WESDOME GOLD MINES LTD.

Second Quarter 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with Wesdome Gold Mines Ltd.'s ("**Wesdome**" or the "**Company**") interim condensed consolidated financial statements for the three months and six months ended June 30, 2019 and 2018, and their related notes ("**financial statements**") which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

All dollar amounts stated in this MD&A are denominated in thousands of Canadian dollars, except per share data and unless otherwise indicated. The discussion and analysis within this MD&A are effective as of August 8, 2019.

This document contains forward-looking statements and forward-looking information. Refer to the cautionary language under the section entitled "**Cautionary Statement on Forward-looking Statements**" in this MD&A.

The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	*Period*	*Abbreviation*	*Period*
Q2 2019	*April 1, 2019 – June 30, 2019*	**Q2 2018**	*April 1, 2018 – June 30, 2018*
Q1 2019	*January 1, 2019 – March 31, 2019*	**Q1 2018**	*January 1, 2018 – March 31, 2018*
Q3 2018	*July 1, 2018 – September 30, 2018*	**Q3 2017**	*July 1, 2017 – September 30, 2017*
Q4 2018	*October 1, 2018 – December 31, 2018*	**Q4 2017**	*October 1, 2017 – December 31, 2017*
YTD 2019	*January 1, 2019 – June 30, 2019*	**YTD 2018**	*January 1, 2018 – June 30, 2018*

NON-IFRS PERFORMANCE MEASURES

Wesdome uses non-IFRS performance measures throughout this MD&A as it believes that these generally accepted industry performance measures provide a useful indication of the Company's operational performance. These non-IFRS performance measures do not have standardized meanings defined by IFRS and may not be comparable to information in other gold producers' reports and filings. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The non-IFRS performance measures include - average realized price of gold sold; cash costs per ounce of gold sold; production costs per tonne milled; mine profit; all-in sustaining costs ("**AISC**"); free cash flow and operating and free cash flow per share; and net income (adjusted) and adjusted net earnings per share and earnings before interest, taxes and depreciation and amortization ("**EBITDA**").

For further information and detailed reconciliations, refer to the section entitled "**Non-IFRS Performance Measures**" in this MD&A.

BUSINESS OVERVIEW

Wesdome is a public company existing under the laws of Ontario. The common shares of the Company are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "**WDO**". The registered and principal office of the Company is located at 220 Bay Street, Suite 1200, Toronto, Ontario, M5J 2W4.

Wesdome has had over 30 years of continuous gold mining operations in Canada. The Company is 100% Canadian focused, with a pipeline of projects in various stages of development. The Eagle River Complex located close to Wawa, Ontario is currently producing gold from two mines, the Eagle River Underground Mine ("**Eagle River**") and the Mishi Open Pit ("**Mishi**"), from a central mill, with a milling capacity of approximately 1,000 tonnes per day ("**tpd**"). Wesdome is actively exploring its brownfields asset, the Kiena Mine ("**Kiena**") in Val d'Or, Québec. Kiena is a fully permitted former producing mine with a 930-metre ("**m**") shaft and

2,000-tpd mill. The Company has further upside at its Moss Lake gold deposit, located 100 kilometres (“**kms”**) west of Thunder Bay, Ontario.

Additional financial information relating to Wesdome, including the Company’s Annual Information Form, can be found on the Company’s website: www.wesdome.com or on the SEDAR website: www.sedar.com

Q2 2019 HIGHLIGHTS AND ACHIEVEMENTS

Operations and Financial Highlights	Comparison to Q2 2018
Gold production of 22,437 ounces from the Eagle River Complex.	Gold production increased by 35% (Q2 2018 – 16,628 ounces). YTD gold production of 41,446 ounces, an increase of 20% when compared to YTD 2018 production of 34,576 ounces.
Cash costs of $837 (US$626) per ounce of gold sold [1].	Cash costs in Canadian dollars reduced by 6% (Q2 2018 - $886 (US$686) per ounce).
AISC [1] of $1,220 (US$912) per ounce.	AISC reduced by 2% (Q2 2018 - $1,242 (US$962) per ounce).
Earned mine profit [1] of $22.1 million.	An increase of $7.1 million or 47% when compared to $15.0 million generated in Q2 2018.
Operating cash flow of $15.4 million or $0.11 per share [1].	Operating cash flow at a strong level at $15.4 million for the quarter as a result of higher production (Q2 2018 - $12.4 million or $0.09 per share).
Free cash flow of $1.2 million or $0.01 per share[1].	Eagle River generated free cash flow of $1.2 million for the quarter, net of an investment of $5.5 million in Kiena in the quarter. Free cash flow in Q2 2018 was $2.0 million or $0.01 per share.
Net income attributable to shareholders of $8.3 million or $0.06 per share. **Adjusted net income[1] of $8.3 million or $0.06 per share**	Net income and Adjusted net income[1] for Q2 2018 was $5.7 million or $0.04 per share.

1 Refer to the section entitled “Non-IFRS Performance Measures” for the reconciliation of these non-IFRS measurements to the Financial Statements.

Production and Exploration Highlights	Achievements
Eagle River	• The mining of the 303 Zone between the first and the second sub-level above the 844 metre level ("m-level") continued in Q2 2019 and confirmed the continuity of the strong grades and the geometry of the mineralized zone. The development of the remainder of the 300 Zone in that area will take place once the 303 zone is completed. A new mining horizon in the 303 Zone is being developed between the 884 m-level and the 925 m-level. The development work is scheduled in Q4 this year. Exploration drilling continued on the 925 m-level to prepare the 300E zone for mining. • Recent development and drilling have continued to expand the 7 East Zone along strike and down plunge to the southeast side of a northeast transecting diabase dyke that offsets the eastern extension approximately 20 m. This extension is a substantial addition of potential resources compared to previous interpretations, and thus will be an ongoing focus of 2019 drilling. • Ongoing drilling and initial drift development along the 311 W Zone has confirmed the continuity and strike length of 145 m grading 28.8 g/t Au with a 1.8 m average width and has extended the mineralized zone 50 m further west than the previously interpreted diorite contact and remains a focus for 2019 drilling. • Exploration drilling from the 758 m-level in the eastern half of the mine diorite has continued during the quarter to better define the new intersected zones that is interpreted to be parallel zones north of the past producing 6 and 8 zones and could be the possible extensions of the parallel 7 Zone and 300 Zone structures being mined further to the west. • Surface drilling in the volcanics to the west of the mine diorite encountered the Falcon 7 and Falcon 300 zones, with one drill hole returning 18.5 g/t Au over 5.8 m core length. These zones are interpreted to be extensions of the 300 and 7 zone structures which lie approximately 200 m to the east within the mine diorite.
Kiena	• Four drills continue to operate on the 1050 m-level exploration ramp completing the infill and immediate plunge extension drilling of the Kiena Deep A Zone in preparation for an updated resource estimate expected in H2 2019. The A Zone remains open at depth and one drill is dedicated to testing this prospective area. The ongoing definition drilling has continued to confirm the overall continuity of the geometry and the high-grade gold mineralization of the Kiena Deep A Zone that now extends over 700 m along plunge. Meanwhile a 5th drill is located on the 670 m-level and continues to return high grade intersections along the interpreted-up plunge extension of the Kiena Deep A Zone towards the VC zone area with one hole returning 31.1 g/t Au over 5.1 metres. It is now interpreted that A Zone is folded as it extends up plunge to intersect the VC6 zone. • Our 2019 underground exploration program calls for 50,000 m of drilling in preparation for an updated resource estimate near the end of Q3. This information will then lead into a Preliminary Economic

	Assessment expected in Q1 2020 and next steps will be determined at that juncture.

GOLD MARKET OVERVIEW

The market price of gold is the primary driver of the Company's profitability. The market price of gold is affected by numerous industry and macroeconomic factors.

