	
Income before taxes	188,325	74,900	113,425	
Mining and income tax expense	57,037	24,185	32,852	
Net income	131,288	50,715	80,573	159%
Operating cash flows ^{2,3}	130,958	102,292	28,666	28%
Free cash flows ¹	(21,291)	29,009	(50,300)	

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

² FY 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

³ FY 2021 includes a charge of \$0.4 million for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.

Revenues

In \$000s	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Revenues from operations								
Gold ¹	85,410	48,322	37,088	77%	262,625	215,294	47,331	22%
Silver	95	40	55		282	172	110	
	85,505	48,362	37,143	77%	262,907	215,466	47,441	22%

¹ FY 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

Wesdome generated \$262.6 million in gold sales revenue from the sale of 116,708 ounces of gold at an average realized price of \$2,250 (US\$1,795) per ounce; as compared to the sale of 91,229 ounces of gold at \$2,360 (US\$1,759) per ounce for revenue of \$215.3 million in 2020. The 22% increase in sales revenues is primarily due to the Kiena pre-commercial ounces that were produced in H2 2021; partially offset by a lower realized gold price.

Cost of Sales

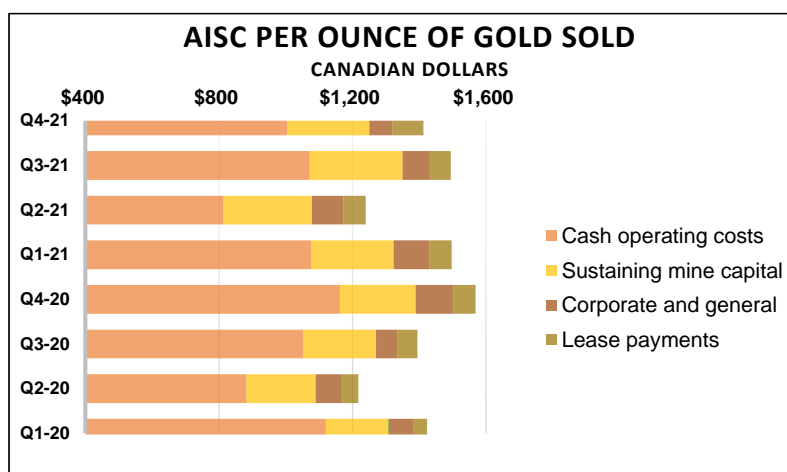
In \$000s	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Cost of Sales								
Mining and processing costs								
Mining	20,037	12,256	7,781		61,636	43,091	18,545	
Processing	6,330	5,209	1,121		20,291	18,457	1,834	
Site administration and camp costs	10,425	7,724	2,701		34,151	27,164	6,987	
Change in inventories ^{1,2}	(46)	(1,976)	1,930		(2,921)	6,315	(9,236)	
	36,746	23,213	13,533		113,157	95,027	18,130	
Royalties	1,078	925	153		4,396	4,013	383	
Depletion and depreciation	8,121	6,345	1,776		28,066	26,346	1,720	
	45,945	30,483	15,462	51%	145,619	125,386	20,233	16%

¹ See Note 26 of the Company's financial statements for a breakdown of stockpile and in-circuit inventory adjustments for the years ended December 31, 2010 and 2020.

Cost of sales of \$145.6 million in 2021 increased by 16% or \$20.2 million mainly due to the Kiena pre-commercial ounces with a cost of sales of \$19.6 million.

Cash cost and AISC per ounce of gold sold in 2021 were \$990 (US\$789) and \$1,408 (US\$1,123) per ounce; as compared to cash cost and AISC per ounce of gold sold in 2020 of \$1,053 (US\$785) and \$1,396 (US\$1,040), 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 2021 increased by 44% 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 \$3.0 and \$3.2 million on a quarterly basis in 2022.



Stock-based payments

During 2021, the Company granted 379,934 stock options, 82,853 Restricted Share Units (“**RSUs**”) and 165,706 Performance Share Units (“**PSUs**”) to its employees and officers under its 2020 Omnibus Equity Plan. All the stock options and RSUs have a three-year vesting term, with the first tranche vesting on March 26, 2022. The PSUs have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

On June 1, 2021, the Company granted 55,960 Deferred Share Units (“**DSUs**”) to its non-executive directors (“**Participants**”) under the Plan valued at approximately \$0.8 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.

For the three months and year ended December 31, 2021, the compensation expense recognized under the plans was \$0.5 million and \$2.6 million, respectively.

Tax Expense

In \$000s								
	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Mining and income tax expense								
Current	4,720	4,425	295		13,375	10,660	2,715	
Deferred	6,293	(1,538)	7,831		43,662	13,525	30,137	
	11,013	2,887	8,126	281%	57,037	24,185	32,852	136%

The effective tax rate for 2021 was 30.3% as compared to 32.3% for 2020. Wesdome is currently exposed to federal income tax, and mining tax for any resource profits earned in Ontario. As at December 31, 2021, the Company recorded a current mining and income tax liability of \$5.5 million.

Q4 2021 FINANCIAL AND OPERATIONAL RESULTS

Operational Results

	Q4 2021	Q4 2020	Change	
Ore milled (tonnes)				
Eagle River	56,159	53,551	2,608	5%
Mishi	6,215	3,555	2,660	75%
Kiena	38,000	-	38,000	-
Throughput	100,374	57,106	43,268	76%
Head Grade (g/t Au)				
Eagle River	13.7	11.7	2.0	17%
Mishi	2.1	3.5	(1.4)	(40)%
Kiena	14.1	-	14.1	-
Recoveries (percent)				
Eagle River	97.8	98.0	(0.2)	(0)%
Mishi	88.1	84.5	3.6	4%
Kiena	98.1	0.0	98.1	-
Gold production (ounces)				
Eagle River	24,267	19,667	4,600	23%
Mishi	363	339	24	7%
Kiena	16,929	-	16,929	-
	41,559	20,006	21,553	108%
Gold Sold (ounces)				
Eagle River	23,976	19,485	4,491	23%
Mishi	361	404	(43)	(11)%
Kiena ²	13,207	-	13,207	-
	37,544	19,889	17,655	89%

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

Production Review

Q4 2021 as compared to Q4 2020

Q4 2021 production at Eagle River increased by 23% from Q4 2020 to 24,267 ounces of gold, due to a 17% increase in head grade and a 5% increase in total throughput. Head grade at Eagle River in Q4 2021 averaged 13.7 g/t. Eagle ore stockpiled on surface was 1,119 tonnes at the end of Q4 2021.

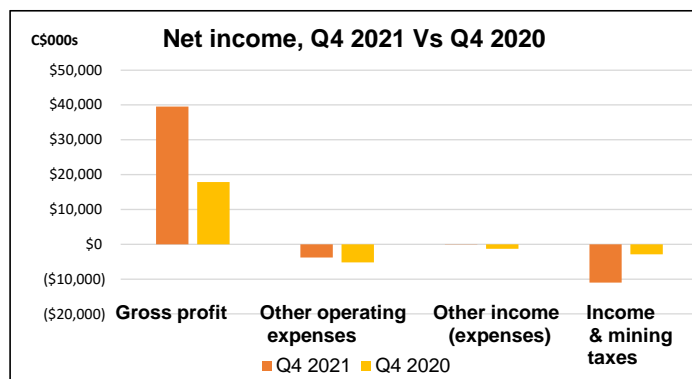
Kiena produced 16,929 pre-commercial ounces in Q4 2021 by processing 38,000 tonnes of ore from the Kiena Deep A Zone at a head grade of 14.1 g/t.

Mishi pit was mined out as per plan in Q4 2020 and only stockpiled ore will be processed in 2021 and beyond. The contribution of ore feed from Mishi in Q4 2021 increased by 75% to 6,215 t compared to 3,555 t processed in Q4 2020. Mishi pit achieved a head grade of 2.1 g/t producing 363 ounces of gold in Q4 2021 as compared to a grade of 3.5 g/t producing 339 ounces of gold in Q4 2020. Mishi ore stockpiled on surface was 28,765 tonnes at



the end of Q4 2021.

Financial Review, Q4 2021 as compared to Q4 2020



Net income and adjusted net income¹ attributable to shareholders for the three months ended December 31, 2021 was \$24.8 million or \$0.18 as compared to \$8.5 million or \$0.06 per share for Q4 2020.

For a reconciliation of adjusted net income¹ to net income as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

In \$000s	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Revenues ²	85,505	48,362	37,143	77%	262,907	215,466	47,441	22%
Costs and expenses								
Cost of sales ³	45,945	30,483	15,462	51%	145,619	125,386	20,233	16%
Corporate and general	2,817	2,231	586	26%	10,614	7,378	3,236	44%
Stock-based compensation	533	524	9	2%	2,604	2,786	(182)	(7)%
Exploration	471	-	471		471	-	471	
Impairment reversal of Kiena	-	-	-		(58,563)	-	(58,563)	
Impairment charge on exploration properties	-	2,034	(2,034)		7,507	2,034	5,473	
Impairment charge on mining equipment	-	427	(427)		-	427	(427)	
Gain on disposal of mining assets	-	-	-		(3)	-	(3)	
	49,766	35,699	14,067		108,249	138,011	(29,762)	
Operating income	35,739	12,663	23,076	182%	154,658	77,455	77,203	100%
Gain on disposal of Moss Lake mineral properties	-	-	-		34,330	-	34,330	
Share of loss of associate	(393)	-	(393)		(497)	-	(497)	
Interest and other income (expenses)	429	(1,285)	1,714		(166)	(2,555)	2,389	
Income before taxes	35,775	11,378	24,397		188,325	74,900	113,425	
Mining and income tax expense	11,013	2,887	8,126		57,037	24,185	32,852	
Net income	24,762	8,491	16,271	192%	131,288	50,715	80,573	159%
Operating cash flows ^{2,3}	48,160	12,893	35,267	274%	130,958	102,292	28,666	28%
Free cash flows ¹	(3,172)	(8,813)	5,641		(21,291)	29,009	(50,300)	

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

² FY 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

³ FY 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.

Revenues

In Q4 2021, Wesdome generated \$85.4 million in gold sales revenue from the sale of 37,544 ounces of gold, which includes 13,207 pre-commercial Kiena ounces, at an average realized price of \$2,275 (US\$1,805) per ounce; as compared to the sale of 19,889 ounces of gold at \$2,430 (US\$1,865) per ounce for revenue of \$48.3 million in Q4 2020. The 77% increase in sales revenues is due to higher ounces sold, which includes the pre-commercial Kiena ounces; partially offset by a lower Canadian dollar realized price.

Cost of Sales

Cost of sales of \$45.9 million in Q4 2021 increased by 51% or \$15.5 million mainly due to: (i) the \$13.4 million of Kiena pre-commercial production costs; (ii) a \$1.4 million increase in the Eagle River ore stockpile and bullion inventory adjustment resulting from inventory level changes; and (iii) an increase of \$1.4 million in non-cash depletion and depreciation at Eagle River resulting from a larger depreciable asset base; partially offset by a decrease of \$1.2 million in mining costs resulting from a reduction in mining contractors.

Corporate and General

Corporate and general expenditures in Q4 2021 increased by \$0.6 million or 26% to \$2.8 million primarily due to increased corporate activities and the increase in technical staff at the corporate level.

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 only stockpiled ore will be processed in 2021 and beyond.

