



PRESS RELEASE

2006 SECOND QUARTER RESULTS

HIGHLIGHTS

Production Statistics	Three Months Ended June 30		Six Months Ended June 30		Financial Results	Three Months Ended June 30		Five Months Ended June 30	
	2006	2005⁽¹⁾	2006	2005⁽¹⁾	\$ x 000 or \$ Per Share	2006	2005⁽¹⁾	2006	2005^(1,2)
Ounces Produced	12,500	12,100	18,800	27,400	Revenue	6,336	8,380	10,514	16,239
Ounces Sold	8,700	15,800	15,200	30,800	Net loss	713	3,521	2,718	5,444
Tonnes Milled	35,200	56,400	58,100	116,400	Loss Per Share	0.01	0.09	0.04	0.13
Recovered Grade (g/t)	11.0	6.7	10.0	7.3	Cash Flow	985	(1,483)	419	(1,844)
					Cash Flow Per Share	0.01	(0.03)	0.01	(0.04)
		June 30, 2006		December 31, 2005	Gold Price Realized (\$Cdn/oz)	704	532	677	527
Broken Ore Inventory (tonnes) ⁽³⁾		12,862		22,929	Site Cash Cost (\$Cdn/oz)	502	614	594	567

(1) Note that 2005 is data from River Gold Mines Ltd, not Wesdome Gold Mines Inc. This compares operations at the Eagle River Mine in 2005 with operations at the Eagle River Mine in 2006.

(2) Note that 2005 is for Six Months Ended June 30.

(3) Eagle River Mine only.

Toronto, Ontario, August 16, 2006 - As the gold price rises, so does the level of activity at Wesdome's mines and projects. Having completed the River-Wesdome merger and a major financing in the first quarter, we rolled up our sleeves and concentrated on mine building and operations.

In Wawa, the Eagle River mine produced 12,500 ounces of gold from 35,200 tonnes of ore at a recovered grade of 11.0 gAu/tonne in the second quarter. The mine has now generated positive cash flow from operating activities for four consecutive quarters since the implementation of a plan to streamline operations in the second half of 2005. Furthermore, in light of improved gold prices, surface mining at Mishi will be reactivated and a review of the underground potential here has been initiated. As part of this, a surface drilling program has started that will test potential extensions of mineralization at Mishi and test targets in the vicinity of the Eagle River mine.

In Val d'Or, pre-production development and construction activity was fast-tracked and we are pleased to announce that the mill started up on July 24 and commercial production began on August 1. Production will ramp up over the next few months as development and production schedules find their rhythm.

We are impressed with the strength in the gold market and believe it will continue to improve appreciably. Gold sales averaged Cdn\$537 per ounce in 2005, Cdn\$641 per ounce in the first quarter 2006 and Cdn\$704 per ounce in the second quarter 2006. It is certainly an opportune time to be bringing new production on stream.

The Company is in good financial shape with working capital of \$11.6 million at June 30, 2006 and no debt. Eagle River is producing steadily and profitably. Kiena production will ramp up over the next few months with 20,000 ounces forecast for the remainder of the year. Consolidated production for 2006 remains forecast at 55,000 ounces. Wesdome's production for 2007 will increase at least 50% as a full year's production from Kiena is realized. The Company believes the fundamentals underlying the gold market have never looked better, is accumulating bullion and predicts further increases in the Canadian dollar gold price.

Wesdome is a growing Canadian gold mining company with mining and milling operations and large strategic land positions in Wawa, Ontario and Val d'Or, Quebec. Wesdome is debt-free and unhedged. Wesdome shares trade on the TSX under the symbol "WDO" and has 90 million shares issued and outstanding.

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Wesdome Gold Mines Ltd.
(Formerly Wesdome Gold Mines Inc.)
Consolidated Balance Sheets
(Unaudited)

	June 30 2006	Dec 31 2005 (Audited)
Assets		
Current		
Cash	\$ 11,102,319	\$ 127,767
Term deposits	36,310	32,448
Gold bullion	4,271,864	-
Receivables	4,778,994	3,991,343
Supplies and other	<u>1,119,062</u>	<u>-</u>
	21,308,549	4,151,558
Funds held against letters of guarantee	2,437,942	671,215
Capital assets	4,280,233	1,738,704
Mining properties	15,733,302	-
Exploration properties	<u>51,060,950</u>	<u>40,928,196</u>
	\$ <u>94,820,976</u>	\$ <u>47,489,673</u>
Liabilities		
Current		
Payables and accruals	\$ 9,043,329	\$ 2,808,720
Current portion of obligations under capital leases	<u>683,777</u>	<u>-</u>
	9,727,106	2,808,720
Obligations under capital leases	839,655	-
Reclamation obligation	979,500	354,000
Future income taxes	<u>3,220,000</u>	<u>3,220,000</u>
	<u>14,766,261</u>	<u>6,382,720</u>
Minority interest in Moss Lake Gold Mines Ltd.	<u>14,443</u>	<u>-</u>
Shareholders' Equity		
Capital stock	82,619,099	42,204,970
Common share purchase warrants	962,828	749,328
Contributed surplus	1,944,281	920,549
Deficit	<u>(5,485,936)</u>	<u>(2,767,894)</u>
	<u>80,040,272</u>	<u>41,106,953</u>
	\$ <u>94,820,976</u>	\$ <u>47,489,673</u>

The external auditors have not reviewed these interim consolidated financial statements.