In Q2 2019, Wesdome realized an average gold price of $1,752 (US$1,309) per ounce as compared to $1,692 (US$1,311) per ounce realized in Q2 2018. The market price for gold in the quarter averaged at US$1,309 per ounce (Canadian dollar equivalent of $1,751 per ounce (Q2 2018 - US$1,306 or Canadian dollar $1,686 per ounce)). The future gold price volatility is expected to be impacted by the uncertainty surrounding the US dollar's direction in 2019 deriving from U.S. interest rates fluctuations, together with the geopolitical uncertainty persisted with increased tension over trade wars.

FOREIGN CURRENCY EXCHANGE RATE OVERVIEW

The Company's reporting and functional currency is the Canadian dollar ("**CAD**") as all its assets and operations are based in Canada. However, the Company's revenues, profitability and cash flows are exposed to the changes in the United States dollar ("**USD**") to Canadian dollar exchange rates as the Company's primary product, gold, is predominately traded in the US dollar. Wesdome had no forward exchange rate contracts in place and no significant foreign currency holdings during Q2 2019 and as at June 30, 2019. Please see note 19 of the Company's financial statements for an analysis of Wesdome's exposure to the Canadian and US dollar exchange rate.

OUTLOOK

In the beginning of the year, the Company sets its full-year 2019 production guidance at 72,000 – 80,000 ounces of gold, primarily from the Eagle River underground mine with a lower cash cost than the prior years.

	2019 Guidance	YTD 2019 Achievement
Gold production		
Eagle River	69,000 – 76,000 ounces	**38,828 ounces**
Mishi	3,000 – 4,000 ounces	**2,618 ounces**
	72,000 – 80,000 ounces	**41,446 ounces**
Head grade (g/t Au)		
Eagle River	15.5 – 16.5	**20.9**
Mishi	2.0 – 2.4	**2.6**
Cash cost per ounce [1]	$830 - $900 (US$640 – US$690)	**$850** (US$637)
AISC per ounce [1]	$1,280 - $1,350 (US$985 – US$1,040)	**$1,260** (US$945)

[1] *Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements.*

As a result of better than expected ore grade at the Eagle River 303 Zone, gold production in the first half of 2019 exceeded the Company's anticipated production of 31,000 – 35,000 ounces established at the beginning of the year. Gold production for the second half of 2019 is expected to be between 38,000 ounces and 42,000 ounces. The Company is trending to exceed the high end of its gold production target range for 2019.

The Company has launched a $6.5 million capital project commencing in Q2 2019 to improve its tailings management area ("**TMA**"). The project will be performed throughout the remainder of the year. The objective of this investment is twofold; 1) enhance water management and 2) increase the TMA capacity. The Company has spent $1.5 million in Q2 2019 with an additional $5.0 million to be spent during the second half of the year.

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Financial results								
Revenues [3,4]	**42,276**	32,535	29,462	28,920	31,443	26,217	31,544	21,165
Mine operating profit [1]	**22,055**	16,259	12,495	13,898	14,957	10,774	11,606	7,921
Net income (loss)	**8,327**	8,092	2,643	3,631	5,725	2,859	(567)	296
Net income adjusted [1]	**8,327**	5,723	2,643	3,631	5,725	2,859	3,357	1,883
Earnings before interest, taxes, depreciation and amortization[1]	**19,379**	13,152	10,248	11,761	13,352	8,137	9,283	6,210
Operating cash flow	**15,400**	12,581	8,632	12,823	12,422	12,423	13,468	3,541
Free cash flow [1]	**1,155**	(429)	(4,491)	2,137	1,962	3,216	4,981	(6,517)
Per share information:								
Net earnings	**0.06**	0.06	0.02	0.03	0.04	0.02	0.00	0.00
Adjusted net earnings[1]	**0.06**	0.04	0.02	0.03	0.04	0.02	0.03	0.01
Operating cash flow [1]	**0.11**	0.09	0.06	0.10	0.09	0.09	0.10	0.03
Free cash flow [1]	**0.01**	0.00	(0.03)	0.02	0.01	0.02	0.04	(0.04)
Selected Financial Statement data:								
Cash and cash equivalents	**27,395**	27,847	27,378	30,714	26,719	26,460	22,092	16,614
Working capital	**20,546**	16,756	11,312	14,982	14,521	12,742	12,944	12,934
Total assets	**238,599**	225,740	209,637	203,388	193,019	189,072	179,913	170,314
Total non-current liabilities	**31,680**	28,961	25,170	23,040	23,056	21,112	21,475	14,920
Operational results								
Milling (tonnes)								
Eagle River	**28,754**	30,941	50,536	46,777	43,378	44,480	39,291	44,421
Mishi	**18,623**	18,470	8,478	4,076	25,233	32,846	38,197	38,638
Throughput [2]	**47,377**	49,411	59,014	50,854	68,610	77,326	77,488	83,058
Total tonnes/calendar day	**521**	549	641	553	753	859	842	903
Head grades (g/t Au)								
Eagle River	**23.4**	18.5	10.6	13.3	11.0	12.0	11.3	9.7
Mishi	**3.0**	2.2	2.4	3.4	2.7	1.8	2.3	2.0
Recovery (%)								
Eagle River	**96.4**	97.6	97.0	96.9	96.2	95.4	94.3	96.1
Mishi	**85.2**	80.6	81.9	80.9	83.6	81.6	81.4	87.2
Production (ounces) [2]								
Eagle River	**20,873**	17,955	16,712	19,437	14,767	16,398	13,499	13,313
Mishi	**1,564**	1,055	542	358	1,860	1,550	2,298	2,181
Total gold produced	**22,437**	19,010	17,254	19,795	16,628	17,948	15,797	15,494
Gold sales (ounces)	**24,113**	18,760	18,077	18,401	18,573	15,430	19,351	13,069

In 000s, except per units and per share amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Per ounce of gold sold [1]								
Average realized price	**1,752**	1,733	1,628	1,571	1,692	1,698	1,618	1,619
Cash costs	**837**	866	937	815	886	999	1,019	1,013
Cash margin	**915**	867	691	756	806	699	599	606
AISC [1]	**1,220**	1,311	1,371	1,160	1,242	1,342	1,284	1,446
Production costs/tonne milled [1]	**390**	301	306	283	225	208	206	182
Average 1 USD → CAD exchange rates	**1.3377**	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712	1.2528
Cost Metrics (in USD)								
Cash costs [1]	**626**	651	710	624	686	790	801	809
AISC [1]	**912**	986	1,038	888	962	1,061	1,010	1,154

1 *Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.*
2 *Totals for tonnage and gold ounces information may not add due to rounding.*
3 *Except for Q3 2017, revenues include insignificant amounts from the sale of by-product silver (nil for Q2 3 2017).*
4 *Wesdome's strategy is to increase the amount of underground tonnes mined, thereby displacing the open pit tonnes in order to substantially increase gold production.*

Q2 2019 FINANCIAL AND OPERATIONAL RESULTS

Operational Results

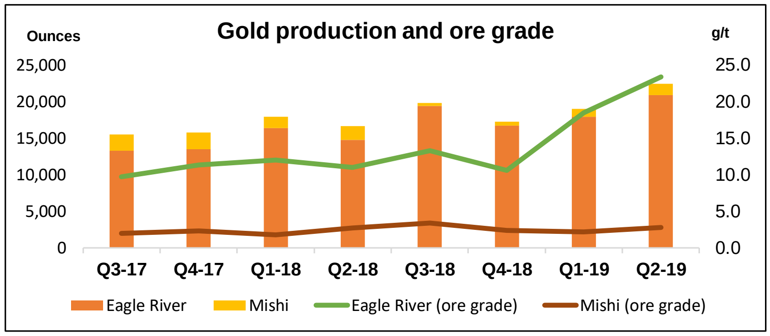
In $000s	Q2 2019	Q2 2018	Change		YTD 2019	YTD 2018	Change	
Ore milled (tonnes)								
Eagle River	**28,754**	43,378	(14,624)	(34)%	**59,695**	87,858	(28,163)	(32)%
Mishi	**18,623**	25,233	(6,610)	(26)%	**37,093**	58,079	(20,986)	(36)%
Throughput	**47,377**	68,611	(21,235)	(31)%	**96,788**	145,937	(49,149)	(34)%
Head Grade (g/t Au)								
Eagle River	**23.4**	11.0	12.4	113%	**20.9**	11.5	9.4	82%
Mishi	**3.0**	2.7	0.3	11%	**2.6**	2.2	0.4	18%
Recoveries (percent)								
Eagle River	**96.4**	96.2	0.2	0%	**96.9**	95.8	1.1	1%
Mishi	**85.2**	83.6	1.6	2%	**83.3**	82.7	0.6	1%
Gold production (ounces)								
Eagle River	**20,873**	14,767	6,106	41%	**38,828**	31,166	7,662	25%
Mishi	**1,564**	1,860	(296)	(16)%	**2,618**	3,411	(793)	(23)%
	22,437	16,628	5,809	35%	**41,446**	34,576	6,869	20%
Gold Sold (ounces)	**24,113**	18,573	5,540	30%	**42,873**	34,003	8,870	26%

[1] Totals for tonnage and gold ounces information may not add due to rounding.

