



PRESS RELEASE

WESDOME EARNS \$2.6M IN FIRST HALF OF 2010

Toronto, Ontario – August 16, 2010 – 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 second quarter ended June 30, 2010. This information should be read in conjunction with the Company’s interim unaudited financial statements and Management’s Discussion and Analysis for the second quarter ended June 30, 2010 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 the Eagle River gold mining operation in Wawa, Ontario and the Kiena mining complex in Val d’Or, Quebec. The Eagle River mine commenced commercial production on January 1, 1996, and the Kiena mine on August 1, 2006.

The second quarter 2010 highlights are as follows:

- **Production of 15,872 ounces**
- **Revenues of \$22.4 million on sales of 18,000 ounces at \$1,244 per ounce**
- **Cash flow from operations of \$4.6 million or \$0.05 per share**
- **Bullion inventory of 11,263 ounces or \$14.9 million marked to market as at June 30, 2010**

Donovan Pollitt, President & CEO comments “The second quarter demonstrated modest earnings and respectable cash flow from operations as we continue to treat lower grade material from both mines in view of higher gold prices. We expect to meet our production forecasts due to improving grades in the fourth quarter of 2010. Recent exploration press releases demonstrate the potential of both producing assets as well as our Mishi mine going forward.”

OVERALL PERFORMANCE

As at June 30, 2010, the Company had working capital of \$34.0 million. During the first half of the year, cash flow from operations totalled \$10.0 million; \$8.9 million of capital investments in exploration, development and mining equipment were made and \$2.0 million in dividends were paid. Net income for the six month period ended June 30, 2010, was \$2.6 million with most of this earned in the first quarter.

Both mines are producing from low grade areas in their mining sequences currently. We are aggressively developing new zones, upgrading our mining fleet, advancing growth projects and drilling.

RESULTS OF OPERATIONS

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---------------------------------------|----------------------------|--------|--------------------------|---------|
| | 2010 | 2009 | 2010 | 2009 |
| <i>Eagle River Mine</i> | | | | |
| Tonnes milled | 39,271 | 32,908 | 73,387 | 65,195 |
| Recovered grade (g/t) | 6.5 | 13.4 | 7.7 | 14.8 |
| Production (oz) | 8,189 | 14,183 | 18,088 | 31,068 |
| Sales (oz) | 10,000 | 19,000 | 22,000 | 30,300 |
| Bullion inventory (oz) | 8,169 | 8,395 | 8,169 | 8,395 |
| Bullion revenue (\$thousands) | 12,445 | 20,459 | 26,302 | 33,299 |
| Operating costs (\$thousands) | 9,450 | 9,137 | 17,021 | 14,900 |
| Mine operating profit (\$thousands) * | 2,995 | 11,322 | 9,281 | 18,399 |
| Gold price realized (\$Cdn/oz) | 1,244 | 1,075 | 1,195 | 1,098 |
| <i>Kiena Mine Complex</i> | | | | |
| Tonnes milled | 68,072 | 67,216 | 133,732 | 125,234 |
| Recovered grade (g/t) | 3.5 | 3.1 | 3.3 | 4.3 |
| Production (oz) | 7,683 | 6,776 | 14,143 | 17,325 |
| Sales (oz) | 8,000 | 9,000 | 13,000 | 18,400 |
| Bullion inventory (oz) | 3,094 | 1,877 | 3,094 | 1,877 |
| Bullion revenue (\$thousands) | 9,971 | 9,744 | 15,691 | 20,455 |
| Operating costs (\$thousands) | 7,463 | 8,503 | 12,688 | 15,006 |
| Mine operating profit (\$thousands) * | 2,508 | 1,241 | 3,003 | 5,449 |
| Gold price realized (\$Cdn/oz) | 1,244 | 1,079 | 1,204 | 1,110 |
| <i>Total</i> | | | | |
| Production (oz) | 15,872 | 20,959 | 32,231 | 48,393 |
| Sales (oz) | 18,000 | 28,000 | 35,000 | 48,700 |
| Bullion inventory (oz) | 11,263 | 10,272 | 11,263 | 10,272 |
| Bullion revenue (\$thousands) | 22,416 | 30,203 | 41,993 | 53,754 |
| Operating costs (\$thousands) | 16,913 | 17,640 | 29,709 | 29,906 |
| Mine operating profit (\$thousands) * | 5,503 | 12,563 | 12,284 | 23,848 |
| Gold price realized (\$Cdn/oz) | 1,244 | 1,076 | 1,198 | 1,102 |