Annual Operational Results

	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Operating Results								
Eagle River								
Tonnes milled	56,159	53,551	2,608	5%	228,759	196,441	32,318	16%
Head grade (g/t Au)	13.7	11.7	2.0	17%	13.8	14.2	(0.4)	(3)%
Average mill recovery (%)	97.8	98.0	(0.2)	(0)%	97.5	97.7	(0.2)	(0)%
Gold produced (ounces)	24,267	19,667	4,600	23%	99,120	87,560	11,560	13%
Gold sold (ounces)	23,976	19,485	4,491	23%	98,216	88,419	9,797	11%
Mishi								
Tonnes milled	6,215	3,555	2,660	75%	36,508	39,856	(3,348)	(8)%
Head grade (g/t Au)	2.1	3.5	(1.4)	(40)%	2.4	2.7	(0.3)	(11)%
Average mill recovery (%)	88.1	84.5	3.6	4%	82.4	77.8	4.6	6%
Gold produced (ounces)	363	339	24	7%	2,283	2,718	(435)	(16)%
Gold sold (ounces)	361	404	(43)	(11)%	2,285	2,810	(525)	(19)%
Eagle River Complex								
Tonnes milled	62,374	57,106	5,268	9%	265,267	236,297	28,970	12%
Head grade (g/t Au)	12.7	11.5	1.2	10%	12.1	12.6	(0.5)	(4)%
Average mill recovery (%)	97.7	96.7	1.0	1%	97.0	96.7	0.3	0%
Mill availability (%)	86.7	76.0	10.7	14%	87.3	80.0	7.3	9%
Gold produced (ounces)	24,630	20,006	4,624	23%	101,403	90,278	11,125	12%
Gold sold (ounces)	24,337	19,889	4,448	22%	100,501	91,229	9,272	10%

During 2021, the Eagle River Complex produced 101,403 ounces of gold as compared to 90,278 ounces in 2020 primarily due to increased tonnage from Eagle River. In 2021, the mill processed 265,267 tonnes, or 727 tpd as compared to 236,297 t, or 646 tpd in 2020 due to higher mill availability compared to last year. The Eagle River



grade decreased to 12.1 g/t in 2021 from 12.6 g/t in 2020. The overall recovery increased to 97.0% from 96.7% due to the additional 32,318 t from Eagle River.

Annual Financial Results

In 000s, except per units and per share amounts	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Financial Results								
Gold revenue from mining operation	54,654	48,322	6,332	13%	226,052	215,294	10,758	5%
Cost of Sales								
Mining	10,970	12,256	(1,286)	(10)%	44,487	43,091	1,396	3%
Processing	5,121	5,209	(88)	(2)%	17,970	18,457	(487)	(3)%
Site administration and camp costs	8,190	7,724	466	6%	31,355	27,164	4,191	15%
Change in inventories	(550)	(1,976)	1,426	(72)%	357	6,315	(5,958)	(94)%
Royalties	1,077	925	152	16%	4,396	4,013	383	10%
Depreciation and depletion expense	7,708	6,345	1,363	21%	27,193	26,346	847	3%
	32,516	30,483	2,033	7%	125,758	125,386	372	0%
Cash cost per ounce of gold sold (CDN dollars) ¹	1,017	1,162	(145)	(12)%	978	1,053	(74)	(7)%
Cash margin ¹	29,906	25,211	4,695	19%	127,721	119,250	8,471	7%
All-in sustaining costs per ounce of gold (CDN dollars)	1,608	1,567	41	3%	1,456	1,396	60	4%
Production costs per tonne milled ¹	391	400	(9)	(2)%	357	389	(32)	(8)%
Capital expenditures	12,374	9,110	3,264	36%	42,867	27,956	14,911	53%

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

Revenue

In 2021, the Eagle River Complex generated \$226.1 million in gold sales revenue from the sale of 100,501 ounces as compared to \$215.3 million from the sale of 91,229 ounces in 2020. Sales revenue increased by 5% compared to 2020 due to the higher ounces sold; partially offset by a lower Canadian dollar realized price.

Cost of sales

Cost of sales of \$125.8 million in 2021 increased slightly compared to 2020 mainly due to: (i) an increase of \$5.1 million in operating costs because of higher costs incurred for equipment fleet maintenance, surface infrastructure and improvements made to strengthen the technical and mine management team at site; (ii) an increase of \$0.8 million in non-cash depletion and depreciation resulting from a larger depreciable asset base; offset by a \$6.0 million decrease in ore stockpile and bullion inventory adjustment resulting from inventory level changes.

The 2021 cash cost of \$978 (US\$780) per ounce of gold sold decreased by 7% or \$74 per ounce as compared to \$1,053 (US\$785) in 2020 primarily due to the higher ounces sold. The 2021 AISC of \$1,456 (US\$1,162) per ounce of gold sold increased by 4% or \$60 per ounce as compared to \$1,396 (US\$1,041) primarily due to the higher mine development and site infrastructure spending; partially offset by the increased ounces sold.

Production Review, Q4 2021 as compared to Q4 2020

During Q4 2021, the Eagle River Complex produced 24,630 ounces of gold as compared to 20,006 ounces in Q4 2020 primarily due to increased tonnage from Eagle River. In Q4 2021, the mill processed 62,374 t, or 678 tpd as compared to 57,106 t, or 621 tpd in Q4 2020 due to higher mill availability. The Eagle River grade increased to 12.7 g/t in Q4 2021 from 11.5 g/t in Q4 2020 and the overall recovery increased to 97.7% from 96.7% due to the additional 2,608 t from Eagle River.

Financial Review, Q4 2021 as compared to Q4 2020



Revenue

In Q4 2021, the Eagle River Complex generated \$54.7 million in gold sales revenue from the sale of 24,337 ounces as compared to \$48.3 million from the sale of 19,889 ounces in Q4 2020. Sales revenue increased by 13% compared to Q4 2020 due to the higher ounces sold; partially offset by a lower Canadian dollar realized price.

Cost of sales

Cost of sales increased by \$2.0 million from \$30.5 million in Q4 2020 mainly due to: (i) a \$1.4 million increase in ore stockpile and bullion inventory adjustment resulting from inventory level changes; and (ii) an increase of \$1.4 million in non-cash depletion and depreciation resulting from a larger depreciable asset base; partially offset by a \$0.9 million decrease in operating costs resulting from less operating development.

The Q4 2021 cash cost of \$1,017 (US\$807) per ounce of gold sold decreased by 12% or \$145 per ounce as compared to \$1,162 (US\$892) in Q4 2020 primarily due to the higher ounces sold. The Q4 2021 AISC of \$1,608 (US\$1,276) per ounce of gold sold increased by 3% or \$41 per ounce as compared to \$1,567 (US\$1,203) primarily due to the higher mine development and site infrastructure spending; partially offset by the 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 helped increase Mineral Reserves and Mineral Resources and have stimulated an increased pace of exploration drilling over the past several years.

Definition drilling is focused at the Falcon Zone and 300E Zone. Meanwhile, underground exploration drilling is being completed down plunge at the 300E Zone, Falcon Zone, as well as west of 7 Zone along the diorite-volcanic contact. Additional underground exploration is ongoing further to the east of the current mining areas, in the east-central area of the mine, to test for parallel zones north of the historic 8 and 6 Zones. A comprehensive structural study has been completed to assist the exploration targeting.

The Falcon 7 Zone was originally discovered from surface drilling in 2019, located in volcanic rocks approximately 200 m west of the mine diorite. It is interpreted that the Falcon 7 Zone now extends from surface down a steep easterly plunge approximately 1,000 m and is part of the up plunge extension of the 7 Zone currently being mined near the 1,000 m elevation. Historically, mineralization of the Eagle River Mine has been hosted in the mine diorite; however, the Falcon 7 Zone is hosted in volcanic rocks west of the intrusion. Hence, the discovery and subsequent development of the Falcon 7 Zone is important to the Company as it highlights the prospectivity of the volcanic rocks both to the east and west to host additional gold mineralization beyond the currently existing footprint of the Eagle River Mine. Consequently, near-mine exploration is continuing and is focusing on the adjacent Falcon 300 Zone; further exploration work targets the westerly along strike extension of the Falcon structure, where limited drilling has returned several encouraging results in volcanic rocks.

Initial sill development has been completed on the Falcon 7 Zone on the 622 and 635 levels. Chip sampling and test holes during the initial development confirms earlier exploration drill results by returning high gold grades over continuous strike length.

Highlights of the recent development are found below.

622 Level - Chip sampling yielded 54.3 grams of gold per tonne (g/t Au) (uncapped) and 37.9 g/t Au (capped at 125 g/t Au) over an average thickness of 2.1 m over a continuous strike length of 75.6 m.

Sill 622-720-311 Line#L31: 178.5 g/t Au (99.6 g/t Au capped) over 2.0 m.

Sill 622-720-311 Line #L03: 92.8 g/t Au (62.4 g/t Au capped) over 6.2 m.

635 Level - Chip sampling yielded 67.3 g/t Au (uncapped) and 34.3 g/t Au (capped) over an average thickness of



1.9 m over 61.0 m.

Sill 635-720-L04W: 168.8 g/t Au (88.2 g/t Au capped) over 2.0 m.

Sill 635-720-L03W: 265.6 g/t Au (71.2 g/t Au capped) over 1.5 m.

The stated goal of the Company is to maintain production of the Eagle River Mine at approximately 100,000 oz per year. To achieve this goal consistently over the next years, operations within the mine need to be spread out so bottle necks can be avoided. The Falcon 7 Zone development is an important aspect of this operational planning as it is situated away from the main mining area at depth, thereby providing a separate work area away from heavier mine traffic and activities.

The underground development at Falcon on the western extent of the mine also provides an opportunity to target by drilling the structures west of the mine diorite in a region of the mine that has historically had very little attention. In the event of a successful exploration campaign the development in this area would provide easy access.

Recent drilling from the new development intersected several parallel zones to that of the Falcon 7 Zone. The discovery of these parallel zones shows the potential of the mine diorite and surrounding volcanics to host more zones of mineralization, especially where host structures continue across the diorite-volcanic contact, such as 311 West, 8 and 5 zones.

Highlights of the recent drilling are listed below.

- o Hole 622-E-49: 13.72 g/t over 1.5 m and 11.2 g/t over 1.5
- o Hole 640-E-15: 7.60 g/t over 1.5 m and 11.19 g/t over 2.5 m
- o Hole 640-E-11: 5.53 g/t over 1.50 m
- o Hole 640-E-12: 13.42 g/t over 1.5 m

In addition, development of the 355m level is proceeding and will provide for development and exploration of the Falcon 7 Zone at higher elevations in the mine and also provide a platform to test for other parallel zones and along strike to the west.

North Contact Zone

The North Contact Zone is a new discovery located along the northern contact of the Mine Diorite and has been intersected by several underground holes that were drilled north of the 300 East Zone to test for parallel structures. The gold mineralization along the northern diorite contact occurs as visible gold in quartz veins within a shear zone near the 1,000 m level. It is interpreted that the North Contact Zone has been previously intersected in 2016 near surface with widely spaced exploration drilling completed on 200 m spaced sections. This 2016 drilling returned several good intersections in the volcanic rocks adjacent to the mine diorite, including ERM-2016-27 that returned 32.4 g/t Au over 4.8 m (see press release dated September 15, 2016). Based on the recent drilling at depth, it demonstrates the potential for gold mineralization along the north contact extending from the 1,000 m level to surface and is within 150 m from mine infrastructure. The strong continuity down plunge is characteristic of the gold mineralization at Eagle River.

Highlights of the recent drilling are found below.

- o Hole 771-E-23: 9.26 g/t over 1.5 m (true width)
- o Hole 771-E-32: 12.19 g/t over 3.7 m (true width)

Surface Exploration

Surface drilling is ongoing both east and west of the mine. A comprehensive analysis of the structural geology was completed at the mine and the surrounding volcanic rocks to aid in exploration targeting.

Mineral Reserve and Resource Estimates at Eagle River and Mishi

The 2021 year end resource was prepared using industry best practices and standards.

