**PRESS RELEASE**

# WESDOME REPORTS 2012 FIRST QUARTER RESULTS

**Toronto, Ontario – May 14, 2012** – Wesdome Gold Mines Ltd (WDO: TSX) ("Wesdome" or the "Company") is pleased to report its unaudited financial and operating results from its Canadian operations for the first quarter ended March 31, 2012. This information should be read in conjunction with the Company's interim unaudited financial statements and Management's Discussion and Analysis for the first quarter ended March 31, 2012 which will be available for viewing on the Company's website at www.wesdome.com and on SEDAR (www.sedar.com). All figures are in Canadian dollars unless otherwise specified.

The Company owns and operates the Eagle River gold mining complex in Wawa, Ontario and the Kiena mine complex in Val d'Or, Quebec. During the first quarter of 2012, the Mishi mine in Wawa commenced commercial production. The Eagle River mine commenced commercial production January 1, 1996 and the Kiena mine on August 1, 2006.

The first quarter of 2012 highlights are as follows:

- **Production of 12,489 ounces**
- **New Mishi Mine enters production**
- **Eagle River 811 Zone traced to 1000m depth – still open**
- **New mine plan to cut Kiena costs 20%**
- **Cash and bullion at market $17.4 million**

Donovan Pollitt, President & CEO comments "Concrete steps to get Kiena back on track were implemented and are now showing results. Our new, internally-financed, Mishi Mine commenced production. We lost 15 days of milling at Eagle River and otherwise would have posted reasonable earnings in this challenging, transitional quarter. Earnings were flat despite the headwinds, which bodes very well for the rest of the year to come. Our development miners at Kiena put on a remarkable performance".

## OVERALL PERFORMANCE

At March 31, 2012, the Company had $6.2 million in working capital and 8,141 ounces of refined gold bullion in inventory. For the first three months of the year, revenue exceeded mining and processing costs by $3.0 million and $3.0 million in capital costs were incurred. Cash flow from operations totalled $1.8 million and net earnings were flat, or $0.00 per share.

The new Mishi Mine commenced production, Eagle River continued its steady performance and the Kiena Mine was in a development phase to assure steady production capacity from the second quarter onwards.

The first quarter is generally the most costly seasonally when winter weather increases energy consumption and snow removal costs. This year surface maintenance costs were further stretched by flooding associated with an ill-timed March spring breakup.

**RESULTS OF OPERATIONS**

| Three months ended March 31 | **2012** | 2011 |
|---|---|---|
| ***Eagle River Mine*** | | |
| Tonnes milled | **39,086** | 43,627 |
| Recovered grade (g/t) | **5.9** | 5.6 |
| Production (oz) | **7,454** | 7,787 |
| Sales (oz) | **9,000** | 9,000 |
| Bullion revenue ($000) | **15,338** | 12,481 |
| Mining and processing costs ($000) | **13,467** | 5,802 |
| Mine operating profit ($000) * | **1,871** | 6,679 |
| Gold price realized ($Cdn/oz) | **1,703** | 1,384 |
| ***Mishi Mine*** | | |
| Tonnes milled | **19,103** | - |
| Recovered grade (g/t) | **2.3** | - |
| Production (oz) | **1,382** | - |
| Sales (oz) | **-** | - |
| ***Kiena Mine Complex*** | | |
| Tonnes milled | **59,967** | 70,997 |
| Recovered grade (g/t) | **1.9** | 2.8 |
| Production (oz) | **3,653** | 6,442 |
| Sales (oz) | **4,000** | 8,000 |
| Bullion revenue ($000) | **6,707** | 11,113 |
| Mining and processing costs ($000) | **5,556** | 8,882 |
| Mine operating profit ($000) * | **1,151** | 2,231 |
| Gold price realized ($Cdn/oz) | **1,671** | 1,385 |
| ***Total*** | | |
| Production (oz) | **12,489** | 14,229 |
| Sales (oz) | **13,000** | 17,000 |
| Bullion inventory (oz) | **8,141** | 10,135 |
| Bullion revenue ($000) | **22,045** | 23,594 |
| Mining and processing costs ($000) | **19,023** | 14,684 |
| Mine operating profit ($000) * | **3,022** | 8,910 |
| Gold price realized ($Cdn/oz) | **1,692** | 1,384 |