Production Review

Q2 2019 as compared to Q2 2018

Production at Eagle River Complex increased by 35% from Q2 2018 to 22,437 ounces of gold, due to a 113% improvement in head grade at Eagle River; offset partially by a 31% decrease in total throughput when compared to Q2 2018.



At Eagle River, the improvements in ore grade during Q2 2019 are largely a function of stopes in the 303 Zone contributing more tonnes at higher grades than anticipated. In the second half of 2019, the 303 Zone will provide less tonnage compared to the first half of 2019 but will remain significant for gold production due to the higher grade expected.

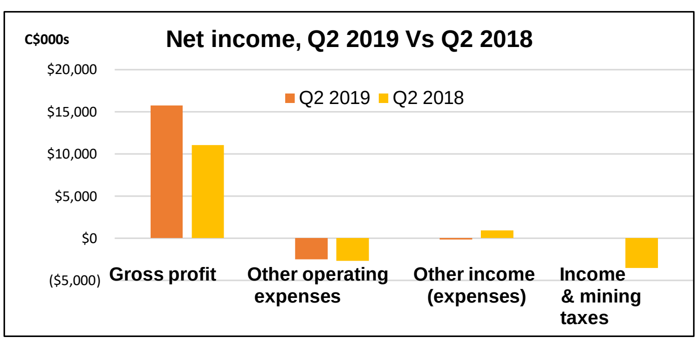
In the first half of 2019, the Company has mined 70,572 t of Eagle River underground and processed 59,695 t during the period and resulted in an ore surface stockpile of approximately 12,000 t as of the end of Q2 2019. The ore stockpile will be processed in the second half of the year.

The contribution of ore feed from Mishi in Q2 2019 reduced by 26% to 18,623 t when compared to 25,233 t processed in Q2 2018, mainly due to lower mill availability. In Q2 2019, the Mishi pit achieved a head grade of 3.0 g/t producing 1,564 ounces of gold as compared to a grade of 2.7 g/t in Q2 2019, producing 1,860 ounces of gold. Note there was a Mishi ore surface stockpile of approximately 14,000 t as of the end of Q2 2019. The reserves from the existing Mishi pit are expected to be depleted early in 2020.

YTD 2019 as compared to YTD 2018

YTD gold production was 41,446 ounces compared to 34,576 ounces YTD 2018, which represents an increase of 20% due to an 82 % improvement in head grade at Eagle River; offset partially by a 34% decrease in throughput when compared to 2018.

Financial Review – Q2 2019 vs Q2 2018



Net income attributable to shareholders and Adjusted net income[1] for Q2 2019 was $8.3 million or $0.06 per share as compared to net income of $5.7 million or $0.04 per share for Q2 2018.

For a reconciliation of adjusted net income to net income as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

In $000s	Q2 2019	Q2 2018	Change		YTD 2019	YTD 2018	Change	
Revenues	**42,276**	31,443	10,833	34%	**74,811**	57,660	17,151	30%
Costs and expenses								
Cost of sales	**26,571**	20,405	6,166	30%	**46,756**	39,169	7,587	19%
Corporate and general	**1,498**	1,416	82	6%	**3,506**	2,493	1,013	41%
Share-based payments	**1,056**	964	92	10%	**2,155**	1,831	324	18%
Kiena care and maintenance	**-**	321	(321)		**-**	777	(777)	
Write-off of mining equipment	**-**	9	(9)		**-**	290	-	
	29,125	23,115	6,010		**52,417**	44,560	8,147	
Operating income	**13,151**	8,328	4,823	58%	**22,394**	13,100	9,004	71%
Other income (expenses) [2]	**(205)**	929	(1,134)		**2,729**	818	1,911	
Income before taxes	**12,946**	9,257	3,689		**25,123**	13,918	10,915	
Mining and income tax expense	**4,619**	3,532	1,087		**8,704**	5,334	3,370	
Net income	**8,327**	5,725	2,602	45%	**16,419**	8,584	7,545	91%
Operating cash flows	**15,400**	12,422	2,978	24%	**27,981**	24,845	3,136	13%
Free cash flows [1]	**1,155**	1,962	(807)		**726**	5,178	(4,452)	

1 Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.

2 Other income (expenses) for YTD 2019 includes the recognition in income of the receipt of $2.9 million from Revenue Quebec in respect of exploration tax credit.

Revenues

In $000s	Q2 2019	Q2 2018	Change		YTD 2019	YTD 2018	Change	
Revenues from operations								
Gold	**42,238**	31,411	10,827	34%	**74,745**	57,604	17,141	30%
Silver	**38**	32	6		**66**	56	10	
	42,276	31,443	10,833	34%	**74,811**	57,660	17,151	30%

In Q2 2019, Wesdome generated $42.2 million in gold sales revenue from the sale of 24,113 ounces of gold at an average realized price of $1,752 (US$1,309) per ounce; as compared to the sale of 18,573 ounces of gold at $1,692 (US$1,311) per ounce for revenue of $31.4 million in Q2 2018. The 34% increase in sales revenues is the result of the increase in gold production, combined with a favourable Canadian dollar realized price.

Cost of Sales

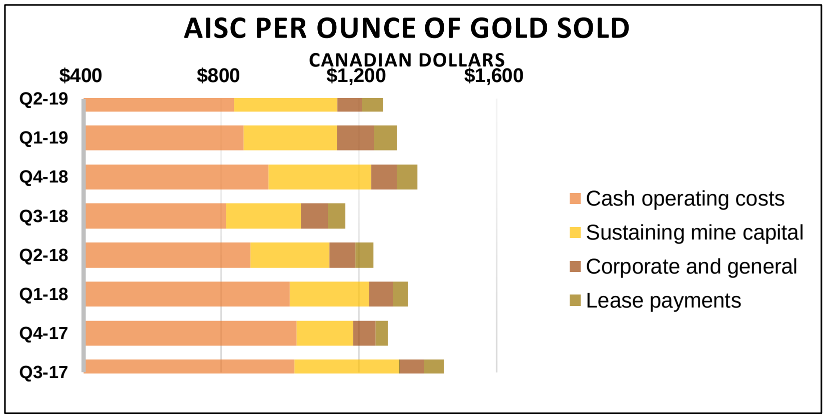
In $000s	Q2 2019	Q2 2018	Change		YTD 2019	YTD 2018	Change	
Cost of Sales								
Mining and processing costs								
Mining	**9,582**	8,183	1,399		**19,270**	17,069	2,201	
Processing	**5,162**	3,270	1,892		**9,040**	7,026	2,014	
Site administration and camp costs	**5,862**	3,965	1,897		**10,719**	8,126	2,593	
Change in inventories [1]	**(1,086)**	584	(1,670)		**(3,841)**	(1,315)	(2,526)	
	19,520	16,002	3,518		**35,188**	30,906	4,282	
Royalties	**701**	484	217		**1,309**	1,023	286	
Depletion and depreciation	**6,350**	3,919	2,431		**10,259**	7,240	3,019	
	26,571	20,405	6,166	30%	**46,756**	39,169	7,587	19%

1 See Note 16 of the Company's financial statements for a breakdown of stockpile and in-circuit inventory adjustments for the three-month and the six-month period ended June 30, 2019 and 2018.