Measured and Indicated resources were impacted by reduced definition drilling and a revised, more conservative



classification criteria, leading to a slightly smaller, higher grade reserve estimate for YE 2021. Reserve ounces declined modestly 10% after depleting Eagle's record year of production, but saw a significant grade increase of 15% compared to 2020 further improving the mines margin.

A record Inferred Resource inventory of 255,000 ounces provides a platform for potential increased Reserve replacement for YE 2022. Near term infill drilling is expected to increase confidence of current resources which could be deemed economic for reserve inclusion next year. The ability to replace mining depletion in 2021 was negatively impacted by drilling given the restrictions for COVID-19 protocols and shortage of available drillers due to the highly competitive market for skilled labour.

Current mineral reserves at Eagle River as of December 31, 2021 are 524,000 ounces of gold from 1.1 Mt at an overall grade of 15.3 g/t Au.

At Mishi, mining from the main open pit has ceased and there are no remaining reserves in the Mishi pit. The remaining resources lie within an optimized pit shell along strike the main open pit. Current strategy for the corporation is to have production from the Eagle River operations to be in the 100,000 ounces per annum range by focused exploration and development of the Eagle River Mine thereby generating higher margin tonnes.

The following tables summarize the mineral reserve and mineral resource estimates as of December 31, 2021.

MINERAL RESERVES – EAGLE RIVER (see notes)		December 31, 2021			December 31, 2020		
		Tonnes (000s)	Grade (g/t Au)	Contained ounces	Tonnes (000s)	Grade (g/t Au)	Contained ounces
Eagle River	Proven	116	11.3	42,000	370	12.6	150,000
	Probable	951	15.8	482,000	982	13.7	431,000
	Proven + Probable	1,066	15.3	524,000	1,352	13.4	581,000

The following table provides a breakdown of mineral reserves and mineral resources by structure to illustrate the growing significance of these recent developments.

Zoe	Tonnes	Diluted Au Grade (g/t)	Au Ounces	% of Reserve
ZONE 300	372,026	22.99	274,938	52%
ZONE 301	34,298	13.43	14,811	3%
ZONE 302	1,015	6.09	199	0%
ZONE 308	11,811	7.72	2,932	1%
ZONE 311	76,999	7.34	18,162	3%
ZONE 5	79,998	11.24	28,914	6%
ZONE 6	8,379	12.85	3,461	1%
ZONE 7	37,006	10.58	12,585	2%
ZONE 711	134,679	8.73	37,792	7%
ZONE 720*	115,065	18.60	68,808	13%
ZONE 311	64,324	8.26	17,090	3%
ZONE 5	94,292	11.91	36,112	7%

ZONE 6	36,489	6.79	7,966	2%
Grand Total	1,066,381	15.28	523,769	

Notes:

1. Mineral reserves are founded on measured and indicated mineral resources with an effective date of December 31, 2021
2. The Qualified Person for the Mineral Reserves estimate as per NI 43-101 is Gary Poxleitner P. Eng, SRK Consulting, and independent of the Company
3. Mineral Reserves are reported using a 5.5 g/t Au cut off
4. Mineral Reserves demonstrated economic viability with the following parameters:
 - a. gold price of C\$1,820 (US\$1,400) per ounce for the Reserves, with a USD:CAD exchange rate of 1.3.
 - b. a 1.5 m minimum width,
 - c. 1.0 m of external dilution (0.5m in HW, 0.5m in FW),
 - d. 90% mine recovery,
 - e. mining cost of C\$161.7/t,
 - f. milling cost of C\$64.3/t,
 - g. surface and G&A cost of C\$78.2/t, and
 - h. selling cost of C\$7.65/oz
 - i. Royalty of 2% of gold sold
 - j. metallurgical recoveries of 97.0%.
 - k. A bulk density factor of 2.7 tonnes per cubic m (t/m³)
5. Mineral Reserves have been estimated in accordance with the Standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM")
6. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade, and metal content

MINERAL RESOURCES (Exclusive of Mineral Reserves) (see notes)		December 31, 2021			December 31, 2020		
		Tonnes (000s)	Grade (g/t Au)	Contained ounces	Tonnes (000s)	Grade (g/t Au)	Contained ounces
EAGLE RIVER	Measured	126	13.4	54,000	23	12.1	9,000
	Indicated	339	9.1	99,000	320	9.0	93,000
	Measured + Indicated	465	10.2	153,000	343	9.2	102,000
	Inferred	596	13.3	255,000	510	12.5	205,000

Notes:

1. The effective date of the estimate is December 31, 2021
2. The estimate was prepared by Sandeep Prakash, P. Geo., Senior Resource Geologist of the Company, under the supervision of the André M. Deiss, BSc (Hons), Pri.Sci.Nat. of SRK Consulting (Canada) Inc., who is a "Qualified Person" under NI 43-101
3. Mineral resources are reported exclusive of mineral reserves; mineral resources that are not mineral reserves do not have demonstrated economic viability
4. Mineral resources are considered for underground extraction and have been reported within potentially mineable volumes without external dilution. Must take material inside these volumes below the stated block grade cut-off has been included in the total.
5. A bulk density factor of 2.7 tonnes per cubic m (t/m³) was applied
6. Resources have been reported considering mining progress as of December 31, 2021
7. Resources are reported using a 4.22 g/t Au cut-off grade
8. Economic parameters for the determination of the cut-off grade include:
 - a. a gold price of US\$1,500 per ounce, a USD/CAD exchange rate of 1.30 (resulting in C\$1,950 per ounce gold price);
 - b. mining cost C\$107.6/t milled;
 - c. processing cost C\$64.3/t;
 - d. G&A C\$78.2/t milled;
 - e. 97.0% mill recovery
 - f. Royalty of 2% of gold sold, and
 - g. selling cost at C7.65\$/oz
9. Mineral resources are classified in accordance with CIM standards
10. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade, and metal content



MINERAL RESOURCES (Exclusive of Mineral Reserves) (see notes)		December 31, 2021			December 31, 2020		
		Tonnes (000s)	Grade (g/t Au)	Contained ounces	Tonnes (000s)	Grade (g/t Au)	Contained ounces
MISHI							
Open pit	Indicated	-	-	-	-	-	-
	Inferred	2,300	1.61	120,000	2,808	1.6	147,000
Underground	Indicated	-	-	-	-	-	-
	Inferred	-	-	-	373	5.4	65,000
MISHI TOTAL	Indicated	-	-	-	-	-	-
	Inferred	2,300	1.61	120,000	3,182	2.1	212,000

Notes - Mishi

- The effective date of the estimate is December 31, 2021
- The estimate was prepared by Dr. Lars Weiershäuser, P. Geo., Director, Geology of the Company, who is a “Qualified Person” under NI 43-101
- Mineral resources are reported exclusive of mineral reserves; mineral resources that are not mineral reserves do not have demonstrated economic viability
- Mineral resources are amenable for open pit extraction and have been reported within a conceptual pit shell.
- A bulk density factor of 2.7 tonnes per cubic m (t/m³) was applied
- Resources have been reported considering mining progress as of December 31, 2021
- Resources are reported using an in-situ marginal cut-off grade of 0.52 g/t
- Ounces are contained ounces
- Economic parameters for the determination of the cut-off grade include:
 - a gold price of US\$1,500 per ounce, a USD/CAD exchange rate of 1.30 (resulting in C\$1,950 per ounce gold price);
 - Mining cost C\$5.00/t;
 - Processing cost C\$21.00/t including base processing, sustaining CAPEX, variable and G&A
 - Refining and transport cost \$7.65/oz gold recovered
 - Royalty of 2% of gold sold and
 - 82% mill recovery
- Assumed pit slope angles between 36.8 and 52.4 degrees
- Mineral resources are classified in accordance with CIM standards
- Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade, and metal content

Plans for 2022

- Total metres budgeted for 2022 range between 120,000 and 140,000 m for six underground and two surface drill rigs, including underground exploration of 60,000 - 70,000 m, underground definition drilling of 50,000 m, and surface exploration drilling 30,000 m.
- Definition drilling will be focused at 300E, Falcon Zone, and down dip on the 711 and 811 Zones.
- Underground exploration drilling will be completed up plunge of the Falcon Zone and targeting potential for parallel zones at 7 Zone along the diorite contact and up plunge from the 311 Zone. Additional underground exploration will also be completed further to the east of the current mining areas, in the east-central area of the mine to test for parallel zones north of the historic 8 and 6 Zones.

The surface drilling program will initially concentrate on regional targets east of the mine diorite where recent



surface sampling has returned a number of anomalous gold values.

TAILINGS AND WATER MANAGEMENT

As the Mishi Pit has now been mined out, it provides storage to manage the excess water at the reclaim pond, near the Eagle mill as required. The engineering design work of the Stage 5 lift was completed in Q2 2021 and the construction work began in Q3 2021. \$3.4 million for the Stage 5 lift was incurred in FY 2021. The Company is also working on a new project that will allow for the discharge of water further down the existing watershed, where water volumes are significantly increased. This will ensure minimal impacts to the environment. The design and permitting process are ongoing. Furthermore, the Company is testing a new water treatment process in order to better control the effluent discharged in the environment. A comparison study between the two options will follow once more information from the testing will be available.

VENTILATION PROJECT

To increase production to over 600 tonnes per day (“tpd”), the ventilation system has been upgraded by developing the 640 m ramp to provide a connection with the main ramp, constructing a new ventilation raise underground, and installing a second fan and booster fans. A total of \$6.5 million has been allocated to this project, with \$6.0 million incurred to date. More ventilation and construction work is ongoing in order to provide more fresh air at depth as the development of the bottom of the mine continues. The Company plans for the installation of two booster fans underground in order to facilitate this objective.

KIENA COMPLEX

The Kiena Mine Complex is a fully permitted, integrated mining and milling infrastructure which includes a 930 m production shaft and 2,000 tpd capacity mill. From 1981 to 2013 the mine produced 1.75 million ounces of gold from 12.5 million tonnes at a grade of 4.5 g/t Au. The bulk of this production came from the S-50 Zone between depths of 100 and 1,000 m. In 2013, operations were suspended due to a combination of declining gold prices and lack of developed reserves. The infrastructure has been well preserved on care and maintenance status. Since 2015, Wesdome has been continuously exploring the Kiena deposit and in 2016 discovered the Kiena Deep A Zone, which remains a focus of underground exploration. When Kiena was placed on care and maintenance in 2013, an impairment charge of \$60.9 million was recorded. Subsequently, an additional impairment charge of \$5.9 million was recorded. In Q2 2021, the Company reversed \$58.6 million of the previous impairment charges based on the May 26, 2021 restart decision for the Kiena Complex.

Annual Operational Results

	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change
Operating Results							
Tonnes milled	38,000	-	38,000	-	68,470	-	68,470
Head grade (g/t Au)	14.1	-	14.1	-	10.4	-	10.4
Average mill recovery (%)	98.1	-	98.1	-	98.0	-	98.0
Mill availability (%)	91.3	-	91.3	-	95.8	-	95.8
Gold produced (ounces)	16,929	-	16,929	-	22,440	-	22,440
Gold sold (ounces) ¹	13,207	-	13,207	-	18,000	-	18,000

¹ YTD 2021 includes 1,793 ounces sold from the Kiena bulk sample, which was processed in Q4 2020.

The Kiena Mine commenced operations in Q3 2021 and produced 22,440 pre-commercial ounces of gold in FY 2021, while processing 68,470 t at an average grade of 10.4 g/t and an overall recovery of 98%.

The mill start-up in July went according to plan with no major issues. Mine operations were halted for 18 days in September for upgrading of the hoist system which has now been completed. Progress on the paste fill plant and tailings management area construction is on schedule. All key mobile equipment has been ordered and we have already received four underground haulage trucks with the remainder of the equipment scheduled to arrive by Q2 of 2022. Late in Q3, first stope production began at the higher grade A Zone, and this is expected to increase significantly in the coming quarters.



