



**WESDOME GOLD MINES LTD.**

**PRESS RELEASE**

**2006 YEAR END RESULTS**

April 5, 2007

**OPERATING HIGHLIGHTS**

***Eagle River Mine***

	Three Months to Dec 31, 2006	Eleven Months to Dec 31, 2006	Twelve Months to Dec 31, 2006
Tonnes milled	36,200	125,400	135,100
Recovered grade (g/t)	8.9	9.9	10.1
Ounces produced	10,385	40,001	43,669
Ounces sold	9,500	38,600	42,600
Bullion inventory (oz)	5,086	5,086	5,086
Bullion revenue (\$x1000)	6,744	26,644	
- Operating + development costs (\$x1000)	5,985	21,724	
Mine operating profit	759	4,920	
Gold price realized (\$Cdn/oz)	710	663	

***Kiena Mine Complex***

	Three Months to Dec 31, 2006	Five Months to Dec 31, 2006
Tonnes milled	50,700	94,200
Recovered grade (g/t)	2.9	3.1
Ounces produced	7,500	9,300
Ounces sold	5,400	6,100
Bullion inventory (oz)	2,705	2,705
Gold in process (oz)	500	500
Bullion revenue (\$x1000)	3,790	4,269
- Operating + development costs (\$x1000)	5,165	8,248
Mine operating loss	1,375	3,979
Gold price realized (\$Cdn/oz)	702	700

The Company owns the Eagle River gold mining operations in Wawa, Ontario and the Kiena Mining Complex in Val d'Or, Quebec. The Eagle River mine has been operating since 1996 and completed its first full year of production since operations were scaled down in late 2005. The Kiena mine was in pre-production development stage until August 1, 2006 when commercial production commenced.

As previously released, (see February 27, 2007 press release), the Company's proven and probable reserves increased year over year, net of production. Reserves increased dramatically from 78,000 ounces to 218,000 ounces.

Since the February 1, 2006 merger, bullion revenue totalled \$30.9 million from 46,300 ounces sold at an average price of Cdn\$668 per ounce. In addition to the ounces sold, some 7,800 ounces of gold remained unsold and are carried at December 31, 2006 market value of \$740 per ounce, or \$5.8 million, as gold bullion on the balance sheet. Revenue for this gold will be recognized in the fiscal period in which it is sold.

For combined operations, the costs of sales totalled \$29.9 million resulting in a gross profit, or mine operating profit of \$1.0 million, or about \$20 per ounce.

The Eagle River mine generated a mine operating profit of \$4.9 million over the eleven month period, while Kiena generated a mine operating loss of \$3.9 million over the five month period since production commenced. Eagle River production exceeded forecasts. However, production at Kiena was below forecast as both throughput and grades were lower due to the mining sequence and mechanical availability of equipment. This slow start-up is expected to ease as higher grade stopes come onstream, new equipment is delivered and ongoing development provides more flexibility in the mine plan.

Capital costs for the Company totalled \$22.5 million, including \$12.4 million for Kiena prior to production and \$5.6 million subsequently. \$2.0 million of the \$22.5 million capital costs were financed through mining equipment leases which will be paid in subsequent periods. Eagle River incurred \$4.5 million in capital expenditures with major items including mill tailings pond expansion, equipment and underground development.

At year end, the Company had working capital of \$9.4 million. From an operating view, cash operating costs exceeded revenues by \$0.79 million. The net loss of \$9.5 million was essentially composed of non-cash items plus the \$0.79 million. The Company's cash flow from operations was negative \$0.8 million primarily as a result of a slow start-up at Kiena.

## **OUTLOOK**

Capital cost estimates to maintain and increase capacity in 2007 include \$8.5 million in capital expenditures on equipment and development at Kiena and \$5.3 million in development and infrastructure at Eagle River. At Eagle River operating activities are expected to fund commitments for the first half of the year. During the second half of the year, production will decrease as investment in developing the west end of the mine continues. This investment will put Eagle River in shape to maintain or increase capacity through mid 2009.

At Kiena, the first half of 2007 will be slow as we continue production from low grade stopes and invest in development. The second half will be much stronger. In particular, installation of track on the 520 metre haulage drift during the VC zone fill cycle will result in millfeed from primarily lower grade stopes from May to July. Production for the first 6 months will total about 16,000

ounces, or about 2,700 ounces per month, while production in the second half will total 24,000 ounces, or about 4,000 ounces per month. In total, 338,000 tonnes at 3.90 gAu/tonne is forecast to be milled producing 40,000 ounces for the year.

In 2007, Kiena is forecast to generate revenues of \$29 million and incur operating costs of \$26.1 million at a gold price of CDN\$690 per ounce.

A review of the operating budget, mine plan and capital investment schedule at Kiena for 2008 and beyond is currently in progress.

In summary, we are currently forecasting approximately 70,000 ounces of production in 2007, with 30,000 ounces from Eagle River and 40,000 ounces from Kiena. At Kiena, the first half will be slow as we continue production from low grade stopes and invest in development. The second half will be stronger. At Eagle River the first half will be strong and the second half will involve a net investment to develop the high grade 808 and 811 zones in the west end of the mine. These areas remain open at depth and will provide production until at least mid-2009.

We continue to forecast a very strong 2008 with full-year above average grade production from both mines.

Wesdome Gold Mines Ltd. is an established Canadian gold producer with mining operations and development projects in Wawa, Ontario and Val d'Or, Quebec. The Company has 90.5 million shares issued and trades on the TSX Exchange under the symbol "WDO".