Cost of sales of $26.6 million in Q2 2019 increased by $6.2 million when compared to Q2 2018 mainly due to: (i) non-cash depletion and depreciation expense increased by $2.4 million resulting from a larger depreciable asset base; (ii) an increase of $5.2 million in site operating costs due to higher costs incurred on ore development, general maintenance improvements for the TMA and mine services; offset by (iii) a $1.7 million positive adjustment in ore stockpile and bullion inventory, resulting from inventory level changes.

Cash cost and AISC per ounce of gold sold in Q2 2019 were $837 (US$626) and $1,220 (US$912) per ounce; as compared to cash cost and AISC per ounce of gold sold in Q2 2018 of $886 (US$686) and $1,242 (US$962), respectively.

The improvements in these cost metrics is a function of the increase in the number of ounces sold in the quarter (refer to the section entitled "non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements).



Corporate and General

Corporate and general expenditures in Q2 2019 remained consistent with Q2 2018 at $1.5 million. The corporate and general expenditure level is expected to be between $1.5 and $1.7 million on a quarterly basis in 2019.

Share-Based Payments

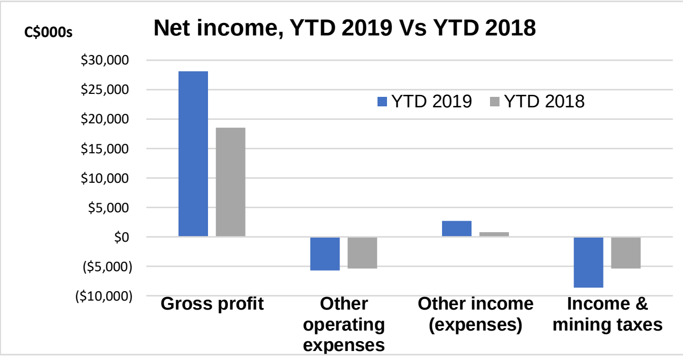
In Q1 2019, the Company granted 984,923 stock options and 186,083 Restricted Share Units ("**RSUs**") to its employees and officers under its 2017 Omnibus Equity Plan ("**Plan**"). Of the 984,923 stock options granted, 694,923 stock options have a three-year vesting term, with the first tranche vesting on February 26, 2020; and the remaining 290,000 stock options vested immediately. The RSUs also have a three-year vesting term with the first tranche vesting on February 26, 2020.

On May 16, 2019, the Company granted 125,776 Deferred Share Units ("**DSUs**") to its non-management board members ("**Participants**") under the Plan. All of the DSUs are fully vested at the grant date and become payable upon retirement of the directors. During Q2 2019, 72,016 DSUs were redeemed as a result of directors' retirement.

Decommissioning Provisions

In Q2 2019, the Company has revised the closure cost estimates for the Eagle River Complex from $6.0 million to $7.8 million, which results in an increase in mining properties and decommission provisions by $1.5 million (determined using a risk-adjusted interest rate of 3.9%). The Company expects to submit the amended closure plans for the Eagle River Mine and mill by the end of 2019.

Financial Review – YTD 2019 vs YTD 2018



Net income attributable to shareholders for YTD 2019 was $16.4 million or $0.12 per share as compared to net income of $8.6 million or $0.06 per share for YTD 2018. After giving effect to the non-recurring recognition in income of the Québec exploration credit of $2.9 million, Adjusted net income[1] for YTD 2019 was $14.1 million or $0.10 per share, as compared to an adjusted net income[1] of $8.6 million or $0.06 per share for YTD 2018.

For a reconciliation of adjusted net income to net income as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

Revenues

For the first half of 2019, Wesdome sold 42,873 ounces of gold at an average realized price of $1,743 (US$1,307) per ounce for revenue of $74.8 million. Sales revenue increased by 30% when compared to the sale of 34,003 ounces of gold at $1,694 (US$1,325) per ounce for revenue of $57.7 million in the first six months in 2018. The increase in revenue is primarily due to a 26% increase in sales volume.

Cost of Sales

The 19% or $7.6 million increase in cost of sales for the first half of 2019 when compared to the same period in 2018 was due to: (i) a $3.0 million increase in non-cash depreciation and depletion expense resulting from a larger depreciable asset base; and (ii) an increase of $7.1 million in site operating costs due to more development work with higher development costs, general maintenance improvements for the tailings facility, surface infrastructure, and equipment fleet, and additional expenditures for mine services; offset by (iii) a $2.5 million increase in ore stockpile and bullion inventory adjustment resulting from inventory level changes.

Corporate and General

For the first half of 2019, Corporate and general expenditures increased by 41% primarily due to an accrual adjustment on employees and officers' short-term incentive plans and the increase in technical and administrative staffs at the corporate level.

Board and Committee Oversight

At the Annual General Meeting of the shareholders held on May 14, 2019, Mr. Charlie Page retired as Chairman and director; and Mr. Rowland Uloth retired as a director of the Company. Mr. Warwick Morley-Jepson has been appointed as the Chairman and Mr. Brian Skanderbeg, the founding President and CEO of GFG Resources Inc. since July 2016; and previously, the President and CEO of Claude Resources Inc. prior to its acquisition by SSRM Inc. in June 2016, has been nominated as an independent director of Wesdome.

Tax Expense

In $000s	Q2 2019	Q2 2018	Change		YTD 2019	YTD 2018	Change	
Mining and income tax expense								
Current	**1,175**	727	448		**2,143**	1,208	935	
Deferred	**3,444**	2,805	639		**6,561**	4,126	2,435	
	4,619	3,532	1,087	31%	**8,704**	5,334	3,370	63%

The effective tax rate for YTD 2019 was 34.6% as compared to 38.2% for YTD 2018. The Company anticipates the effective tax rate approximates between 38% and 41% for 2019. Wesdome is currently exposed to mining tax liability for any resource profits earned in Ontario.

EAGLE RIVER COMPLEX

The Eagle River Complex produced 22,437 ounces of gold in Q2 2019 as compared to 16,628 ounces in Q2 2018. YTD 2019 production of 41,446 ounces of gold as compared to 34,576 ounces for YTD 2018.

Eagle River Mill

The Eagle River mill is located in close proximity to both the Eagle River and Mishi mines. It has a permitted capacity of 1,200 tpd.