* The Company has included in this report certain non-GAAP performance measures, including mine operating profit and operating costs to applicable sales. These measures are not defined under GAAP 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 GAAP as an indicator of our financial performance or liquidity. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow.

During the second quarter, combined operations produced 15,872 ounces of gold and 18,000 ounces were sold at an average price of \$1,244 per ounce. Bullion inventory at June 30, 2010, stood at 11,263 ounces which is carried at cost. The costs and revenues for this inventory will be recognized in the financial statements in the fiscal period in which it is sold.

In the second quarter, bullion revenue exceeded operating costs resulting in a mine operating profit, or gross margin, of \$5.5 million. In addition to these direct operating costs, other costs, including royalty payments, corporate and general costs and interest costs, totalled \$1.2 million. Both mines contributed equally to the mine operating profit.

At the Eagle River mine, mining occurred in lower grade areas. We are currently developing the high grade 811 Zone and expect production grades to improve in the second half. The mine produced 8,189 ounces of gold from 39,271 tonnes milled at an average recovered grade of 6.5 gAu/tonne.

At the Kiena mining complex we worked our way through a very low grade sequence and are happy to see grades finally improving. For the second quarter, Kiena produced 7,683 ounces of gold from 68,072 tonnes milled at an average recovered grade of 3.5 gAu/tonne. In May, Kiena attained a safety milestone of 750,000 hours worked without a lost time accident.

The Company is undertaking an aggressive exploration, development and evaluation program this year with the goal of increasing reserves and growing production. At the Kiena mining complex drifting towards the new Dubuisson discovery on the 330 metre level advanced on schedule. Infill drilling on the S50 Zone enhanced the potential of a previously outlined resource block. Evidence of better grades here demonstrates this area shows potential to add at least one year of reserves. The highlight of the drilling was a 20.1 metre true width intersection grading 9.51 gAu/tonne (see press release dated June 22, 2010 available at www.wesdome.com).

At Eagle River, definition drilling continues to exhibit robust grades and continuity in the 811 Zone between depths of 500 and 800 metres (see press release dated July 6, 2010).

Resource modelling at the Mishi Project continues to demonstrate potential that exceeds expectations. A new resource estimate tallied Measured and Indicated Resources totalling 5.7 million tonnes at 2.4 gAu/tonne, or 438,000 contained ounces (see press release dated July 12, 2010). Ninety percent of this total falls within an open pit scenario above a depth of 110 metres. A 6,000 metre diamond drilling program is underway tracing the mineralization eastward where it remains open. A pre-feasibility study has commenced. This project offers excellent potential for expansion in a step-wise manner with little capital at risk.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2010 the Company had working capital of \$34.0 million, compared to \$35.2 million at December 31, 2009. During the second quarter, 2010, capital expenditures totalled \$4.4 million compared to \$4.8, including \$0.8 million for the acquisition of exploration properties in the second quarter, 2009.

The Company's inventory includes 11,263 ounces of gold bullion, a decrease from 13,391 ounces at the end of the first quarter, a liquid asset with a market value of \$14.9 million on June 30, 2010.

The Company believes that it has sufficient capital resources to cover its obligations, capital and operating costs going forward. On April 7, 2010, the Company declared a dividend of \$0.02 per share payable April 30, 2010.

Production planned in 2010 should generate operating cash flow, even at gold prices well below those currently being realized.