Wesdome Gold Mines Ltd.
(Formerly Wesdome Gold Mines Inc.)
Interim Consolidated Statements of Operations and Deficit
(Unaudited)

	Six Months Ended June 30		Three Months Ended June 30	
	2006	2005	2006	2005
Revenue				
Gold and silver bullion	\$ 10,373,671	\$ -	\$ 6,205,948	\$ -
Interest and other	<u>140,109</u>	<u>51,365</u>	<u>130,215</u>	<u>25,332</u>
	<u>10,513,780</u>	<u>51,365</u>	<u>6,336,163</u>	<u>25,332</u>
Costs and expenses				
Operating costs	6,269,252	-	3,186,719	-
Development costs	2,167,351	-	1,176,845	-
Amortization of mining properties	2,565,788	-	1,181,162	-
Production royalties	247,577	-	174,836	-
Corporate and general	1,314,682	432,948	735,805	275,134
Stock compensation expense	581,419	154,784	548,897	49,548
Interest on long-term debt	44,964	-	28,867	-
Other interest	64,833	-	47,853	-
Amortization of office equipment	5,804	6,600	2,902	3,300
Accretion of reclamation obligation	<u>26,917</u>	<u>13,000</u>	<u>14,750</u>	<u>6,500</u>
	<u>13,288,587</u>	<u>607,332</u>	<u>7,098,636</u>	<u>334,482</u>
Loss before the following	(2,774,807)	(555,967)	(762,473)	(309,150)
Minority interest	<u>56,766</u>	-	<u>49,041</u>	-
Net loss	(2,718,041)	(555,967)	(713,432)	(309,150)
Deficit, beginning of period	<u>(2,767,895)</u>	<u>(1,490,375)</u>	<u>(4,772,504)</u>	<u>(1,737,192)</u>
Deficit, end of period	\$ <u>(5,485,936)</u>	\$ <u>(2,046,342)</u>	\$ <u>(5,485,936)</u>	\$ <u>(2,046,342)</u>
Loss per common share				
Basic and diluted	\$ <u>(0.04)</u>	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>

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Wesdome Gold Mines Ltd.
(Formerly Wesdome Gold Mines Inc.)
Interim Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30		Three Months Ended June 30	
	2006	2005	2006	2005
Increase (decrease) in cash and cash equivalents				
Operating activities				
Net loss	\$ (2,718,041)	\$ (555,967)	\$ (713,431)	\$ (309,150)
Amortization of mining properties	2,565,788	-	1,181,162	-
Loan interest paid with issuance of shares	14,201	-	-	-
Minority interest	(56,766)	-	(49,042)	-
Stock compensation expense	581,419	154,784	548,897	49,548
Amortization of office equipment	5,804	6,600	2,902	3,300
Accretion of reclamation obligation	26,917	13,000	14,750	6,500
	<u>419,322</u>	<u>(381,583)</u>	<u>985,238</u>	<u>(249,802)</u>
Net changes in non-cash working capital	<u>(116,575)</u>	<u>(42,695)</u>	<u>(391,313)</u>	<u>44,193</u>
	<u>302,747</u>	<u>(424,278)</u>	<u>593,925</u>	<u>(205,609)</u>
Financing activities				
Common shares and warrants issued, net of costs	19,163,685	-	903,049	-
Loan from Western Québec Mines Inc.	1,800,000	-	-	-
Exercise of options	261,000	-	66,000	-
Exercise common share purchase warrants	55,536	-	55,536	-
Exercise of warrants	751,254	-	190,327	-
Repayment of obligations under capital leases	131,746	-	263,722	-
	<u>22,163,221</u>	<u>-</u>	<u>1,478,634</u>	<u>-</u>
Net changes in non-cash working capital	<u>36,859</u>	<u>126,000</u>	<u>(150,391)</u>	<u>-</u>
	<u>22,200,080</u>	<u>126,000</u>	<u>1,328,243</u>	<u>-</u>
Investing activities				
Mining and exploration properties	(7,885,513)	(4,976,072)	(5,229,990)	(4,032,575)
Cash acquired upon amalgamation	303,361	-	-	-
Transaction costs	(599,702)	-	-	-
Capital assets	(2,547,333)	(59,272)	(2,524,954)	(40,767)
Proceeds on disposal of capital assets	-	320,750	-	320,750
Funds held against letters of guarantee	(10,798)	-	(10,798)	-
	<u>(10,739,985)</u>	<u>(4,714,594)</u>	<u>(7,765,742)</u>	<u>(3,752,592)</u>
Net changes in non-cash working capital	<u>(784,428)</u>	<u>(292,322)</u>	<u>(1,316,308)</u>	<u>101,413</u>
	<u>(11,524,413)</u>	<u>(5,006,916)</u>	<u>(9,082,050)</u>	<u>(3,651,179)</u>
Net increase (decrease) in cash and cash equivalents	10,978,414	(5,305,194)	(7,159,882)	(3,856,788)
Cash and cash equivalents, beginning of period	<u>160,215</u>	<u>6,801,922</u>	<u>18,298,511</u>	<u>5,353,516</u>
Cash and cash equivalents, end of period	\$ <u>11,138,629</u>	\$ <u>1,496,728</u>	\$ <u>11,138,629</u>	\$ <u>1,496,728</u>

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