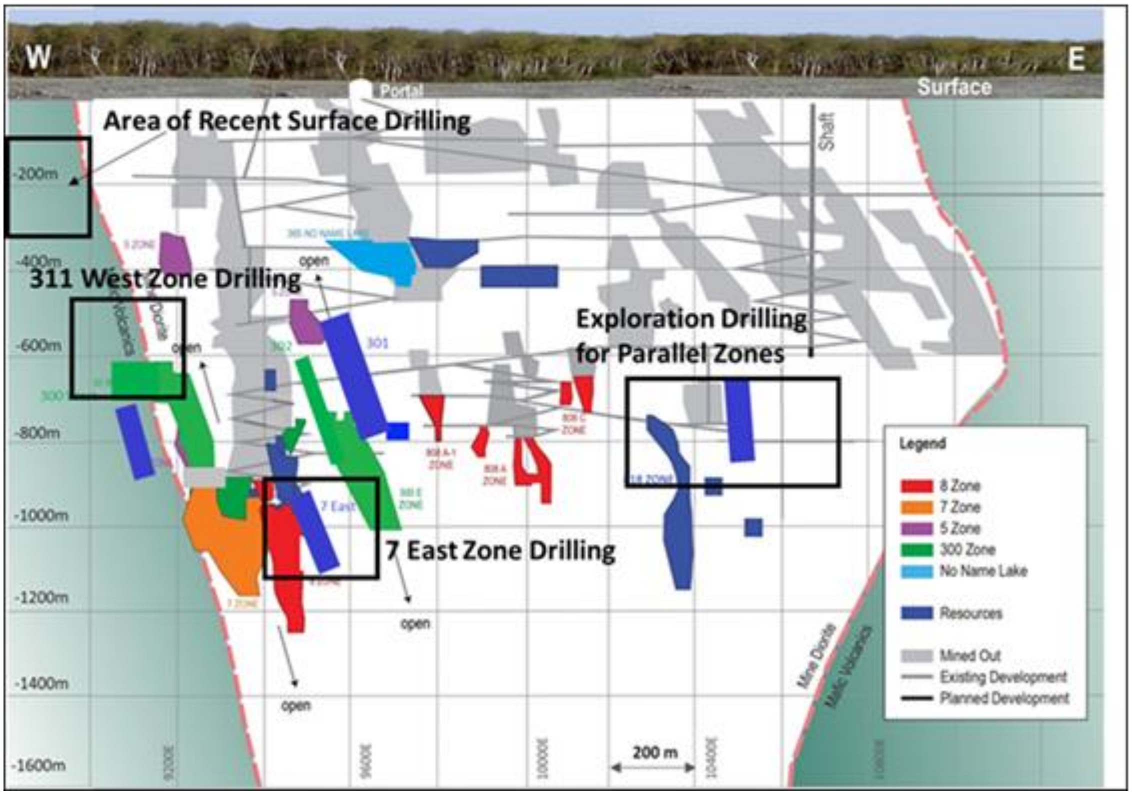
In Q2 2019, the mill processed 47,377 t or 521 tpd of Eagle River and Mishi ore as compared to 68,610 t or 753 tpd in Q2 2018. Availability at the mill in Q2 2019 was 69% as compared to 89% in Q2 2018. General maintenance work was accomplished in the second quarter including: repairs on the thickener, the installation of soft starters on the grinding circuit and the foundation work on the upcoming upgrade in the gravity circuit. The gravity circuit upgrades are scheduled to be completed in Q3 2019 and are expected to improve the recovery of the gravity circuit. Work on the apron feeder is also scheduled later on this year.

The mill recovery in Q2 2019 for Eagle ore was 96.4% and 85.2% for Mishi ore as compared to 96.2% for the Eagle ore and 83.6% for the Mishi ore in Q2 2018. The higher mill recovery for Eagle was mainly due to lower throughput resulting in higher retention time. The target for the mill is to process an average of 800 tpd with targeted recoveries of 96% for Eagle ore and 83% for Mishi ore.

Eagle River Underground Mine

Development and Drilling

During Q2, Wesdome has continued to develop and explore two parallel zones, the No. 7 and 300, located 200 m and 400 m north, respectively, of the main 8 Zone structure that has supported production of greater than one million ounces of gold over the last twenty years. As well, exploration has continued to expand the 300 E zones.



Earlier in 2019, drilling confirmed the existence of parallel zones of mineralization in the eastern portion of the Eagle River Underground Mine diorite. Additional drilling could add to the resource base and provide additional work places for enhanced mining flexibility and ultimately augmented production rates in the short to medium term. In addition, surface exploration drilling has intersected gold mineralization immediately west of the mine diorite and existing infrastructure in the Falcon zones. The Company is committed to aggressive exploration utilizing four to five underground drills and one to two surface drills in order to identify additional resources and workplaces for increased future production profiles. Wesdome's goal is to fill the mill entirely from high grade ore from Eagle River.

7 Zone

The 7 Zone was discovered in 2013 and accounts for 31% of the mine's reserve base at an average grade of 13.1 g/t Au. Ongoing development on 1,038 m-level has confirmed that mineralization east of the western core of the 7 Zone, have merged to form one zone now defined over 146 m in strike length and grading 30.5 g/t Au over an average true thickness of 2.61 m. Additionally, ongoing drilling has also confirmed that this longer strike length extends to depth over an additional 100 m to the 1,250 m-level and remains open down dip. This extension is a substantial addition of potential resources compared to previous interpretations, and thus will be the focus of future drilling.

Furthermore, two sill drifts and initial drilling along strike to the east has now confirmed that the eastern extension of the 7 Zone occurs to the southeast side of a northeast transecting diabase dyke that is interpreted to offset the eastern extension approximately 20 m, which remains open down plunge and to the east along strike. Sill drift development and exploration drilling has continued on the 7 East zone throughout Q2.

Capped assay highlights from development (announced on March 4, 2019):

Drift 1006 m-level:	9.94 g/t Au over strike length of 52 m and 1.5 m average thickness
Drift 1022 m-level:	19.2 g/t Au over 51 m and 1.9 m average thickness

**Assays cut to 125.0 g/t Au*

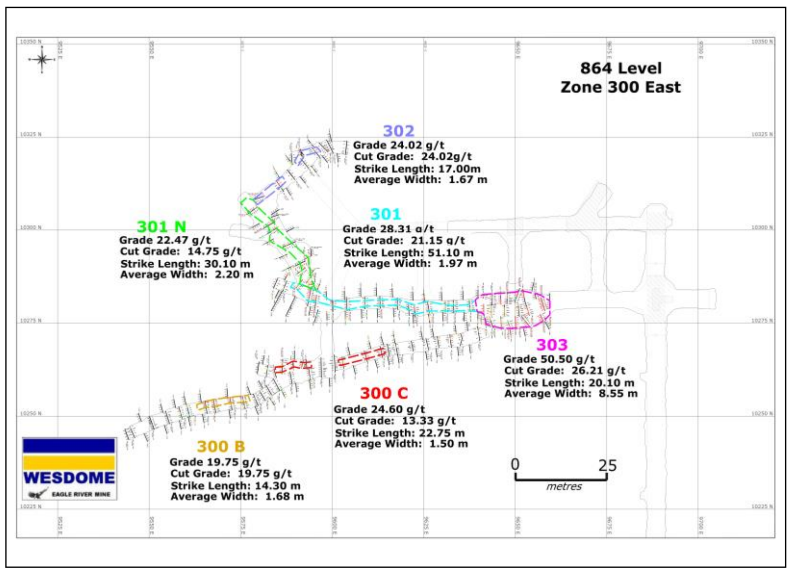
Capped assay highlights from drilling:

Hole 844-E-224:	16.0 g/t Au cut over 3.5 m true width	(announced March 4, 2019)
Hole 844-E-227:	29.4 g/t Au cut over 1.5 m true width	(announced March 4, 2019)
Hole 844-E-228:	31.6 g/t Au cut over 1.5 m true width	(announced March 4, 2019)
Hole 750-E-59:	13.9 g/t Au cut over 4.9 m true width	(announced June 13, 2019)
Hole 750-E-63:	18.0 g/t Au cut over 2.2 m true width	(announced June 13, 2019)
Hole 750-E-76:	30.8 g/t Au cut over 1.5 m true width	(announced June 13, 2019)

**Assays cut to 125.0 g/t Au*

300 East and West Zones

The 300 East and West zones account for 50% of the mine's reserve base at an average grade of 12.4 g/t Au. Drilling thus far on the 300 East zone has identified at least three steeply plunging zones between depths of 750 m and 1,000 m. The mining of the 303 Zone between the 844 m-level and the first and second sub-level above the 844 m-level continued in Q2 and confirmed the continuity of the strong grades and the geometry of the mineralized zone. Exploration drilling continued on the 925 m-level to prepare the 300 E zone for mining. The development of the remainder of the 300 Zone will take place once the 303 Zone is completed. and will continue to be the focus of mining development in 2019.