Annual Financial Results

In 000s, except per units and per share amounts	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Gold revenue from mining operation ²	29,944	-	29,944	-	36,573	-	36,573	-
Cost of Sales								
Mining	9,070	-	9,070	-	17,151	-	17,151	-
Processing	1,210	-	1,210	-	2,321	-	2,321	-
Site administration and camp costs	2,234	-	2,234	-	2,796	-	2,796	-
Change in inventories ³	503	-	503	-	(3,280)	-	(3,280)	-
Depreciation and depletion expense	334	-	334	-	653	-	653	-
	13,351	-	13,351	-	19,641	-	19,641	-
Cash cost per ounce of gold sold (CDN dollars) ^{1,3}	983	-	983	-	1,052	-	1,052	-
Cash margin ^{1,2,3}	16,962	-	16,962	-	17,633	-	17,633	-
All-in sustaining costs per ounce of gold (CDN dollars) ^{1,3}	1,051	-	1,051	-	1,138	-	1,138	-
Production costs per tonne milled ¹	335	-	335	-	325	-	325	-
Capital expenditures	35,456	-	35,456	-	99,587	-	99,587	-

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

² YTD 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

³ YTD 2021 includes a charge of \$0.4 million for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.

Revenue

In FY 2021, the Kiena Mine generated \$36.6 million in pre-commercial gold sales revenue from the sale of 16,207 ounces.

Cost of sales

Cost of sales was \$19.6 million in FY 2021, which includes a \$3.3 million positive adjustment in ore stockpile and bullion inventory, resulting from inventory level changes as the mill commenced operations.

Cash cost and AISC of \$1,052 (US\$839) and \$1,138 (US\$908) are the result of mining the lower grade S-50 zone during the pre-commercial ramp up of operations. Once we transition to commercial production and begin stope production at the higher grade A Zone, the cash cost and AISC will be in accordance with the life of mine cash costs and AISC in the Preliminary Feasibility Study ("PFS").

Production Review, Q4 2021

During Q4 2021, we began to mine the higher grade A Zone. Kiena produced 16,929 pre-commercial ounces of gold, while processing 38,000 t at an average grade of 14.1 g/t and an overall recovery of 98.1%.

Financial Review, Q4 2021

Revenue

In Q4 2021, Kiena generated \$29.9 million in gold sales revenue from the sale of 13,207 ounces.

Cost of sales

Cost of sales was \$13.4 million in Q4 2021, which includes a \$0.5 million negative adjustment in ore stockpile and bullion inventory, resulting from inventory level changes.



Cash cost and AISC of \$983 (US\$780) and \$1,051 (US\$834) are the result of mining during the pre-commercial ramp up of operations. Once we transition to commercial production, the cash cost and AISC will be in accordance with the life of mine cash costs and AISC in the Preliminary Feasibility Study ("PFS").

EXPLORATION DRILLING AND DEVELOPMENT

Since the beginning of 2021, underground drilling has since refocused on expansion drilling, not only at the A Zone and VC Zone, but at other prospective targets within the mine area. As part of this exploration focus, initial drilling via seven underground drill rigs has already successfully expanded the size of known mineralized zones, with follow-up drilling expected to contribute to future resource updates.

As part of this initial exploration drilling, a new high grade zone has been discovered in the footwall of the Kiena Deep A Zone. The discovery of the new Footwall Zone was initially announced in March 2021. To date, the Footwall Zone is defined by gold mineralization located within a 50 m wide corridor adjacent to the footwall of A2 Zone. Gold mineralization is associated with quartz \pm visible gold veins that are spatially associated with amphibolite altered komatiite and basaltic komatiite units. In some areas, gold mineralization is also observed in deformed basalt and/or flow breccias present within ultramafic units. Similar to the Kiena Deep A Zone, gold mineralization is deformed by subsequent folding, shearing, and faulting.

It is interpreted that the Footwall Zone runs parallel to the A Zone and extends at least 300 m down plunge. Mineralization remains open laterally and down plunge.

Recent underground definition and exploration drilling at the Kiena Deep A Zones area has:

- Confirmed the A Zone continues down plunge along the basalt – ultramafic contact with drilling returning high grade from this continuous zone of mineralization
- Confirmed the Footwall Zone is comprised of three subparallel zones and one crosscutting zone that have now been extended over 300 metres down plunge. Mineralization remains open laterally and down plunge and additional drilling platforms are being established as the A Zone ramp progresses to provide for more optimal drilling distances and angles; and
- Confirmed the existence of lower grade stockwork veins within the hanging wall of the A Zones within the brecciated and altered basalt. These zones have the potential to be mined as access development in the hanging wall due to their proximity to the A Zones stoping area, and thereby having potential to be added to the resource base.
- These zones are generally located within 5 metres from the contact with the schist (A Zone) at a grade of 5 – 6 grams gold per tonne and an average thickness of 2 metres. Drilling is ongoing to better determine the extent of these zones.

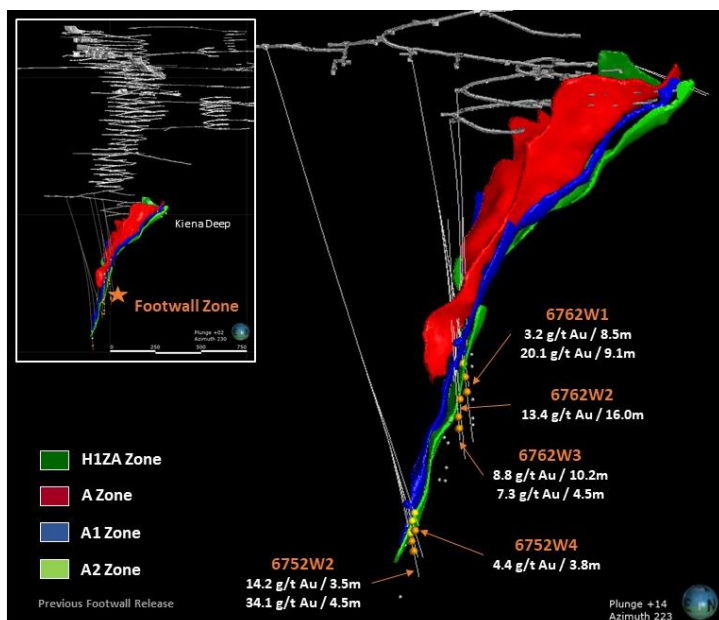
Highlights of the recent drilling are listed below.

- Hole 6796W3: 74.6 g/t Au over 30.0 m core length (24.8 g/t Au capped, 5.0 m true width) A1 Zone
- Hole 6752W9: 38.3 g/t Au over 37.3 m core length (18.2 g/t Au capped, 6.0 m true width) A Zone
- Hole 6752W8: 35.9 g/t Au over 30.3 m core length (27.0 g/t Au capped, 7.0 m true width) A Zone

All assays capped to 90.0 g/t Au. True widths are estimated based on 3D model construction.

The discovery of additional high grade gold mineralization within 50 m of the footwall of the A zone could have significant positive impacts on the resources, the ounces per vertical metre, and the overall project economics. This drilling highlights the potential to add ounces not only in this area but illustrates the untested potential of the entire gold system around the Kiena mine. This footwall zone will be one of the zones of focus for the continuing drilling.





Surface Exploration Drilling

Initial surface drilling has focused on the Presqu'île and Shawkey areas located northwest and southeast of the Kiena Mine, respectively. Since July 2021, two drills on barges have been testing the continuity of some gold anomalies in the Jacola Formation, which host the Kiena mine. In early September 2021, a third drill was added in the Shawkey area to follow up on historical gold anomalies and newly intersected mineralization.

Highlights of the recent drilling at Presqu'île and Shawkey zones are listed below.

- Hole PR-20-001: 1515.0 g/t Au over 0.5 m core length
- Hole PR-20-001: 23.1 g/t Au over 2.2 m core length
- Hole PR-21-008: 63.9 g/t Au over 0.9 m core length
- Hole SW-21-009: 20.80 g/t Au over 1.5 m core length
- Hole SW-21-013: 29.40 g/t Au over 1.1 m core length

The true widths of the intersections of the Presqu'île zones are believed to be of 70% or higher of the intersected length.

Previous drilling at the Presqu'île zones has defined a small near surface mineral resource (see press release dated December 15th, 2020). Eleven of the reported holes for this zone intersected gold mineralization and helped to define a steeply east-plunging trend. Future drilling will continue to test the extent of the mineralization which is near to an underground access at a vertical depth of 320 m below surface and approximately 450 m to the north.

The drilling in the Shawkey area was to follow up on gold anomalies in historical holes and explore untested areas along strike. Eight holes intersected a new zone called Bourgo which is perpendicular to the general northwest-southeast trend. It consists of quartz veins with very low sulphide content hosted in a komatiitic basalt unit. The northern orientation is similar to the orientation of the nearby Kiena Deep A Zones. Drilling is planned to improve the understanding of this area.

Drilling is currently behind schedule given the restrictions for COVID-19 protocols and shortage of available drillers due to the highly competitive market for skilled labour.

Mineral Reserve and Resource Estimates at Kiena

An independent PFS was announced on May 26, 2021. Based on the results of the PFS, the Board of Directors made a restart decision for the Kiena Complex to commence immediately after the release of the study. The

mine is projected to be in commercial production later in 2022 and is expected to produce between 64,000 ozs – 73,000 ozs. in 2022.

Mineral Reserves

Successful underground exploration at Kiena resulted in a 11% increase in the 2021 MI&I Resource (inclusive of Reserves) from the 2021 PFS MI&I Resource at a slightly lower grade on average. A greater portion of Measured and Indicated resources lead to a 8% increase of Reserves.

Current mineral reserves at Kiena as of December 31, 2021 are 651,000 ounces of gold from 1.8 Mt at an overall grade of 11.1 g/t Au.

Kiena Deep continues to show potential to add additional ounces in the resource base and additional ounces are planned for conversion to reserves with 2022 drilling, particularly at the Footwall Zone where an inferred resource has been defined.

The following tables summarize the mineral reserve and mineral resource estimates by zone as at December 31, 2021.

Kiena	December 31, 2021			May 31, 2021 Pre-Feasibility Study		
	Tonnes (000s)	Grade (g/t Au)	Contained ounces	Tonnes (000s)	Grade (g/t Au)	Contained ounces
S50	25	4.1	3,000	95	4.1	13,000
VC	2	8.9	1,000	-	-	-
Martin	58	4.3	8,000	92	4.0	12,000
Kiena Deep	1,743	11.4	639,000	1,387	13.0	577,000
Total	1,829	11.1	651,000	1,574	11.9	602,000

S50	Tonnes (000s)	Grade (g/t Au)	Contained ounces
Proven	18	4.3	2,000
Probable	7	3.5	1,000
Total	25	4.1	3,000

VC	Tonnes (000s)	Grade (g/t Au)	Contained ounces
Proven	0	0.0	0
Probable	2	8.9	1,000
Total	2	8.9	1,000

Martin	Tonnes (000s)	Grade (g/t Au)	Contained ounces
Proven	0	0.00	0
Probable	59	4.3	8,000
Total	59	4.3	8,000

Kiena Deep	Tonnes (000s)	Grade (g/t Au)	Contained ounces
Proven	53	16.2	28,000
Probable	1,690	11.3	611,000
Total	1,743	11.4	639,000

Kiena	Tonnes (000s)	Grade (g/t Au)	Contained ounces
Proven	71	13.2	30,000
Probable	1,758	11.0	621,000
Total	1,829	11.1	651,000

Notes:

1. Mineral reserves are founded on measured and indicated mineral resources with an effective date of December 31, 2021
2. The Qualified Person for the Mineral Reserves estimate as per NI 43-101 is Simon Fontaine P. Eng, Mining Engineer at Kiena Mine and employee of the Company
3. Mineral Reserves are reported using a 3.7 g/t Au cut off
4. Mineral Reserves demonstrated economic viability with the following parameters:
 - a. gold price of C\$1,820 (US\$1,400) per ounce for the Reserves, with a USD:CAD exchange rate of 1.3.
 - b. a 2.1 m minimum width,
 - c. 15% external dilution in the A Zone, H1ZA1, BZA1, BZA2, S50, and Martin, 12% external dilution in the VC Zone and 25% external dilution in the A1 and A2 Zones,
 - d. S50 considers a dilution grade of 0.7 g/t Au, all other zones consider 0.0 g/t Au dilution grade.
 - e. 90% mine recovery,
 - f. mining cost of C\$113.7/t,
 - g. milling cost of C\$40.3/t,
 - h. surface and G&A cost of C\$58.3/t,
 - i. selling cost of C\$ 1.59/t, and 97% metallurgical processing recovery for the S50, VC & Martin Zones and 98.5% for the Kiena Deep Zones
 - j. A bulk density factor of 2.8 tonnes per cubic m (t/m³)
5. Kiena Deep incorporates, Zone A, A1, A2, H1ZA, BZA1, BZA2
6. Mineral Reserves have been estimated in accordance with the Standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM")
7. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade, and metal content..