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**Wesdome Gold Mines Ltd.**  
**Consolidated Balance Sheets**

December 31 2006 2005

**Assets**

Current

Cash and cash equivalents	\$ 5,262,530	\$ 127,767
Term deposits	47,721	32,448
Gold bullion	5,796,006	-
Receivables	9,301,938	3,991,343
Supplies and other	1,225,928	-
	<b>21,634,123</b>	<b>4,151,558</b>

Funds held against letters of guarantee	2,477,075	671,215
Capital assets	12,428	1,738,704
Mining properties	53,012,950	-
Exploration properties	17,259,661	38,120,720
Property held for sale	1,828,105	2,807,476

**\$ 96,224,342** **\$ 47,489,673**

**Liabilities**

Current

Payables and accruals	\$ 11,215,497	\$ 2,808,720
Current portion of obligations under capital leases	1,044,809	-
	<b>12,260,306</b>	<b>2,808,720</b>
Obligations under capital leases	1,497,326	-
Reclamation obligation	1,009,000	354,000
Future income taxes	2,360,000	3,220,000
	<b>17,126,632</b>	<b>6,382,720</b>

**Minority interest in Moss Lake Gold Mines Ltd.** **438,642** -

**Shareholders' Equity**

Capital stock	88,889,627	42,204,970
Common share purchase warrants	81,022	749,328
Contributed surplus	1,938,737	920,549
Deficit	<b>(12,250,318)</b>	<b>(2,767,894)</b>
	<b>78,659,068</b>	<b>41,106,953</b>

**\$ 96,224,342** **\$ 47,489,673**

**Wesdome Gold Mines Ltd.****Consolidated Statements of Operations and Deficit**

Years Ended December 31

**2006**

2005

Revenue		
Gold and silver bullion	<b>\$ 30,912,397</b>	\$ -
Interest and other	<b>385,226</b>	86,703
	<b>31,297,623</b>	<b>86,703</b>
Costs and expenses		
Operating costs	<b>22,782,407</b>	-
Development costs	<b>7,190,236</b>	-
Amortization of mining properties	<b>7,936,543</b>	-
Write-down of property held for sale	<b>959,371</b>	-
Production royalties	<b>448,539</b>	-
Corporate and general	<b>1,477,158</b>	860,397
Stock compensation expense	<b>668,110</b>	269,987
Interest on long term debt	<b>111,773</b>	-
Other interest	<b>74,600</b>	189,717
Amortization of office equipment	-	18,121
Accretion of reclamation obligation	<b>44,417</b>	26,000
	<b>41,693,154</b>	<b>1,364,222</b>
Loss before the following	<b>(10,395,531)</b>	(1,277,519)
Dilution gain on Moss Lake Gold Mines Ltd.	<b>21,778</b>	-
Net loss before income tax and minority interest	<b>(10,373,753)</b>	(1,277,519)
Recovery of future income taxes	<b>860,000</b>	-
Minority interest	<b>31,329</b>	-
Net loss	<b>(9,482,424)</b>	(1,277,519)
Deficit, beginning of year	<b>(2,767,894)</b>	(1,490,375)
Deficit, end of year	<b>\$(12,250,318)</b>	<b>\$ (2,767,894)</b>
Loss per common share		
Basic and diluted	<b>\$ (0.11)</b>	<b>\$ (0.03)</b>

**Wesdome Gold Mines Ltd.**  
**Consolidated Statements of Cash Flows**

Years Ended December 31	2006	2005
Increase (decrease) in cash and cash equivalents		
<b>Operating activities</b>		
Net loss	\$ (9,482,424)	\$ (1,277,519)
Amortization of mining properties	7,936,543	-
Loan interest paid with issuance of shares	14,201	-
Write-down of property held for sale	959,371	-
Dilution gain on Moss Lake Gold Mines Ltd.	(21,778)	-
Minority interest	(31,329)	-
Stock compensation expense	668,110	269,987
Amortization of office equipment	-	18,121
Future income taxes	(860,000)	-
Accretion of reclamation obligation	44,417	26,000
	<b>(772,889)</b>	<b>(963,411)</b>
Net changes in non-cash working capital	<b>(2,692,484)</b>	<b>30,055</b>
	<b>(3,465,373)</b>	<b>(933,356)</b>
<b>Financing activities</b>		
Common shares and warrants issued net of costs	20,296,619	4,864,299
Loan from Western Québec Mines Inc.	1,800,000	-
Exercise of options	331,132	-
Exercise of warrants	4,956,180	-
Shares issued by a subsidiary of the company to third parties	50,000	-
Repayment of obligations under capital leases	(817,387)	-
	<b>26,616,544</b>	<b>4,864,299</b>
Net changes in non-cash working capital	<b>(28,907)</b>	<b>28,030</b>
	<b>26,587,637</b>	<b>4,892,329</b>
<b>Investing activities</b>		
Mining and exploration properties	(16,210,613)	(8,828,057)
Property held for sale	(30,000)	2,628
Cash acquired upon amalgamation	303,361	-
Transaction costs	(599,702)	-
Capital assets	(12,428)	5,424
Proceeds on option to sell property	50,000	-
Funds held against letters of guarantee	(49,931)	-
	<b>(16,549,313)</b>	<b>(8,820,005)</b>
Net changes in non-cash working capital	<b>(1,422,915)</b>	<b>(1,780,675)</b>
	<b>(17,972,228)</b>	<b>(10,600,680)</b>
Increase (decrease) in cash and cash equivalents	<b>5,150,036</b>	<b>(6,641,707)</b>
Cash and cash equivalents, beginning of year	<b>160,215</b>	<b>6,801,922</b>
Cash and cash equivalents, end of year	<b>\$ 5,310,251</b>	<b>\$ 160,215</b>