OUTLOOK

We continue to forecast 70,000 ounces production in 2010. We are investing in our operations for the long term and feel judicious capital investments in projects surrounding our existing infrastructure offer the lowest growth risk potential at this time.

Mishi shows considerable promise – more than we expected with ample room to grow. We are also advancing underground towards the Dubuisson Zone, a new discovery in a new area first identified in the fall of 2008.

The strong gold price affords us the opportunity to aggressively develop our higher grade zones while mining at previously marginal grades. This is where we are in our mining-development sequence. We expect grades to improve in the second half of the year and to be stronger next year.

ABOUT WESDOME

Wesdome is an established Canadian gold producer with wholly-owned mining and milling complexes located in Wawa, Ontario and Val d'Or, Québec. Wesdome has been producing gold continually for 20 years on an unhedged basis and to date has produced in excess of 1.0 million ounces. The Company has 100.8 million shares issued and outstanding and trades on the Toronto Stock 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

(Unaudited)

| | June 30 2010 | December 31 2009 |
|---|-------------------|---------------------|
| (in thousands) | | |
| Assets | | |
| Current | | |
| Cash and cash equivalents | \$ 20,711 | \$ 23,702 |
| Receivables | 5,093 | 4,022 |
| Inventory | 16,860 | 14,624 |
| Marketable securities | 53 | 211 |
| Future income taxes | 1,199 | 1,199 |
| | <u>43,916</u> | <u>43,758</u> |
| Restricted funds | 2,500 | 2,588 |
| Future income taxes | 1,645 | 2,245 |
| Capital assets | - | 9 |
| Mining properties | 68,789 | 64,637 |
| Exploration properties | <u>30,466</u> | <u>30,018</u> |
| | <u>\$ 147,316</u> | <u>\$ 143,255</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | \$ 8,293 | \$ 7,322 |
| Current portion of obligations under capital leases | <u>1,552</u> | <u>1,240</u> |
| | 9,845 | 8,562 |
| Income taxes payable | 82 | 82 |
| Obligations under capital leases | 2,271 | 1,108 |
| Convertible 7% debentures | 9,767 | 9,483 |
| Asset retirement obligation | <u>1,342</u> | <u>1,324</u> |
| | <u>23,307</u> | <u>20,559</u> |
| Minority interest in Moss Lake Gold Mines Ltd. | <u>831</u> | <u>857</u> |
| Shareholders' Equity | | |
| Capital stock | 115,352 | 114,567 |
| Contributed surplus | 3,705 | 3,770 |
| Accumulated other comprehensive loss | (194) | (222) |
| Equity component of convertible debentures | 1,970 | 1,970 |
| Retained earnings | <u>2,345</u> | <u>1,754</u> |
| | <u>123,178</u> | <u>121,839</u> |
| | <u>\$ 147,316</u> | <u>\$ 143,255</u> |

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

(Unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|--|----------------------------|---------------|--------------------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| (in thousands, except per share amounts) | | | | |
| Revenue | | | | |
| Gold and silver bullion | \$ 22,416 | \$ 30,167 | \$ 41,993 | \$ 53,754 |
| Interest and other | (8) | 42 | 128 | 75 |
| | 22,408 | 30,209 | 42,121 | 53,829 |
| Costs and expenses | | | | |
| Operating costs | 16,913 | 17,640 | 29,709 | 29,906 |
| Amortization of mining properties | 3,913 | 3,494 | 6,552 | 5,861 |
| Production royalties | 202 | 228 | 425 | 568 |
| Corporate and general | 578 | 518 | 1,276 | 948 |
| Stock compensation expense | 58 | 137 | 165 | 192 |
| Interest on long-term debt | 418 | 399 | 789 | 791 |
| Other interest | - | - | - | 7 |
| Amortization of capital assets | 8 | - | 9 | 1 |
| Accretion of asset retirement obligation | 9 | 20 | 18 | 41 |
| | 22,099 | 22,436 | 38,943 | 38,315 |
| Net income before the following | 309 | 7,773 | 3,178 | 15,514 |
| Gain on property held for sale | - | - | - | 122 |
| Net income before income tax and minority interest | 309 | 7,773 | 3,178 | 15,636 |
| Income tax | | | | |
| Future | - | - | 600 | 273 |
| Net income before minority interest | 309 | 7,773 | 2,578 | 15,363 |
| Minority interest | 11 | 44 | 26 | 30 |
| Net income | \$ 320 | \$ 7,817 | \$ 2,604 | \$ 15,393 |
| Other comprehensive loss: | | | | |
| Realized loss on the sale of marketable securities | 104 | - | 104 | - |
| Change in fair value of marketable securities | (36) | - | (76) | - |
| Comprehensive income | \$ 388 | \$ - | \$ 2,632 | \$ - |
| Net income per common share | | | | |
| Basic and diluted | \$ 0.00 | \$ 0.08 | \$ 0.02 | \$ 0.16 |