Mineral Resources



MINERAL RESOURCES (Exclusive of Mineral Reserves) (see notes)		December 31, 2021			December 31, 2020		
		Tonnes (000s)	Grade (g/t Au)	Contained ounces	Tonnes (000s)	Grade (g/t Au)	Contained ounces
KIENA	Measured	21	9.6	6,000	-	-	-
	Indicated	713	4.6	106,000	643	7.6	157,000
	Measured + Indicated	734	4.8	113,000	643	7.6	157,000
	Inferred	4,011	5.9	761,000	3,404	5.9	649,000

	Measured + Indicated			Inferred Resources		
	Tonnes (000s)	Grade (g/t Au)	Ounces	Tonnes (000s)	Grade (g/t Au)	Ounces
Kiena Deep	270	5.9	51,200	545	10.2	178,800
S50	101	4.2	13,600	84	3.7	10,000
VC	191	4.1	25,100	198	5.5	35,100
ZB	-	-	-	62	4.2	8,400
South Zones	56	3.9	7,000	169	4.0	21,600
Presquile	-	-	-	353	7.1	80,600
Dubuisson	-	-	-	735	6.5	153,000
Martin	166	4.2	15,800	95	4.4	13,300
North West	-	-	-	235	4.1	31,300
Wesdome	-	-	-	1,534	4.7	229,300
TOTAL	734	4.8	112,700	4,011	5.9	761,400

Notes:

1. The effective date of the estimate is December 31, 2021
2. The estimate was prepared by Karine Brousseau, P. Eng., Senior Engineer – Mineral Resources of the Company, who is a “Qualified Person” under NI 43-101
3. Mineral resources are reported exclusive of mineral reserves; mineral resources that are not mineral reserves do not have demonstrated economic viability
4. Mineral resources are considered for underground extraction and have been reported below a 100m crown pillar and within potentially mineable volumes without external dilution. Must take material inside these volumes below the stated block grade cut-off has been included in the total.
5. A bulk density factor of 2.8 tonnes per cubic m (t/m³) was applied
6. Resources have been reported considering mining progress as of December 31, 2021
7. Resources are reported using a 3.0 g/t Au cut-off grade
8. Economic parameters for the determination of the cut-off grade include:
 - a. a gold price of US\$1,500 per ounce, a USD/CAD exchange rate of 1.30 (resulting in C\$1,950 per ounce gold price);
 - b. mining cost C\$85.7/t milled;
 - c. processing cost C\$40.3/t;
 - d. G&A C\$58.3/t milled;
 - e. 98.5% mill recovery and
 - f. selling cost at C1.59\$/oz
9. Mineral resources are classified in accordance with CIM standards
10. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade, and metal content

Plans for 2022

- Total metres budgeted for 2022 range between 50,000 and 60,000 m for seven underground and 2 surface drill rigs, and surface exploration drilling of 30,000 m.
- Underground exploration drilling will be completed down plunge at the Kiena Deep A Zones and Footwall zones. An exploration drift is planned in the hanging wall of the A Zone to provide more optimal drilling platforms. Additional underground exploration will also be completed further to the east from the 33 level development to test a number of historic showings that warrant additional drilling.
- Surface drilling is planned east of Kiena near the Shawkey, Dubuisson and recently discovered Bourgo zone, and further to the north at the recently acquired Tarmac Project.

Tarmac Gold Property

Wesdome finalized the purchase of the Tarmac Gold Property (“**The Property**”) from Globex Mining Enterprises Inc. (“**Globex**”) on July 12, 2021 for \$1 million and a 1% Gross Metal Royalty. The Property consists of 6 claims covering 94 hectares located entirely within Wesdome’s Kiena Mine Complex and less than 2 kilometres northeast of the Kiena underground mine, all located beneath Lac De Montigny.

Moss Lake Project

On May 31, 2021, Wesdome closed the previously announced sale of the Moss Lake Project (“**Project**”) located in Ontario, Canada (the “**Transaction**”) with Goldshore Resources Inc. (“**Goldshore**”) Goldshore acquired all of Wesdome’s property, assets and rights related to Moss Lake and holds a 100% interest in Moss Lake. An after-tax gain on disposal of \$30.2 million has been recognized.

Under the terms of the Agreement, Wesdome will receive initial aggregate total consideration of \$57.1 million, which assumes the exercise of the royalty buyback, comprised of the following:

- \$12,500,000 in cash upon closing (received);
- 30,085,000 Goldshore common shares acquired through Wesdome’s wholly-owned subsidiary Moss Lake Gold Mines Ltd. (“**Moss Lake**”), having an initial aggregate value of \$19,600,000 (received) and representing 30% of the issued and outstanding common shares of Goldshore following completion of the Transaction on a non-diluted basis;



- \$20,000,000 in shares of Goldshore in the form of milestone payments consisting of:
 - Within 12 months from the closing date, such number of shares as is equal to \$5,000,000 divided by the greater of \$0.60 and the Volume-Weighted Average Price (“VWAP”) of Goldshore shares for twenty trading days prior to the date of issuance;
 - such number of shares as is equal to \$7,500,000 divided by the greater of \$0.60 and the VWAP of Goldshore shares for twenty trading days prior to the date of issuance upon the earlier of (i) Goldshore completing an updated PEA or pre-feasibility study; and (ii) 30 months from closing;
 - such number of shares as is equal to \$7,500,000 divided by the greater of \$0.60 and the VWAP of Goldshore shares for twenty trading days prior to the date of issuance 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% net smelter return royalty on all metal production from Moss Lake. Goldshore shall have the right to repurchase the net smelter return royalty for:
 - Within 30 months of closing, \$3,000,000 in cash and such number of shares as is equal to \$2,000,000 divided by the greater of \$0.60 and the VWAP of Goldshore shares for fifteen trading days prior to the date of issuance;
 - Between 30 – 48 months from closing, \$5,500,000 in cash and such number of shares as is equal to \$2,000,000 divided by the greater of \$0.60 and the VWAP of Goldshore shares for fifteen trading days prior to the date of issuance.

The royalty buyback rights shall expire if not exercised within 48 months of closing.

The Company has recorded the investment in Goldshore using the equity method. For FY 2021, a net loss of \$0.5 million has been recognized.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021, Wesdome had working capital of \$39.7 million compared to \$54.4 million at December 31, 2020. Cash and cash equivalents at December 31, 2021 was \$56.8 million as compared to \$63.5 million at the beginning of the year. An abbreviated cash flow statement is as follows:

In Millions (Canadian dollar)	FY 2021	FY 2020	Change
Eagle River			
Cash Margin ¹	\$127.7	\$119.3	8.5
Covid-19	0.0	(2.8)	2.8
Sustaining capital and mine exploration	(26.4)	(17.1)	(9.4)
Tailings management facility	(4.2)	(2.0)	(2.2)
Ventilation project	(2.6)	(3.7)	1.1
Capitalized exploration	(9.7)	(4.8)	(4.8)
Lease payments	(8.8)	(4.8)	(3.9)
	76.1	84.0	(7.9)
Kiena			
Cash Margin ¹	17.6	0.0	17.6
Investment in development, exploration & evaluation ²	(100.6)	(40.9)	(59.8)
	(83.0)	(40.9)	(42.2)
Corporate	(10.6)	(7.4)	(3.2)
Stock options exercised	5.2	2.8	2.4
Mining tax paid	(11.4)	(8.6)	(2.8)
Proceeds on disposal of Moss Lake mineral properties	11.8	0.0	11.8
Investment in marketable securities	(2.1)	0.0	(2.1)
Borrowings	0.0	(3.6)	3.6
Net change in working capital and other	7.3	1.4	5.9
Net increase in cash	(\$6.7)	\$27.8	(\$34.5)
Cash, beginning of period	\$63.5	\$35.7	
Cash, end of period	\$56.8	\$63.5	

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

² YTD 2021 investment is net of incidental gold sales credit of \$3.9 million from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.

Cash margin¹ for FY 2021 increased by 22% from FY 2020 primarily due to the increase in the number of ounces of gold sold, which includes 16,207 Kiena pre-commercial ounces; partially offset by a lower Canadian dollar realized gold price. The Company invested a total of \$112.8 million in the Kiena asset, Eagle River surface exploration, and the ventilation project in FY 2021 as compared to \$49.4 million in FY 2020. The capital spending has increased because of the restart of the Kiena Mine. The Kiena exploration program and restart has been fully funded internally.

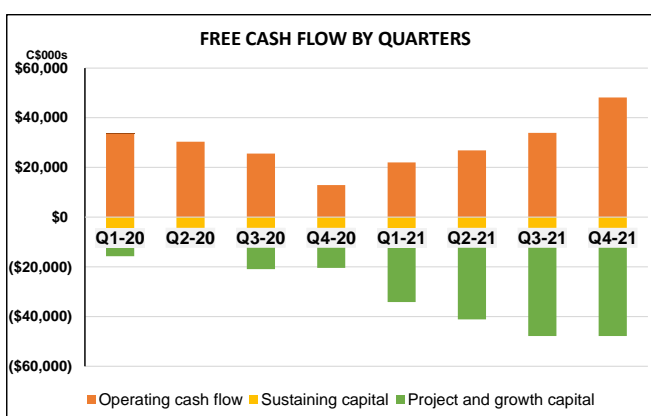
The following table identifies the significant movements in operating cash flow for the three months and the years ended December 31, 2021 and 2020 as follows:

In \$000s	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Operating cash flow, previous period	33,890	25,560	8,330	33%	102,292	71,163	31,129	44%
Increase (decrease) in cash margin from mine operations	12,305	(6,905)	19,210		26,104	28,350	(2,246)	
Decrease (increase) in other operating expenditures	(252)	(854)	602		(3,242)	(704)	(2,538)	
Mining and income tax recovery (payments)	(1,789)	(2,370)	581		(5,482)	(15,577)	10,095	
Covid-19	-	294	(294)		2,824	(2,824)	5,648	
Exploration credits refund	-	-	-		-	(2,867)	2,867	
Net change in working capital balances	5,088	(2,174)	7,262		8,131	26,041	(17,910)	
Other	(1,082)	(658)	(424)		331	(1,290)	1,621	
Net increase (decrease) in operating cash flows	14,270	(12,667)	26,937		28,666	31,129	(2,463)	(8)%
Operating cash flow, current period	48,160	12,893	35,267	274%	130,958	102,292	28,666	28%

Capital and exploration and evaluation expenditures incurred in FY 2021 totaled \$143.5 million as compared to \$68.4 million in FY 2020. The capital spending in FY 2021 increased primarily due to the restart of the Kiena mine. A breakdown of the capital expenditures for the three months and years ended December 31, 2021 and 2020 are as follows:

In \$000s	Q4 2021	Q4 2020	Change		FY 2021	FY 2020	Change	
Mining properties and plant and equipment								
Eagle River								
Capitalized exploration costs	2,915	1,936	979		9,652	7,841	1,811	
Sustaining mine development costs	5,523	3,050	2,473		20,348	11,988	8,360	
Mining equipment and infrastructure	1,956	843	1,113		6,072	2,044	4,028	
Tailings management facility	1,752	158	1,594		4,238	1,996	2,242	
Ventilation project	228	2,718	(2,490)		2,557	3,682	(1,125)	
	12,374	8,705	3,669		42,867	27,551	15,316	
Kiena								
Exploration equipment	-	279	(279)		-	405	(405)	
Additions to Mining properties	12,374	8,984	3,390	38%	42,867	27,956	14,911	53%
Mines under development and plant and equipment								
Capitalized mine development costs	5,353	-	5,353		17,525	-	17,525	
Mining equipment and infrastructure	30,103	-	30,103		58,812	-	58,812	
Additions to Mines under development	35,456	-	35,456		76,337	-	76,337	
Exploration and evaluation expenditures								
Kiena	-	11,397	(11,397)		24,250	40,396	(16,146)	
Moss Lake	-	9	(9)		17	84	(67)	
Additions to Exploration properties	-	11,406	(11,406)	(100)%	24,267	40,480	(16,213)	(40)%
Total capital investments	47,830	20,390	27,440	135%	143,471	68,436	75,035	110%

Free cash outflow¹ was \$21.3 million in FY 2021 compared to a cash inflow of \$29.0 million in FY 2020. The decrease in free cash flow¹ was mainly due to the increase in the capital spending to restart the Kiena operation; offset partially by the increased cash margin.



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 March 29, 2021, Wesdome extended the current maturity date of the \$45 million senior secured revolving credit facility ("**NBF Facility**"), led by National Bank Financial Inc. ("**NBF**") from September 27, 2022 to March 29, 2024. During FY 2021, 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 2.5% to 3.5% over NBF's Prime Rate or Base Rate, as applicable, (ii) Canadian dollar Bankers' Acceptances at acceptance fees ranging from 3.5% to 4.5%, and (iii) U.S. dollar LIBOR with interest rates ranging from 3.5% to 4.5% over LIBOR. Upon the anticipated discontinuance of the LIBOR benchmark rate, amounts drawn under the NBF Facility will incur interest based on the Secured Overnight Financing Rate ("**SOFR**") or an alternate benchmark rate. The actual spread or rate will be determined based on the Company's net leverage ratio (as defined). The NBF Facility is also available for letters of credit. At December 31, 2021 the entire \$45.0 million facility was available.

Leasing Facility

The Company currently has a leasing facility ("**C\$ Leasing Facility**") with a chartered Canadian bank and a leasing facility ("**US\$ Leasing Facility**") with a U.S. based leasing company. On June 28, 2021 the C\$ Leasing Facility was increased by \$7.0 million. As at December 31, 2021, \$11.6 million and US\$1.5 million was owing under the C\$ Leasing Facility and US\$ Leasing Facility, respectively.

Reclamation Bonds

The Company currently has an agreement with a financial institution whereby the financial institution has issued surety bonds, on an unsecured basis to satisfy the Company's reclamation obligations for the Eagle River Complex. During Q1 2020, the financial institution increased the surety bond for the Eagle River Complex by \$8.0 million. As at December 31, 2021, the total reclamation bonds issued to government environmental agencies amounted to \$16.6 million (December 31, 2020 - \$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 March 10, 2022, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	141,893
Common share purchase options	1,624
Deferred Share Units	371
Performance Share Units	255
Restricted Share Units	169

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at December 31, 2021:

In \$000s					
	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	40,093	\$40,093	-	-	-
Income and mining tax payable	5,490	5,490	-	-	-
Lease liabilities	15,251	8,215	4,750	2,286	-
Purchase commitments	39,292	39,292	-	-	-
Decommissioning provisions	25,452	-	-	-	25,452
	\$125,578	\$93,090	\$4,750	\$2,286	\$25,452

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	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Revenues per financial statements ¹	85,505	67,548	63,881	45,973	48,362	55,000	54,772	57,332	262,907	215,466
Silver revenue from mining operations	(95)	(69)	(79)	(39)	(40)	(47)	(48)	(37)	(282)	(172)
Gold revenue from mining operations (a)	85,410	67,479	63,802	45,934	48,322	54,953	54,724	57,295	262,625	215,294
Ounces of gold sold (b)	37,544	30,000	28,500	20,664	19,889	21,700	23,140	26,500	116,708	91,229
Average realized price gold sold CAD (c) = (a) ÷ (b)	2,275	2,249	2,239	2,223	2,430	2,532	2,365	2,162	2,250	2,360
Average 1 USD → CAD exchange rate (d)	1.2603	1.2600	1.2282	1.2660	1.3030	1.3321	1.3853	1.3449	1.2535	1.3415
Average realized price gold sold USD (c) ÷ (d)	1,805	1,785	1,823	1,756	1,865	1,901	1,707	1,608	1,795	1,759

¹ Q1 2021 and FY 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

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	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Cost of sales per financial statements ¹	45,945	39,636	29,774	30,264	30,483	30,487	26,826	37,590	145,619	125,386
Covid-19	-	-	-	-	(987)	(1,281)	(556)	-	-	(2,824)
Depletion and depreciation	(8,121)	(7,395)	(6,483)	(6,067)	(6,345)	(6,322)	(5,802)	(7,877)	(28,066)	(26,346)
Silver revenue from mining operations	(95)	(69)	(79)	(39)	(40)	(47)	(48)	(37)	(282)	(172)
Cash costs (a)	37,729	32,172	23,212	24,158	23,111	22,837	20,420	29,676	117,271	96,044
Ounces of gold sold ² (b)	37,544	30,000	28,500	22,457	19,889	21,700	23,140	26,500	118,501	91,229
Cash costs per ounce of gold sold (c) = (a) ÷ (b)	1,005	1,072	814	1,076	1,162	1,052	882	1,120	990	1,053
Average 1 USD → CAD exchange rate (d)	1.2603	1.2600	1.2282	1.2660	1.3030	1.3321	1.3853	1.3449	1.2535	1.3415
Cash costs per ounce of gold sold USD (c) ÷ (d)	797	851	663	850	892	790	637	833	789	785

¹ Q1 2021 and FY 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020.

² Q1 2021 and FY 2021 includes 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020.

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	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Cost of sales per financial statements ¹	45,945	39,636	29,774	30,264	30,483	30,487	26,826	37,590	145,619	125,386
Covid-19	-	-	-	-	(987)	(1,281)	(556)	-	-	(2,824)
Depletion and depreciation	(8,121)	(7,395)	(6,483)	(6,067)	(6,345)	(6,322)	(5,802)	(7,877)	(28,066)	(26,346)
Royalties	(1,078)	(1,038)	(1,296)	(984)	(925)	(952)	(1,111)	(1,025)	(4,396)	(4,013)
Inventory adjustments ¹	373	2,170	1,483	487	631	(43)	(774)	(215)	4,513	(401)
Mining and processing costs, before inventory adjustments (a)	37,119	33,373	23,478	23,700	22,857	21,889	18,583	28,473	117,670	91,802
Ore milled (tonnes) (b)	100,374	90,200	72,404	70,759	57,106	56,200	56,070	66,922	333,737	236,298
Production costs per tonne milled (a) ÷ (b)	370	370	324	335	400	389	331	425	353	389

¹ Q1 2021 and FY 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020.

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	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Gold revenue from mining operations ¹ (per above)	85,410	67,479	63,802	45,934	48,322	54,953	54,724	57,295	262,625	215,294
Cash costs ² (per above)	37,729	32,172	23,212	24,158	23,111	22,837	20,420	29,676	117,271	96,044
Cash margin	47,681	35,307	40,590	21,776	25,211	32,116	34,304	27,619	145,354	119,250
Per ounce of gold sold (Canadian dollar):										
Average realized price (a)	2,275	2,249	2,239	2,223	2,430	2,532	2,365	2,162	2,250	2,360
Cash costs (b)	1,005	1,072	814	1,076	1,162	1,052	882	1,120	990	1,053
Cash margin (a) – (b)	1,270	1,177	1,425	1,147	1,268	1,480	1,483	1,042	1,260	1,307

¹ Q1 2021 and FY 2021 excludes \$3.9 million of revenue from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The incidental revenue was credited against the cost of the Kiena exploration asset.

² Q1 2021 and YTD 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020.



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	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Cost of sales, per financial statements ¹	45,945	39,636	29,774	30,264	30,483	30,487	26,826	37,590	145,619	125,386
Covid-19	-	-	-	-	(987)	(1,281)	(556)	-	-	(2,824)
Depletion and depreciation	(8,121)	(7,395)	(6,483)	(6,067)	(6,345)	(6,322)	(5,802)	(7,877)	(28,066)	(26,346)
Silver revenue from mining operations	(95)	(69)	(79)	(39)	(40)	(47)	(48)	(37)	(282)	(172)
Cash costs	37,729	32,172	23,212	24,158	23,111	22,837	20,420	29,676	117,271	96,044
Sustaining mine exploration and development	5,523	4,390	5,470	4,965	3,471	2,480	4,299	4,765	20,348	15,015
Sustaining mine capital equipment	1,956	2,231	1,491	394	877	849	122	196	6,072	2,044
Tailings management facility	1,752	1,727	565	194	158	1,415	389	34	4,238	1,996
Corporate and general	2,817	2,565	2,841	2,391	2,231	1,371	1,805	1,971	10,614	7,378
Less: Corporate development	(258)	(116)	(129)	-	-	-	-	-	(503)	-
Payment of lease liabilities ²	3,502	1,876	1,884	1,516	1,316	1,322	1,152	1,057	8,778	4,847
All-in Sustaining costs (AISC) (a)	53,021	44,845	35,334	33,618	31,164	30,274	28,187	37,699	166,818	127,324
Ounces of gold sold ³ (b)	37,544	30,000	28,500	22,457	19,889	21,700	23,140	26,500	118,501	91,229
AISC (c) = (a) ÷ (b)	1,412	1,495	1,240	1,497	1,567	1,395	1,218	1,423	1,408	1,396
Average 1 USD → CAD exchange rate (d)	1.2603	1.2600	1.2282	1.2660	1.3030	1.3321	1.3853	1.3449	1.2535	1.3415
AISC USD (c) ÷ (d)	1,121	1,186	1,009	1,182	1,203	1,047	879	1,058	1,123	1,040

¹ Q1 2021 and YTD 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020.

² Q1 2021 and YTD 2021 includes 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020.