Ongoing drilling and initial drift development along the 300 West zone, specifically the 311 West zone, has confirmed the continuity and strike length of over 140 m and has extended the mineralized 50 m further west than the previously interpreted diorite contact and remains open to the west. Surface drilling is also being completed in this area to further test the up-plunge extension.
Capped Assay Highlights from Drilling and Development:

750 m-level drift:	28.8 g/t Au cut over strike length of 145 m and 1.8 m average thickness

Hole 945-E-56:	37.7 g/t Au cut over 1.5 m true width	(announced March 4, 2019)
Hole 945-E-57:	31.9 g/t Au cut over 1.5 m true width	(announced March 4, 2019)
Hole 750-E-57:	13.9 g/t Au cut over 4.9 m true width	(announced March 4, 2019)
Hole 844-E-253:	27.0 g/t Au cut over 3.8 m true width	(announced June 13, 2019)
Hole 844-E-259:	8.9 g/t Au cut over 10.1 m true width	(announced June 13, 2019)
Hole 844-E-242:	22.1 g/t Au cut over 1.6 m true width	(announced June 13, 2019)

**Assays cut to 60.0 g/t Au*

New Parallel Zones along eastern portion of mine diorite

Initial limited drilling from the 758 m-level in the eastern half of the mine diorite has intersected what is interpreted to be parallel zones north of the past producing 6 and 8 zones and could be the possible extensions of the parallel 7 Zone and 300 Zone structures being mined along the western portion of the mine diorite. The interpreted 7 Zone structure is located approximately 80 m north of Zone 8 as defined by only 6 holes to date with encouraging grades and widths. In addition, one hole completed further to the east has intersected what we currently believe could be a splay from the main 6 zone shear located 21 m north of 6 Zone.

Both of these parallel zones are open up and down plunge and along strike and remain a focus for 2019 underground drilling, and also surface drilling will be completed to further test the up-plunge extension. From a potential additional workplace perspective, these discoveries are significant as the Company looks to generate approximately 800 tpd from the high-grade underground mine with proximal development already in place.

Capped Assay Highlights from Drilling:

Zone 7 (interpreted) Hole 758-E-244:	15.8 g/t Au cut over 3.1 m true width	(announced March 4, 2019)
Zone 7 (interpreted) Hole 758-E-246:	10.0 g/t Au cut over 3.4 m true width	(announced March 4, 2019)
Zone 7 (interpreted) Hole 758-E-252:	24.3 g/t Au cut over 1.5 m true width	(announced March 4, 2019)
Zone 6 (interpreted) Hole 758-E-258:	41.4 g/t Au cut over 4.2 m true width	(announced March 4, 2019)

**Assays cut to 125.0 g/t Au for Zone 7 10500E and cut to140.0 g/t Au for Zone 6.*

Other Targets

General exploration is focused on drilling the parallel zones both up and down plunge and to the east, testing the theory that the parallel zones may continue across the mine, similar to the 8 Zone. New development is underway to provide drill platforms for the planned 51,000 m of exploration drilling and 43,000 m of definition drilling to better define and expand the current resource base at the high grade 303 East Zone up and down plunge, the 711 and 300 W Zone down plunge, and at various locations along the 8 Zone.

Eagle River Surface Drilling

Surface drilling in the volcanics to the west of the mine diorite encountered two sub-parallel structures that broadly follow the stratigraphy within the mafic/felsic volcanic rocks. Both structures strike approximately 240-250° and dip 70-80° to the north. These could be extensions of the 300 and 7 zone structures which lie approximately 200 m to the east within the mine diorite. Both structures exhibit broad zones of deformed rock (3-20 m wide shear zones) affiliated with strong silicification over 20-50 m width. The two new mineralized zones identified by surface drilling define an area termed the Falcon Zones.

Falcon Zones

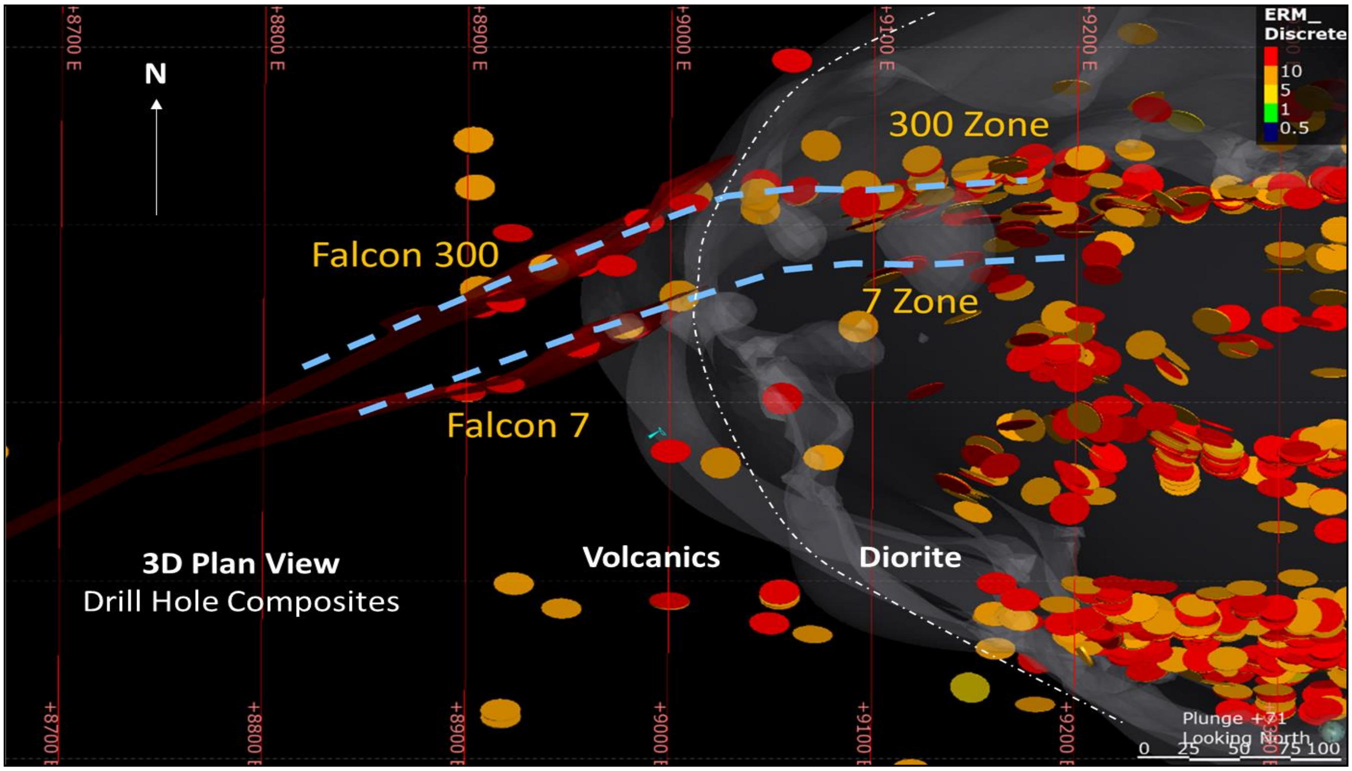
The "**Falcon 300**" has been traced over 100 m strike length and 150 m down dip and remain open in these directions. Gold mineralization is associated with narrow quartz veins (30 cm to 1 m) with visible gold, galena, sphalerite and pyrrhotite. Mineralization has been traced west to section 8900E, and east toward section 9000E. While the zone appears to diminish along strike to the west, it remains open to the east and at depth. Its direct relation to the 300 Zone structure (at depth 200 m east) remains untested.

The "**Falcon 7**" has been traced over 130 m in strike and 180 m down dip and remain open in these directions. Gold mineralization is hosted in narrow veins (30 cm to 1 m) akin to those described above. Mineralization has been traced between sections 8850E and 8980E. The zone is open to the west and at depth. Within the mine diorite to the east, the 7 Zone structure exists 200 m away.