* The Company has included in this report certain non-IFRS performance measures, including mine operating profit and mining and processing costs to applicable sales. These measures are not defined under IFRS and therefore should not be considered in isolation or as an alternative to or more meaningful than, net income(loss) or cash flow from operating activities as determined in accordance with IFRS as an indicator of our financial performance or liquidity. 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.

Mine operating profit excludes the following specific items included as operating expenses on the Consolidated Statements of Income: Depletion, Production royalties, Corporate and general, Share based compensation and Amortization of capital assets.

During the first quarter, combined operations produced 12,489 ounces of gold and 13,000 ounces were sold at an average price of $1,692 per ounce. The bullion inventory is carried at the lower of market value or cost. Its cost is determined using a weighted average cost per ounce of the mines. At the end of the current quarter, it is being carried at a market value of $13.6 million (8,141 ounces at $1,672 per ounce). This is due to the increasing cost per ounce at Kiena, as a result of the 40% decrease in gold production compared to the same period last year. This was also influenced by a development blitz during the first quarter to bring new production areas onstream, resulting in lower production levels during this process. The value of the bullion inventory currently recorded will be recognized as mining and processing costs in the second quarter when the gold is actually sold based on the first in, first out method used to account for inventory. The company currently holds its bullion inventory to take advantage of future gold price appreciation; however, current working capital requirements preclude the company from holding the inventory for longer than one quarter.

Mining and processing costs increased by 33% or $4.3 million in the current quarter compared to the same period last year, due to the fact that production in the fourth quarter in 2011 of 12,722 ounces was 40% less than production in the fourth quarter of 2010 of 21,512 ounces. The reason for the drop in production was decreasing grade in 2011 at both mines. With inventory costs remaining relatively stable throughout, the effect of this was to increase the inventory cost per ounce, resulting in the increased mining and processing costs that were recognized on the statement of income and comprehensive income once the bullion inventory was sold in the following quarter, due to the matching of expenses to their related revenues when bullion is sold.

In the first quarter, gold sales exceeded mining and processing costs, resulting in a mine operating profit, or gross margin, of $3.0 million. In addition to these direct operating costs, other costs, including royalties, corporate and general costs and net interest costs amounted to $1.2 million.

The combined Eagle River and Mishi mining and milling operations demonstrated good progress. Despite the mill being down for 15 days for scheduled and unscheduled maintenance, the operations combined to produce 8,836 ounces of gold. Mishi's first mill run returned an average recovered grade of 2.3 gAu/tonne and recoveries averaging 93%. A total of 600,000 tonnes of waste was stripped and the stockpile was maintained at over 20,000 tonnes. This is very good productivity at the early stage development of this mine, particularly under harsh winter conditions. Drilling continues to demonstrate that the gold mineralization extends both to the east and west of the initial 5-year pit outline (Press Release dated November 22, 2011).

At Eagle River, development grades in the 811 Zone appear to be improving at depth as expected. Chip samples for the deepest level to date (705 metres) averaged 15.82 gAu/tonne and muck samples averaged 11.23 gAu/tonne. We expect to develop down to 741 metres this year. As reported in a press release dated February 29, 2012, recent drilling has now traced this zone to 1,000 metres at depth where hole EU-639 encountered 59.67 gAu/tonne over a true width of 1.81 metres. The zone remains open at depth.

The Kiena Mine in Val d'Or remains our biggest challenge. As previously reported, 2011 production suffered from severe dilution and lost ore caused by the caving in two small stopes. Development of new stopes fell behind due to a tight skilled labour market, lack of advance and financial stress on a key contractor (Press Releases dated June 14, August 15 and November 7, 2011). This put us in a development catch-up position for the first quarter, 2012 (Press Release dated March 15, 2012). During the first quarter, lateral development totalled 1,070 metres versus a planned 820 metres. We now have two large stopes, including the 388 Zone, in production.

