



WESDOME GOLD MINES LTD.

PRESS RELEASE

2007 FIRST QUARTER RESULTS

May 16, 2007

OPERATING HIGHLIGHTS

Eagle River Mine

	3 months ending <u>Mar 31, 2007</u>	2 months ending <u>Mar 31, 2006</u>
Tonnes milled	30,700	22,900
Recovered grade (g/t)	8.5	8.6
Ounces produced	8,384	6,300
Ounces sold	10,500	6,500
Bullion inventory (oz)	<u>2,970</u>	<u>2,869</u>
Bullion revenue (in thousands)	\$ 8,041	\$ 4,168
- Operating + development costs (in thousands)	\$ <u>8,328</u>	<u>\$ 4,073</u>
Mine operating loss	\$ 287	\$ 95
Gold price realized (\$Cdn/oz)	\$ 766	\$ 641

Kiena Mine Complex

	3 months ending <u>Mar 31, 2007</u>	2 months ending <u>Mar 31, 2006</u>
Tonnes milled	71,400	-
Recovered grade (g/t)	4.0	-
Ounces produced	8,440	-
Ounces sold	6,300	-
Bullion inventory (oz)	4,846	-
Gold in process (oz)	<u>700</u>	<u>-</u>
Bullion revenue (in thousands)	\$ 4,837	\$ -
- Operating + development costs (in thousands)	\$ <u>6,054</u>	<u>\$ -</u>
Mine operating loss	\$ 1,217	\$ -
Gold price realized (\$Cdn/oz)	\$ 768	\$ -

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. The Kiena mine was in pre-production development stage until August 1, 2006 when commercial production commenced.

As of March 31, 2007, the Company had working capital of \$3.5 million. From an operating viewpoint, cash operating costs in the first quarter exceed revenues by \$2.1 million. The net loss of \$5.1 million is essentially composed of this operating loss plus \$3.0 million in non-cash items (primarily amortization of \$2.7 million).

In the first quarter, 2007, bullion revenue totalled \$12.9 million from 16,800 ounces sold at an average price of Cdn\$767 per ounce. In addition to the ounces sold, 7,816 ounces of gold remained unsold and are carried at March 31, 2007 market value of \$763 per ounce, or about CDN\$6 million, as gold bullion on the balance sheet. This gold will be recognized as revenue in the fiscal period in which it is sold.

Capital expenditures totalled \$3.8 million during the quarter. The main disappointment for the quarter was Eagle River's production, which fell 30% short of the target. Had this been attained, positive operating cash flow would have been maintained. These ounces have not disappeared – just been deferred forward a bit. The combination of both operations consuming cash, net of production, in the same quarter resulted in an expensive quarter that will smooth out over the course of the year.

Kiena's production demonstrated steady progress with the daily milling rate climbing from an average of 700 tonnes/day in January to 800 tonnes/day in February to 930 tonnes/day in March. We are currently operating close to the 1,000 tonne per day planned level. The main bottleneck at Kiena was equipment availability and downtime. This issue was resolved with the delivery of new equipment.

The first quarter is seasonally the most costly involving increased fuel and energy consumption and snow removal costs. Tight labour, equipment and material markets continue to result in inflationary pressure on costs.

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.

OUTLOOK.

In 2007, the Company is continuing with its net investment of \$6.0 million at Kiena in the first half of the year and \$7.0 million at Eagle River primarily in the second half.

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, 2007 is a year of investment in our operations to increase production. The results of this investment will be seen in 2008 and onwards. We continue to forecast 70,000 ounces for the year with 30,000 ounces from Eagle River and 40,000 ounces from Kiena. We are excited about the potential to significantly increase reserves in the west end of the Eagle River mine where very high grade zones remain open at depth. Drilling to extend these high grade zones will commence shortly.

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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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.
Consolidated Balance Sheets**

	Mar 31 2007	Dec 31 2006
	(Unaudited)	(Audited)
Assets		
Current		
Cash and cash equivalents	\$ 234,153	\$ 5,262,530
Term deposits	47,721	47,721
Gold bullion	5,966,091	5,796,006
Receivables	8,293,407	9,301,938
Supplies and other	1,435,344	1,225,928
Marketable securities	<u>140,426</u>	<u>-</u>
	16,117,142	21,634,123
Funds held against letters of guarantee	2,477,075	2,477,075
Capital assets	14,213	12,428
Mining properties	56,028,182	53,012,950
Exploration properties	17,270,563	17,259,661
Property held for sale	<u>1,078,105</u>	<u>1,828,105</u>
	\$ 92,985,280	\$ 96,224,342
Liabilities		
Current		
Payables and accruals	\$ 11,182,128	\$ 11,215,497
Current portion of obligations under capital leases	<u>1,455,710</u>	<u>1,044,809</u>
	12,637,838	12,260,306
Obligations under capital leases	2,693,106	1,497,326
Reclamation obligation	1,024,750	1,009,000
Future income taxes	<u>1,963,000</u>	<u>2,360,000</u>
	18,318,694	17,126,632
Minority interest in Moss Lake Gold Mines Ltd.	<u>419,433</u>	<u>438,642</u>
Shareholders' Equity		
Capital stock	88,679,259	88,889,627
Common share purchase warrants	81,022	81,022
Contributed surplus	2,198,072	1,938,737
Accumulated other comprehensive income	(59,574)	-
Deficit	<u>(16,651,626)</u>	<u>(12,250,318)</u>
	74,247,153	78,659,068
	\$ 92,985,280	\$ 96,224,342

Wesdome Gold Mines Ltd.