Falcon Zones Highlights (see press releases dated April 1 and June 13, 2019):

Hole ERM-2019-22:	18.5 g/t over 5.8 m core length	(11.5 g/t Au cut, 3.3 m true width)
Hole ERM-2019-36:	3,389.0 g/t Au over 0.3 m core length	(60.0 g/t Au cut, 0.21 m width)
Hole ERM-2019-15:	73.5 g/t Au over 1.3 m core length	(34.7 g/t Au cut, 1.1 m true width)
Hole ERM-2019-35:	51.1 g/t Au over 0.6 m core length	(32.1 g/t Au cut, 0.4m true width)
Hole ERM-2019-10:	42.6 g/t over 1.5 m core length	(12.6 g/t Au cut, 1.0 m true width)
Hole ERM-2019-42:	13.3 g/t Au over 3.1 m core length	(13.0 g/t Au cut, 2.5 m width)
Hole ERM-2019-47:	53.8 g/t Au over 1.9 m core length	(34.7 g/t Au cut, 1.1 m true width)

Assays cut to 60.0 g/t Au. True widths are estimated.



Surface drilling is ongoing to better define and extend the Falcon zones that remain open down plunge and along strike. Additionally, surface mapping and prospecting, with potentially follow-up trenching and drilling, is continuing proximal to the mine diorite and more regionally along strike as follow-up to numerous historic showings that remain underexplored.

TAILINGS AND WATER MANAGEMENT ("TMA")

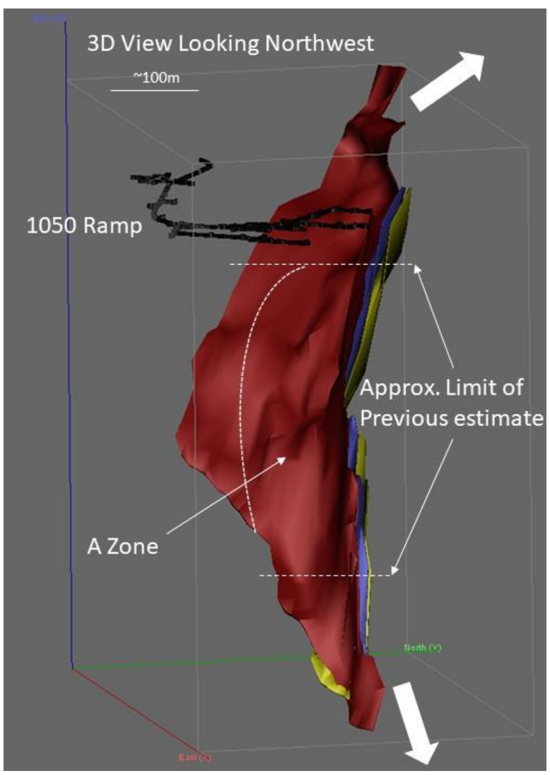
After extensive technical reviews on our tailings and water management and corresponding updates to our risk management program, additional work is being undertaken at our tailings management area (TMA), taking advantage of the summer season in the Wawa region. An updated deposition plan, to optimize tailings placement and water management, has been put in place and work has been ongoing so far this year. Over the past 5 years, with noticeable climate change effects, there has been higher than normal precipitation in the region, with water management becoming increasingly challenging. Snow management, with the purchase of appropriate equipment, was successfully undertaken over the winter months into spring 2019, to mitigate the effects of rapid spring thaw. With appropriate permits in place, additional capacity for water management was garnered by temporarily utilizing our Mishi pit, as ore was available for processing from the Mishi stockpile. At the TMA, the Stage 3 vertical raise was completed during the quarter, with the majority of the Stage 3 raise having occurred in 2017. The Company plans to perform ongoing augmentation of the existing dam structure during the remainder of the year in order to proceed to a Stage 4 vertical raise later this year and into 2020, for additional tailings capacity. A total of $6.5 million has been allocated to this project, with $1.5 million incurred in Q2 2019 and $5.0 million to be spent in the second half of 2019.

KIENA COMPLEX

The Kiena Mine Complex is a fully permitted, integrated mining and milling infrastructure which includes a 930 m production shaft and 2,000 tpd capacity mill. From 1981 to 2013 the mine produced 1.75 million ounces of gold from 12.5 million tonnes at a grade of 4.5 g/t Au. The bulk of this production came from the S-50 Zone between depths of 100 and 1,000 m. In 2013, operations were suspended due to a combination of declining gold prices and lack of developed reserves. The infrastructure has been well preserved on care and maintenance status.

In December 2018, the Company updated the exploration potential and known resources for the entire property on an interim basis and has filed an independent NI 43-101 report. The mineral resource estimate includes drill data as of October 12, 2018, includes 3.1 million tonnes of Measured and Indicated Mineral Resources at an average grade of 5.81 g/t Au containing approximately 583,000 ounces of gold and an Inferred Mineral Resource of 4.1 million tonnes at a grade of 7.57 g/t Au containing 1.0 million ounces of gold.

InnovExplo Inc. concluded that in the region of the down plunge extent of the Kiena Deep A Zone encompassing hole 6299 (see the Company's news release dated May 17, 2018 filed on SEDAR and on its website) that is parallel to and alongside, but excluded from the A Zone current mineral resource estimate, that could add ounces to the mineral resource estimate with positive drill results and is estimated that the exploration target for the A Zone consists **of 300,000-450,000 tonnes grading 8.0 to 11.0 g/t Au for 80,000 - 160,000 ounces Au.** This area is not currently in the mineral resource estimate and not based on drilling completed after the October 12, 2018 cutoff date for data. The reader should be cautioned that this exploration target is not a mineral resource estimate and is conceptual in nature. There has been insufficient exploration to define this as a mineral resource, and it is uncertain if further exploration will result in the exploration target being delineated as a mineral resource.



CONTINUING EXPLORATION DRILLING

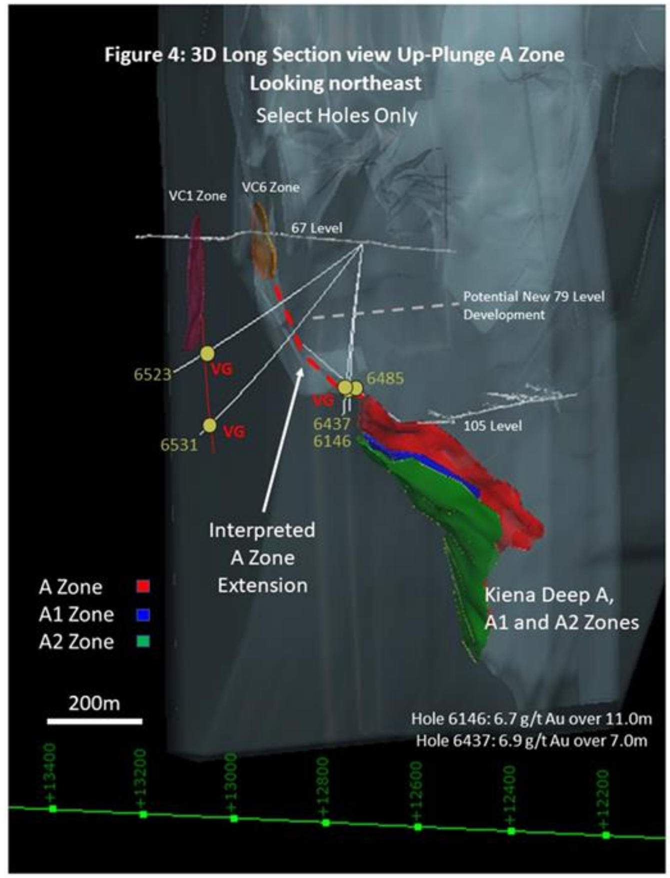
Since the October 12th cutoff date for drill data used in the recent resource estimate released on December 12, 2018, exploration and definition drilling has been ongoing with 5 drills at the Kiena Deep A Zone. Four drills continue to operate on the 1050 m-level exploration ramp completing the infill and immediate plunge extension drilling of the Kiena Deep A Zone in preparation for an updated resource estimate expected in H2 2019. The A Zone remains open at depth and one drill is dedicated to testing this prospective area. The ongoing definition drilling has continued to confirm the overall continuity of the geometry and the high-grade gold mineralization of the Kiena Deep A Zone that now extends over 700 m along plunge. Meanwhile a 5th drill is located on the 670 m-level and continues to return high grade intersections along the interpreted-up plunge extension of the Kiena Deep A Zone towards the VC zone area with one hole returning 31.1 g/t Au over 5.1 m. It is now interpreted that A Zone is folded as it extends up plunge to intersect the VC6 zone.