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	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Net cash provided by operating activities per financial statements ¹ (c)	48,160	33,890	26,875	22,033	12,893	25,560	30,348	33,491	130,958	102,292
Sustaining mine exploration and development	(5,523)	(4,390)	(5,470)	(4,965)	(3,471)	(2,480)	(4,299)	(4,765)	(20,348)	(15,015)
Sustaining mine capital equipment	(1,956)	(2,231)	(1,491)	(394)	(877)	(849)	(122)	(196)	(6,072)	(2,044)
Tailings management facility	(1,752)	(1,727)	(565)	(194)	(158)	(1,415)	(389)	(34)	(4,238)	(1,996)
Ventilation project	(228)	(1,482)	(13)	(834)	(2,718)	(964)	-	-	(2,557)	(3,682)
Capitalized development, exploration and evaluation expenditures ²	(5,353)	(6,666)	(16,857)	(11,899)	(11,406)	(13,962)	(5,958)	(9,154)	(40,775)	(40,480)
Exploration capital equipment	-	-	(1,347)	(696)	(279)	-	(70)	(56)	(2,043)	(405)
Mines under development capital equipment	(30,103)	(20,815)	(5,868)	-	-	-	-	-	(56,786)	-
Purchase of mineral properties	-	(1,000)	-	-	-	-	-	-	(1,000)	-
Surface exploration at Eagle River	(2,915)	(2,790)	(2,511)	(1,436)	(1,481)	(1,273)	(565)	(1,495)	(9,652)	(4,814)
Payment of lease liabilities	(3,502)	(1,876)	(1,884)	(1,516)	(1,316)	(1,322)	(1,152)	(1,057)	(8,778)	(4,847)
Free cash flows (a)	(3,172)	(9,087)	(9,131)	99	(8,813)	3,295	17,793	16,734	(21,291)	29,009
Weighted number of shares (000s) (b)	141,156	140,432	139,754	139,419	139,482	139,308	138,918	138,464	140,195	139,045
Per Share data										
Operating cash flow (c) ÷ (b)	0.34	0.24	0.19	0.16	0.09	0.18	0.22	0.24	0.93	0.74
Free cash flow (a) ÷ (b)	(0.02)	(0.06)	(0.07)	0.00	(0.06)	0.02	0.13	0.12	(0.15)	0.21

¹ Q1 2021 and YTD 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020.

² Q1 2021 and YTD 2021 investment is net of incidental gold sales credit of \$3.9 million from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021.

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	Q4 2021	Q3 2021 ¹	Q2 2021 ¹	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Net income per financial statements ²	24,762	14,486	84,937	7,103	8,491	14,614	16,097	11,513	131,288	50,715
Adjustments for:										
Gain on disposal of Moss Lake mineral properties	-	-	(34,330)	-	-	-	-	-	(34,330)	-
Impairment reversal of Kiena	-	-	(58,563)	-	-	-	-	-	(58,563)	-
Impairment of exploration properties	-	4,394	3,113	-	-	-	-	-	7,507	-
Total adjustments	-	4,394	(89,780)	-	-	-	-	-	(85,386)	-
Related income tax effect	-	(1,098)	18,441	-	-	-	-	-	17,343	-
Recognition of mining taxes	-	(374)	7,032	-	-	-	-	-	6,658	-
	-	2,922	(64,307)	-	-	-	-	-	(61,385)	-
Net income adjusted (a)	24,762	17,408	20,630	7,103	8,491	14,614	16,097	11,513	69,903	50,715
Weighted number of shares (000s) (b)	141,156	140,432	139,754	139,419	139,482	139,308	138,918	138,464	140,195	139,045
Per Share data										
Net adjusted income (a) ÷ (b)	0.18	0.12	0.15	0.05	0.06	0.10	0.12	0.08	0.50	0.36

¹ Q2 2021 and 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 Q2 2021 net income has decreased by \$2.9 million, which includes a \$1.5 million gain resulting from the mark-to-market of the share consideration receivable. Earnings per share for Q2 2021 changed from \$0.63 to \$0.61 per share. 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 Q1 2021 and FY 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The \$3.9 million of revenue from the Kiena bulk sample was excluded from revenue and credited against the cost of the Kiena exploration asset.



EBITDA

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

In 000s	Q4 2021	Q3 2021 ¹	Q2 2021 ¹	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2021	FY 2020
Net income per financial statements ²	24,762	14,486	84,937	7,103	8,491	14,614	16,097	11,513	131,288	50,715
Adjustments for:										
Mining and income tax expense	11,013	5,248	35,543	5,233	2,887	7,365	8,164	5,769	57,037	24,185
Depletion and depreciation	8,121	7,395	6,483	6,067	6,345	6,322	5,802	7,877	28,066	26,346
Non-recurring expenses (income)	-	4,394	(89,780)	-	-	-	-	-	(85,386)	-
Interest expense	339	325	271	259	294	263	284	255	1,194	1,096
EBITDA	44,235	31,848	37,454	18,662	18,017	28,564	30,347	25,414	132,199	102,342

¹ Q2 2021 and 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 Q2 2021 net income has decreased by \$2.9 million, which includes a \$1.5 million gain resulting from the mark-to-market of the share consideration receivable. Earnings per share for Q2 2021 changed from \$0.63 to \$0.61 per share. 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 Q1 2021 and FY 2021 includes a \$0.4 million charge for product inventory costs from the sale of 1,793 ounces of gold from the Kiena bulk sample, which was processed in Q4 2020 and sold in Q1 2021. The \$3.9 million of revenue from the Kiena bulk sample was excluded from revenue and credited against the cost of the Kiena exploration asset.

ACCOUNTING MATTERS

BASIS OF PRESENTATION

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

CRITICAL JUDGMENT IN APPLYING ACCOUNTING POLICIES

Exploration and evaluation expenditures

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Reserves and resources

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

Changes in the proven and probable reserves or measured, indicated and inferred mineral resources estimates may impact the carrying value of mining properties and equipment, depletion, impairment assessments and the timing of decommissioning and remediation obligations.

(ii) Depletion

Mining properties are depleted using the Units of Production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves.

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

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

(iii) *Provision for decommissioning obligations*

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

(iv) *Stock-based compensation*

The determination of the fair value of stock-based compensation is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate and is estimated based on historical forfeitures and expectations of future forfeitures, and is adjusted if the actual forfeiture rate differs from the expected rate.

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

(v) *Income taxes and deferred taxes*

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

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

(vi) *Recoverability of mining properties*

The Company's management reviews the carrying values of its mining properties on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining properties



depends on confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on life-of-mine ("**LOM**") plans in its assessments of economic recoverability and probability of future economic benefit. LOM plans provide an economic model to support the economic extraction of reserves and resources. A long-term LOM plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.

(vii) Inventory – ore stockpile

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

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

(viii) Provisions and contingent liabilities

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

CHANGE IN ACCOUNTING POLICY

Exploration and Evaluation Costs

The Company has revised its policy related to exploration and evaluation expenditures. Exploration costs will no longer be capitalized, until such point as the technical feasibility and commercial viability of the project have been determined. The Company believes expensing such costs as incurred is more reliable and relevant financial information. Exploration expenditures reflect the costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with sampling, mapping, diamond drilling and other work involved in searching for ore.

Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of developing mineral deposits identified through exploration or asset acquisition.

Evaluation expenditures include the cost of:

- (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,
- (ii) determining the optimal methods of extraction and metallurgical and treatment processes,
- (iii) studies related to surveying, transportation and infrastructure requirements,
- (iv) permitting activities, and

- (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

All expenditures relating to exploration and evaluation activities are expensed until technical feasibility and commercial viability have been determined by the Company. Costs incurred after determining that a project is technically feasible and commercially viable are capitalized as incurred under exploration properties until such time as the Company expects that mineral resources will be converted to mineral reserves within a reasonable period and mine development commences. Thereafter, accumulated exploration and evaluation costs for the project are tested for impairment and are reclassified to mines under development. Exploration and evaluation costs of abandoned properties are expensed in the period in which the project is abandoned.

As a result of the policy change, a write-down of \$10,303,000 has been recorded to reduce the carrying value of exploration assets. Changes in accounting policies are required to be applied retrospectively, therefore \$10,303,000 of exploration costs incurred prior to January 1, 2020 have been adjusted directly to opening retained earnings.

ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

The following new standards, and amendments to standards and interpretations, are effective for the first time for the annual periods beginning on or after January 1, 2021 and have been applied in preparing these condensed interim consolidated financial statements:

Property, Plant and Equipment- Proceeds Before Intended Use (Amendments to IAS 16)

The International Accounting Standards Board (IASB) has published 'Property, plant and equipment 'Proceeds Before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

Amendment to IAS 16 amends the standard to prohibit deducting from cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. Amendment to IAS 16 is effective for annual periods beginning on or after January 1, 2022. Early application is permitted. The Company adopted this standard early beginning from reporting periods on or after January 1, 2021. The early adoption of this standard resulted in revenue of \$36,620,000 and cost of sales of \$19,641,000 being recognized in the consolidated statements of income and comprehensive income for the year ended December 31, 2021.

New standards and interpretations not yet adopted

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 extent of the impact of adoption of this amendment has not yet been determined.

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



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

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

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

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments disclosures require the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and, b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Please refer to note 31 of the Company's financial statements for a discussion of the factors that affects Wesdome.

RELATED PARTY TRANSACTIONS

Key management of the Company are its Board of Directors and members of executive management. Key management personnel remuneration includes the following payments for the three months and the full year ended December 31, 2021 and 2020:

In 000s	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Salary and short-term employee benefits	\$ 830	\$ 736	\$ 4,833	\$ 4,880
Long-term benefits	15	12	60	53
Stock-based payments	474	442	2,255	2,449
	\$ 1,319	\$ 1,190	\$ 7,148	\$ 7,382

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high risk nature of its business which is the operation, exploration and development of mineral properties. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from those described in forward-looking information relating to the Company. Investors and prospective investors should give careful consideration to all of the information contained in this MD&A, including the risk factors set forth below. It should be noted that this list is not exhaustive and that other risk factors may apply, including risks described elsewhere herein, risks not currently known to the Company and risks that the Company currently deems immaterial. Any one or more of these risk factors could have a material adverse effect on the Company's business, results of operations, financial condition and the value of its securities.

Nature of Mineral Exploration

Subject to any future expansion or other development, production from existing operations at the Company's mines will typically decline over the life of the mine. As a result, the Company's ability to maintain its current production or increase its annual production and generate revenues therefrom will depend significantly upon the

Company's ability to discover or acquire and to successfully bring new mines into production and to expand reserves at existing mines. The exploration for and development of mineral deposits involves significant financial risks which even with a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a site. As a result, the Company cannot provide assurance that its exploration or development efforts will result in any new commercial mining operations or yield new mineral reserves to replace or expand current mineral reserves.

Mineral Resource and Mineral Reserve Estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve estimate is a function of the quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material effect in the future on the Company's financial position and results of operations.

The Company's gold production may fall below estimated levels as a result of mining accidents, adverse ground conditions, or as a result of other operational difficulties. In addition, production may be unexpectedly reduced if, during the course of mining, mineral grades are lower than expected, the physical or metallurgical characteristics of the minerals are less amenable than expected to mining or treatment, or dilution increases.

Safety, Health and Environmental Regulations

Safety, health and environmental legislation affects nearly all aspects of the Company's operations including exploration, mine development, working conditions, waste disposal, emission controls and protection of endangered and protected species. Compliance with safety, health and environmental legislation can require significant expenditures and failure to comply with such safety, health and environmental legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs resulting from contaminated properties, damages and the loss of important permits. Exposure to these liabilities arises not only from the Company's existing operations, but from operations that have been closed. The Company could also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurances that the Company will at all times be in compliance with all safety, health and environmental regulations or that steps to achieve compliance would not materially adversely affect the Company's business.

Safety, health and environmental laws and regulations are evolving in all jurisdictions where the Company has activities. The Company is not able to determine the specific impact that future changes in safety, health and environmental laws and regulations may have on its operations and activities, and its resulting financial position; however, the Company anticipates that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent safety, health and environmental regulation. For example, emissions standards are poised to become increasingly stringent. Further changes in safety, health and environmental laws, new information on existing safety, health and environmental conditions or other events, including legal proceedings based upon such conditions or an inability to obtain necessary permits, may require increased financial reserves or compliance expenditures or otherwise have a material adverse effect on the Company. Environmental and regulatory review is a long and complex process that can delay the opening, modification or expansion of a mine, extend decommissioning at a closed mine, or restrict areas where exploration activities may take place.

In 2018, Wesdome implemented a **"Fit For Duty Policy"** at its properties to better control drug and alcohol abuse. This policy apply to both the Company and the contractors employees.