Wesdome Gold Mines Ltd.

Interim Consolidated Statements of Cash Flows

(Unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|----------------------------|----------------|--------------------------|----------------|
| | 2010 | 2009 | 2010 | 2009 |
| (in thousands) | | | | |
| Operating activities | | | | |
| Net income | \$ 320 | \$ 7,817 | \$ 2,604 | \$ 15,393 |
| Amortization of mining properties | 3,913 | 3,494 | 6,552 | 5,861 |
| Accretion of discount on convertible debentures | 145 | 139 | 284 | 265 |
| Minority interest | (11) | (44) | (26) | (30) |
| Stock compensation expense | 58 | 137 | 165 | 192 |
| Amortization of capital assets | 8 | 1 | 9 | 1 |
| Future income taxes | - | - | 600 | 273 |
| Gain on sale of equipment | (28) | (7) | (130) | (7) |
| Gain on sale of marketable securities | 153 | - | 153 | - |
| Gain on property held for sale | - | - | - | (122) |
| Gain on redemption of convertible debentures | - | - | - | (24) |
| Accretion of reclamation asset obligation | 9 | 19 | 18 | 41 |
| | 4,567 | 11,556 | 10,229 | 21,843 |
| Net changes in non-cash working capital | (201) | 1,458 | (2,328) | (7,621) |
| | 4,366 | 13,014 | 7,901 | 14,222 |
| Financing activities | | | | |
| Exercise of options | 255 | 139 | 582 | 188 |
| Funds paid to repurchase common shares under NCIB | - | - | - | (14) |
| Funds paid to repurchase debentures | - | (7) | - | (453) |
| Share issuance costs | - | - | (27) | (5) |
| Dividends paid | (2,013) | (1,995) | (2,013) | (1,995) |
| Repayment of obligations under capital leases | (455) | (408) | (763) | (804) |
| | (2,213) | (2,271) | (2,221) | (3,083) |
| Investing activities | | | | |
| Additions to mining and exploration properties | (4,974) | (4,786) | (8,940) | (7,064) |
| Proceeds on sale of equipment | 20 | 20 | 156 | 20 |
| Proceeds on sale of marketable securities | 33 | - | 33 | - |
| Proceeds on property held for sale | - | - | - | 400 |
| Funds held against standby letters of credit | 40 | 239 | 88 | (267) |
| | (4,881) | (4,527) | (8,663) | (6,911) |
| Net changes in non-cash working capital | 463 | (158) | (8) | (249) |
| | (4,418) | (4,685) | (8,671) | (7,160) |
| Increase (decrease) in cash and cash equivalents | (2,265) | 6,058 | (2,991) | 3,979 |
| Cash and cash equivalents, beginning of period | 22,976 | 5,950 | 23,702 | 8,029 |
| Cash and cash equivalents, end of period | \$ 20,711 | \$ 12,008 | \$ 20,711 | \$ 12,008 |