Interim Consolidated Statements of Operations and Deficit

(Unaudited)

Three Months Ended March 31

2007

2006

Revenue

Gold and silver bullion	\$ 12,877,607	\$ 4,167,723
Interest and other	<u>29,614</u>	<u>9,894</u>
	<u>12,907,221</u>	<u>4,177,617</u>

Costs and expenses

Operating costs	11,295,857	3,082,533
Development costs	3,086,196	990,506
Amortization of mining properties	2,729,092	1,384,626
Production royalties	99,076	72,741
Corporate and general	456,106	578,877
Stock compensation expense	287,553	32,522
Interest on long-term debt	53,559	16,097
Other interest	6,801	16,980
Amortization of office equipment	748	2,902
Accretion of reclamation obligation	<u>12,750</u>	<u>12,167</u>
	<u>18,027,738</u>	<u>6,189,951</u>

Loss before the following	(5,120,517)	(2,012,334)
Recovery of future income taxes	(700,000)	-
Minority interest	<u>19,209</u>	<u>7,724</u>
Net loss	(4,401,308)	(2,004,610)
Deficit, beginning of period	<u>(12,250,318)</u>	<u>(2,767,894)</u>
Deficit, end of period	\$ <u>(16,651,626)</u>	\$ <u>(4,772,504)</u>
Loss per common share		
Basic and diluted	\$ <u>(0.05)</u>	\$ <u>(0.03)</u>

Wesdome Gold Mines Ltd.
Interim Consolidated Statements of Comprehensive Income
and Accumulated Other Comprehensive Income

(Unaudited)

Three Months Ended March 31	<u>2007</u>	<u>2006</u>
Net loss	\$ (4,401,308)	\$ (2,004,610)
Other comprehensive loss		
Change in fair value of available-for-sale marketable securities	<u>(59,574)</u>	<u>-</u>
Comprehensive loss	\$ <u>(4,460,882)</u>	\$ <u>(2,004,610)</u>
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Accumulated other comprehensive loss, beginning of period	\$ -	\$ -
Other comprehensive loss	<u>(59,574)</u>	<u>-</u>
Accumulated other comprehensive loss, end of period	\$ <u>(59,574)</u>	\$ <u>-</u>

Wesdome Gold Mines Ltd.
Interim Consolidated Statements of Cash Flows

(Unaudited)

Three Months Ended March 31

2007

2006

Increase (decrease) in cash and cash equivalents

Operating activities		
Net loss	\$ (4,401,308)	\$ (2,004,610)
Amortization of mining properties	2,729,091	1,384,626
Loan interest paid with issuance of shares	-	14,201
Minority interest	(19,209)	(7,724)
Stock compensation expense	287,552	32,522
Amortization of office equipment	748	2,902
Future income taxes	(700,000)	-
Accretion of reclamation obligation	12,750	12,167
	<u>(2,090,376)</u>	<u>(565,916)</u>
Net changes in non-cash working capital	<u>455,236</u>	<u>274,738</u>
	<u>(1,635,140)</u>	<u>(291,178)</u>
Financing activities		
Common shares and warrants issued, net of costs	-	18,260,636
Loan from Western Québec Mines Inc.	-	1,800,000
Exercise of options	64,415	195,000
Exercise of warrants	-	560,927
Marketable securities	140,426	-
Repayment of obligations under capital leases	(332,988)	(131,976)
	<u>(128,147)</u>	<u>20,684,587</u>
Net changes in non-cash working capital	<u>-</u>	<u>187,250</u>
	<u>(128,147)</u>	<u>20,871,837</u>
Investing activities		
Mining and exploration properties	(3,812,557)	(2,655,523)
Cash acquired upon amalgamation	-	303,361
Transaction costs	-	(599,702)
Capital assets	(2,533)	(22,379)
Proceeds on option to sell property	550,000	-
	<u>(3,265,090)</u>	<u>(2,974,243)</u>
Net changes in non-cash working capital	<u>-</u>	<u>531,880</u>
	<u>(3,265,090)</u>	<u>(2,442,363)</u>
Increase (decrease) in cash and cash equivalents	<u>(5,028,377)</u>	18,138,296
Cash and cash equivalents, beginning of period	<u>5,310,251</u>	<u>160,215</u>
Cash and cash equivalents, end of period	\$ <u>281,874</u>	\$ <u>18,298,511</u>