In late April, 2012, the Company announced the implementation of a new mining plan at Kiena (Press Release dated April 25, 2012). This involves 20% cost reductions, a mandate to improve grades and development of the Martin Zone. The new plan is to be implemented as of May 2, 2012, and involves workforce attrition of 10%, dropping from 3 underground diamond drills to 2, deferral of summer surface drilling, a re-organization of the production shift schedule and finally, a reduction of planned mill throughput to 20,000 tonnes per month from 30,000 tonnes per month. The goal of the plan is to reduce costs and improve grades. It does not sacrifice development and features more selective mining and development of the Martin Zone. Stabilizing the cost structure and ensuring a longer term view at Kiena is a priority for us.

Encouraging drill results were released from both the Martin Zone (Press Release dated March 2, 2012) and the Northwest Zone (Press Release dated March 5, 2012). These serve to underscore Kiena's exploration potential and motivate management to develop a long term sustainable development and mining plan.

**LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2012, the Company had working capital of $6.2 million compared to $7.2 million at December 31, 2011. During the first quarter, 2012, capital expenditures totalled $3.0 million compared to $3.8 million in the first quarter, 2011.

The Company traditionally maintains an inventory of refined gold bullion. At March 31, 2012, this liquid asset consisted of 8,141 ounces of gold with a market value of $13.6 million.

On April 30, 2012, the Company announced its intention to issue an offering of convertible debentures for a principal amount of $7.0 million. These will bear interest at 7% per annum payable semi-annually and will be convertible into common shares at $2.50 per share.

Proceeds of this offering will be used to help redeem the existing debenture principal of $10.9 million, maturing May 31, 2012.

Management believes we have sufficient liquidity to carry out our mining, development and exploration programs and prefers not to dilute shareholders' interest with equity issues.

**OUTLOOK**

The Eagle River and Mishi operations are on track and offer significant flexibility in milling schedules. Kiena production, under the new plan, will be reduced to closer to 20,000 ounces. Our initial production forecast of 60,000 ounces in 2012 is most influenced by Eagle River grades which are demonstrating improvement. At this point we feel our Eagle River and Mishi operations have sufficient flexibility to meet, or exceed, forecasts.

**ABOUT WESDOME**

Wesdome is celebrating its 25th year of continuous mining operations in Canada. It currently has three producing gold mines with wholly-owned mining and milling complexes located in Wawa, Ontario and Val d'Or, Québec. The Company has 101.9 million shares issued and outstanding and trades on the Toronto Stock Exchange under the symbol "WDO".

**For further information, please contact:**


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

## Wesdome Gold Mines Ltd.
## Condensed Interim Consolidated Statements of Financial Position
(Unaudited, expressed in thousands of Canadian dollars)

| | March 31 2012 | December 31 2011 |
|---|---|---|
| **Assets** | | |
| Current | | |
| Cash | **$ 3,846** | $ 5,215 |
| Receivables | **6,639** | 7,337 |
| Inventory | **16,576** | 15,271 |
| | **27,061** | 27,823 |
| Restricted funds | **2,055** | 2,385 |
| Deferred income taxes | **565** | 615 |
| Mining properties and equipment | **91,194** | 90,114 |
| Exploration properties | **30,892** | 30,886 |
| | **$ 151,767** | $ 151,823 |
| **Liabilities** | | |
| Current | | |
| Payables and accruals | **$ 9,131** | $ 8,944 |
| Current portion of obligations under finance leases | **864** | 913 |
| Convertible 7% debentures | **10,880** | 10,726 |
| | **20,875** | 20,583 |
| Income taxes payable | **22** | 22 |
| Obligations under finance leases | **612** | 818 |
| Provisions | **1,607** | 1,593 |
| | **23,116** | 23,016 |
| **Equity** | | |
| Equity attributable to owners of the Company | | |
| Capital stock | **122,668** | 122,685 |
| Contributed surplus | **2,087** | 1,960 |
| Equity component of convertible debentures | **1,970** | 1,970 |
| Retained earnings | **1,358** | 1,585 |
| | **128,083** | 128,200 |
| Non-controlling interest | **568** | 607 |
| Total equity | **128,651** | 128,807 |
| | **$ 151,767** | $ 151,823 |