Economic Conditions

General levels of economic activity and recessionary conditions may have an adverse impact on the Company's business.

Market events and conditions, including the deterioration of global economic conditions due to COVID-19 have caused significant volatility to commodity prices. The governments have introduced extensive financial packages to support individuals and businesses. Central banks have decreased their lending rates to almost zero and have announced extensive and direct lending to private corporations and financial companies. Various businesses may fail and there could be significant loan defaults. The impact to consumer and business confidence levels is not known at this time. There is a possibility of a world-wide recession.

The Company is monitoring the outbreak of the COVID-19 coronavirus. Current business disruptions could impact our suppliers which in turn could impact the operating results of the Company. Should the outbreak become more widespread, procurement of equipment, spare parts and supplies may be impacted. The normal operation and maintenance of the Company's assets may be halted or delayed and negatively impact the business, financial condition and results of operations of the Company.

The Company is also exposed to liquidity and various counterparty risks, including, but not limited to: (i) financial institutions that hold the Company's cash and cash equivalents; (ii) companies that have payables to the Company; (iii) the Company's insurance providers; (iv) the Company's lenders; (v) the Company's other banking counterparties; and (vi) companies that have received deposits from the Company for the future delivery of equipment and/or other operational inputs. The Company is also exposed to liquidity risks in meeting its capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favorable to the Company. As a result of this uncertainty, the Company's planned growth could either be adversely or positively impacted and the trading price of the Company's securities could either be adversely or positively affected.

Gold Price Volatility

The profitability of the Company's operations may be significantly affected by changes in the market price of gold. The economics of developing gold are affected by many factors, including the cost of operations, variations in the grade of ore mined and the price of gold. Depending on the price of gold, the Company may determine that it is impractical to commence or continue commercial production.

The price of gold fluctuates widely and is affected by numerous industry factors beyond the Company's control, such as the demand for precious metals, forward selling by producers and central bank sales and purchases of gold. Gold price is also affected by macro-economic factors, such as expectations for inflation, interest rates, the world supply of mineral commodities, the stability of currency exchange rates and global or regional political and economic situations. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political systems and developments. The price of gold has fluctuated widely in recent years, and future serious price declines could cause commercial production to be uneconomic.

Any significant drop in the price of gold adversely impacts the Company's revenues, profitability and cash flows. In addition, sustained low gold price may:

- (a) reduce production revenues as a result of cutbacks caused by the cessation of mining operations involving deposits or portions of deposits that have become uneconomic at the prevailing price of gold;
- (b) cause the cessation or deferral of new mining projects;
- (c) decrease the amount of capital available for exploration activities;

- (d) reduce existing reserves by removing ore from reserves that cannot be economically mined at prevailing prices; or
- (e) cause the write-off of an asset whose value is impaired by the low price of gold.

There can be no assurance that the price of gold will remain stable or that such prices will be at a level that will prove feasible to begin development of its properties, or commence or continue commercial production, as applicable.

Currency Fluctuations

Currency fluctuations may affect costs at the Company's operations. Gold is sold throughout the world based principally on the US dollar, however, the Company's reporting and functional currencies are the Canadian dollars. Any appreciation of the Canadian dollar against the US dollar could negatively affect the Company's profitability, cash flows and financial position.

Title Matters

The acquisition of title to mining claims and similar property interests is a detailed and time-consuming process. Title to and the area of mining claims and similar property interests may be disputed. The Company has investigated title to all of its material mineral properties and the Company believes that title to all of its material properties are in good standing; however, the foregoing should not be construed as a guarantee of title to those properties. Title to those properties may be affected by undisclosed and undetected defects. For example, certain properties may have been acquired in error from parties who did not possess transferable title, may be subject to prior unregistered agreements or transfers.

Community

The Company's goal at each of its operations is to hire as much as possible of its workforce, including management teams, directly from the local region in which the operation is located. In 2021, 75% of the Company's mine workforce is hired locally. Wesdome believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company works closely with neighbouring communities to develop alternative employment and business opportunities to help diversify local economies.

Aboriginal Rights and Duty to Consult

The Company operates and does exploration on properties, which are subject to Aboriginal rights or titles. The Company is committed to proactive and timely consultation with the Indigenous groups affected by its activities. Consultation has the potential to cause delays in making decisions or advancing new proposed projects. Further, there is no assurance that Indigenous groups will be supportive of the Company's activities following consultation. In Ontario, the Company is advised by the Provincial government as to the specific Indigenous groups the Company is required to consult with regarding its activities.

With respect to the Eagle River Complex, in 2014, the Company entered into a Memorandum of Understanding ("MOU") with Pic Mobert First Nation and in 2018 an MOU was signed with the Métis Nation of Ontario ("MNO"). In 2021, the MOU with MNO was renewed as a General Relationship Agreement. In 2020, the Company finalized an Exploration Agreement with Batchewana First Nation regarding exploration activities around the Eagle River Complex. On-going dialogue takes place between the Company and affected Indigenous groups.

The Company is advised by the Provincial government as to the specific Indigenous groups the Company is



required to consult with regarding its activities.

Mining Risks and Insurance

The business of mining is generally subject to numerous risks and hazards, including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations, cave-ins, flooding and periodic interruptions due to inclement or hazardous weather conditions at its existing locations in Northwestern Ontario and Val d'Or, Quebec. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's insurance will not cover all the potential risks associated with its operations. In addition, although certain risks are insurable, the Company may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance covering the full scope of environmental risks (including potential for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available within the industry on commercially acceptable terms. The Company carries insurance to protect against certain risks in such amounts as it considers adequate. Risks either not insured or for which there is limited insurance would include, but not limited to, environmental pollution, mine flooding or other hazards against which such companies cannot insure or against which they may elect not to insure. Losses from uninsured events may cause the Company to incur significant costs.

The activities of the Company are subject to a number of challenges over which the Company has little or no control, but that may delay production and negatively impact the Company's financial results, including: increases in energy, fuel and/or other production costs; higher insurance premiums; industrial accidents; labour disputes; shortages of skilled labour; contractor availability; unusual or unexpected geological or operating conditions; stope failures; cave-ins of underground workings; and failure of dams. If the Company's total production costs per ounce of gold rise above the market price of gold and remain so for any sustained period, the Company may experience losses and may curtail or suspend some or all its exploration, development and mining activities.

Reclamation and Mine Closure Costs

The Company has obtained approval for its closure plans for the Eagle River Mill, Eagle River Mine, the Mishi-Magnacon Complex (collectively, "**Eagle River Complex**") and the Kiena Mine and surrounding properties and has provided financial security to cover estimated rehabilitation and closure costs. In the event of any future expansion or alteration of a mine on Eagle River Complex property or Kiena, Wesdome would likely be required to amend its closure plans which may require the provision of additional security.

The ultimate timing of, and costs for, future removal and site restoration could differ from current estimates. The Company's estimates for this future liability are subject to change based on amendments to applicable laws and legislation, the nature of ongoing operations and technological innovations.

In addition, regulatory authorities in various jurisdictions require Wesdome to post financial assurances to secure, in whole or in part, future reclamation and restoration obligations in such jurisdictions. Changes to the amounts required, as well as the nature of the collateral to be provided, could significantly increase the Company's costs, making the maintenance and development of existing and new mines less economically feasible, and any capital resources Wesdome utilizes for this purpose will reduce the resources available for its other operations and commitments. Although the Company accrues for future closure costs, it does not necessarily fully reserve cash in respect of these obligations or otherwise fund these obligations in advance. As a result, the Company may have significant cash costs when it is required to close and restore mine sites.

Dilution to Common Shares

As of December 31, 2021, there were stock options outstanding to purchase 1,960,548 common shares in the



capital of the Company. The common shares issuable under these options, if fully exercised, would constitute approximately 1% of the Company's resulting share capital. The exercise of such options and the subsequent resale of such shares in the public market could affect the prevailing share market price and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional common shares and the Company may grant additional share purchase warrants and stock options.

The issuance of additional common shares from time to time may have a depressive effect on the price of the common shares of the Company. In addition, as a result of such additional common shares, the voting power of the Company's existing shareholders will be diluted.

Share Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price that would have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Additional Funding Requirements

Further exploration on, and development of, the Company's properties, will require additional capital. In addition, a positive production decision on any of the Company's development projects would require significant capital for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to either generate sufficient funds internally or to obtain financing through the joint venturing of projects, debt financing, equity financing or other means.

The Company does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Company on acceptable terms, or at all, for further exploration or development of its properties or projects, or to fulfill its obligations under any applicable agreements. Failure to obtain such additional funding or financing could result in the delay or indefinite postponement of the exploration and development of the Company's properties, with the possible dilution or loss of such interests.

Long Term Debt

The Company's ability to make scheduled payments on, or refinance its finance lease obligations, depends on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations.

Impairment of Assets

In accordance with IFRS, the Company capitalizes certain expenditures relating to its mineral projects. From time to time, the carrying amounts of mining properties and plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of

impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash generating unit level.

Events that could, in some circumstances, lead to an impairment include, but are not limited to, changes to gold price or cost assumptions, changes to Mineral Reserve or Mineral Resource grades or the Company's market capitalization being less than the carrying amounts of its mining properties and plant and equipment.

The assessment requires the use of estimates and assumptions such as, but not limited to, long-term gold prices, foreign exchange rates, discount rates, future capital requirements, Mineral Reserve and Mineral Resource estimates, operating performance as well as the definition of cash generating units. It is possible that the actual fair value could be significantly different from those assumptions, and changes in the assumptions will affect the recoverable amount. In the absence of any mitigating valuation factors, the Company's failure to achieve its valuation assumptions or a decline in the fair value of its cash generating units or other assets may, over time, result in impairment charges.

If the Company determines that an asset is impaired, the Company will charge against earnings any difference between the carrying amount of the assets and the estimated fair value less cost to sell those assets. Any such charges could have a material adverse effect on the Company's results of operations.

Reliance on Management

The Company is heavily reliant on the experience and expertise of its executive officers. If any of these individuals should cease to be available to manage the affairs of the Company, its activities and operations could be adversely affected.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities in its search for, and the acquisition of, mineral properties as well as the recruitment and retention of qualified employees with technical skills and experience in the mining industry. There can be no assurance that the Company will be able to compete successfully with others in acquiring mineral properties, obtaining adequate financing, and continuing to attract and retain skilled and experienced employees. Existing or future competition in the mining industry could materially adversely affect the Company's business and prospects for mineral exploration and success in the future.

Skilled Employees

Many of the projects undertaken by the Company rely on the availability of skilled labour and the capital outlays required to employ such labour. The Company employs full and part time employees, contractors and consultants to assist in executing operations and providing technical guidance. In the event of a skilled labour shortage, various projects of the Company may not become operational due to increased capital outlays associated with labour. Further, a skilled labour shortage could result in operational issues such as production shortfalls and higher mining costs.

Information Systems

Although the Company has not experienced any material losses to date relating to cyberattacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and

networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

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 Q4 2021.

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. Management used the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of the Company's internal controls for the year ended December 31, 2021. Based on this evaluation, management concluded that the Company's internal control over financial reporting was designed and operating effectively as at December 31, 2021 to provide reasonable assurance the financial information is recorded, processed, summarized and reported in a timely manner.

Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation. There have been no significant changes in our internal controls during the three months and year ended December 31, 2021 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 Jacqueline Wheeler, P. Eng, Director, Corporate Development and Technical Projects of Wesdome, and Michael Michaud, P. Geo., Vice President, Exploration of



Wesdome, both and a "**Qualified Persons**" as defined in NI 43-101.

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

INFORMATION CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

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

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

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

RISK FACTORS

Refer to the risk factors described in the Company's 2021 Annual Information Form filed on SEDAR at www.sedar.com.