# Wesdome Gold Mines Ltd.
# Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited, expressed in thousands of Canadian dollars)

| Three months ended March 31 | | 2012 | | 2011 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Gold and silver bullion | $ | **22,045** | $ | 23,594 |
| **Operating expenses** | | | | |
| Mining and processing | | **19,023** | | 14,684 |
| Depletion of mining properties | | **1,879** | | 1,868 |
| Production royalties | | **230** | | 210 |
| Corporate and general | | **682** | | 728 |
| Share based compensation | | **173** | | 217 |
| | | **21,987** | | 17,707 |
| Income from operations | | **58** | | 5,887 |
| Interest and other income | | **89** | | 103 |
| Interest on long term debt | | **(376)** | | (389) |
| Other interest | | **(15)** | | (1,182) |
| Accretion of decommissioning liability | | **(14)** | | (15) |
| Income (loss) before income tax | | **(258)** | | 4,404 |
| Income tax expense (recovery) | | | | |
| Current | | **-** | | 307 |
| Deferred | | **50** | | 1,643 |
| | | **50** | | 1,950 |
| Net income (loss) | | **(308)** | | 2,454 |
| Total comprehensive income (loss) | $ | **(308)** | $ | 2,454 |
| Net income (loss) attributable to: | | | | |
| Non-controlling interest | $ | **(39)** | $ | (43) |
| Owners of the Company | | **(269)** | | 2,497 |
| | $ | **(308)** | $ | 2,454 |
| Total comprehensive income (loss) attributable to: | | | | |
| Non-controlling interest | $ | **(39)** | $ | (43) |
| Owners of the Company | | **(269)** | | 2,497 |
| | $ | **(308)** | $ | 2,454 |
| Earnings (loss) and comprehensive earnings (loss) per share | | | | |
| Basic | $ | **0.00** | $ | 0.02 |
| Diluted | $ | **0.00** | $ | 0.02 |

# Wesdome Gold Mines Ltd.
## Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, expressed in thousands of Canadian dollars)

| Three months ended March 31 | 2012 | 2011 |
|---|---|---|
| **Operating activities** | | |
| Net income (loss) | **$ (308)** | $ 2,454 |
| Depletion of mining properties | **1,879** | 1,868 |
| Accretion of discount on convertible debentures | **154** | 158 |
| Share based compensation | **173** | 217 |
| Deferred income taxes | **50** | 1,643 |
| Interest paid | **222** | 1,009 |
| Accretion of decommissioning liability | **14** | 15 |
| | **2,184** | 7,364 |
| Net changes in non-cash working capital | **(413)** | 128 |
| | **1,771** | 7,492 |
| **Financing activities** | | |
| Exercise of options | **-** | 325 |
| Shares issued by a subsidiary of the Company to third parties | **-** | 10 |
| Funds paid to repurchase common shares under NCIB | **(21)** | - |
| Repayment of obligations under finance leases | **(255)** | (342) |
| Interest paid | **(222)** | (1,009) |
| | **(498)** | (1,016) |
| **Investing activities** | | |
| Additions to mining and exploration properties | **(2,965)** | (3,846) |
| Funds held against standby letters of credit | **330** | (104) |
| | **(2,635)** | (3,950) |
| Net changes in non-cash working capital | **(7)** | 408 |
| | **(2,642)** | (3,542) |
| Increase (decrease) in cash | **(1,369)** | 2,934 |
| Cash, beginning of period | **5,215** | 22,806 |
| Cash, end of period | **$ 3,846** | $ 25,740 |