Highlights of recent drilling includes:

	Uncut Grade (g/t Au)	Core length (m)	Cut Grade (g/t Au)	True width (m)	News Release Date
Hole 6376	21.1	6.1	5.1	5.4	October 31, 2018
Hole 6367	13.5	9.1	10.3	9.1	October 31, 2018
Hole 6366	43.7	2.4	12.1	1.9	October 31, 2018
Hole 6380	17.9	10.3	8.9	8.6	October 31, 2018
Hole 6383	28.0	24.0	14.1	16.5	December 12, 2018
Hole 6375	82.4	11.1	17.8	8.5	December 12, 2018
Hole 6370	120.6	8.9	44.6	8.0	December 12, 2018
Hole 6384	26.4	13.2	17.8	9.3	December 12, 2018
Hole 6398	19.2	5.9	9.2	5.4	December 12, 2018
Hole 6384A	33.7	30.6	28.4	15.0	January 28, 2019
Hole 6378	36.5	7.0	18.4	5.0	January 28, 2019
Hole 6392	153.4	1.4	35.4	1.3	January 28, 2019
Hole 6402	51.9	7.6	17.9	7.6	January 28, 2019
Hole 6409	39.8	4.7	20.0	3.6	January 28, 2019
Hole 6404	18.2	11.0	18.2	6.0	April 25, 2019
Hole 6406	66.4	10.4	23.4	5.2	April 25, 2019
Hole 6419	16.8	9.1	16.8	8.5	April 25, 2019
Hole 6421	51.3	10.3	25.0	3.1	April 25, 2019
Hole 6427	18.3	12.9	18.3	4.8	April 25, 2019
Hole 6446	81.3	3.1	24.8	3.0	April 25, 2019
Hole 6456	68.2	19.0	28.1	14.4	July 31, 2019
Hole 6450	126.3	4.3	23.6	3.8	July 31, 2019

1. *The assays for drill holes up to December 12, 2018 are cut to 34.3 g/t Au. True widths are estimated.*
2. *The assays of later drill holes are cut to 90.0 g/t Au. True widths are estimated.*
3. *See the Company's news releases for details.*

The Company is considering driving an exploration drift near the 790 m-level to better drill this area, that can also be used for future development and production of the Kiena Deep A Zone and the VC zones. Our 2019 underground exploration program calls for 50,000 m of drilling in preparation for an updated resource estimate near the end of Q3. This information will then lead into a Preliminary Economic Assessment expected in Q1 2020 and next steps will be determined at that juncture.



LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2019, Wesdome had working capital of $20.5 million compared to $11.3 million at December 31, 2018. Cash and cash equivalents at the end of the quarter was $27.4 million, which is the same as the beginning of the year. An abbreviated cash flow statement is as follows:

In Millions (Canadian dollar)	Q2 2019	Q2 2018	Change	YTD 2019	YTD 2018	Change
Eagle River						
Mine profits[1]	$22.1	$15.0	$7.1	$38.3	$25.7	12.6
Sustaining capital and mine exploration	(4.9)	(4.2)	(0.7)	(10.0)	(7.8)	(2.2)
Tailings management facility	(1.5)	0.0	(1.5)	(1.5)	0.0	(1.5)
Capitalized exploration	(0.5)	(0.1)	(0.4)	(1.5)	(0.1)	(1.4)
Lease payments and other	(1.3)	(1.0)	(0.3)	(2.6)	(1.6)	(1.0)
	13.9	9.6	4.2	22.7	16.2	6.5
Kiena						
Investment in exploration & evaluation	(5.5)	(5.1)	(0.4)	(11.0)	(10.1)	(0.9)
Corporate	(1.4)	(1.5)	0.1	(3.5)	(2.6)	(0.8)
Stock options exercised	0.8	0.1	0.7	2.7	0.3	2.4
Net change in working capital and other	(8.2)	(3.0)	(5.2)	(10.8)	0.7	(11.5)
Net increase (decrease) in cash	($0.4)	$0.2	($0.6)	$0.0	$4.6	($4.6)
Cash, beginning of period	$27.8	$26.5		$27.4	$22.1	
Cash, end of period	**$27.4**	**$26.7**		**$27.4**	**$26.7**	

[1] Mine profits is a non-IFRS performance measure. Please refer to the disclosures of non- IFRS measures in this MD&A

Eagle River generated $22.1 million in mine profits[1] in Q2 2019, as compared to $15.0 million in Q2 2018, and $38.3 million YTD 2019, as compared to $25.7 million YTD 2018 due to increased production. The increase in mine profits has led to the use of cash flow from operations to invest $6.0 million in the Eagle River surface exploration and the Kiena asset in the quarter (Q2 2018 - $5.2 million), and $12.5 million YTD 2019 (2018 - $10.2 million).

The net change in working capital and other for YTD 2019 decreased by $11.5 million when compared to YTD 2018 was substantively the result of the increase in ore stockpile inventory and vendors' deposits, together with the payout of mining tax.

The following table identifies the significant movements in operating cash flow for the three months and six months ended June 30, 2019:

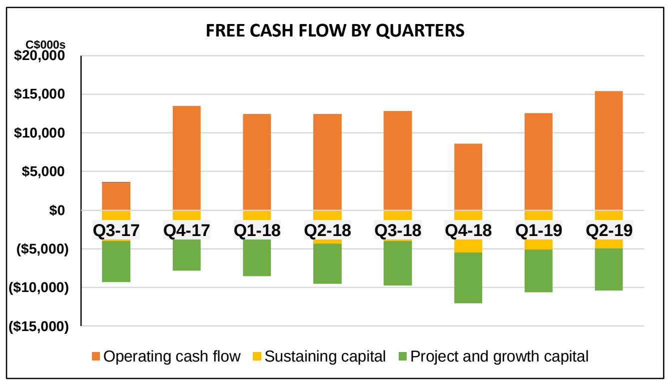
In $000s	Q2 2019	Q2 2018	Change		YTD 2019	YTD 2018	Change	
Operating cash flow, previous period	**12,581**	12,423	158	1%	**8,632**	13,468	(4,836)	(36)%
Increase (decrease) in cash margin from mine operations	**5,796**	4,185	1,611		**25,819**	14,125	11,694	
Decrease (increase) in other operating expenditures	**510**	(204)	714		**(1,604)**	(1,693)	89	
Mining and income tax payments (recovery)	**(3,074)**	(937)	(90)		**3,235**	(1,328)	4,563	
NIER Program	**-**	1,032	(1,032)		**0**	1,032	(1,032)	
Net change in working capital balances	**(36)**	(4,102)	4,066		**(8,104)**	(933)	(7,171)	
Other	**(377)**	25	(402)		**3**	174	(171)	
Net increase (decrease) in operating cash flows	**2,819**	(1)	2,820		**19,349**	11,377	7,972	70%
Operating cash flow, current period	**15,400**	12,422	2,978	24%	**27,981**	24,845	3,136	13%

Capital and exploration and evaluation expenditures incurred in Q2 2019 totaled $12.3 million as compared to $9.5 million in Q2 2018. A breakdown of the capital expenditures for the three months and six months ended June 30, 2019 and 2018 are as follows:

In $000s	Q2 2019	Q2 2018	Change		YTD 2019	YTD 2018	Change	
Mining properties and plant and equipment								
Eagle River								
Capitalized exploration costs	**1,390**	3,744	(2,354)		**3,137**	7,194	(4,057)	
Sustaining mine development costs	**3,794**	499	3,295		**7,818**	605	7,213	
Mining equipment and infrastructure upgrades	**221**	125	96		**557**	125	432	
Tailings management facility	**1,509**	-	1,509		**1,509**	-	1,509	
	6,914	4,368	2,546		**13,021**	7,924	5,097	
Corporate Office	**(110)**	65	(110)		**-**	65	0	
Additions to Mining properties	**6,804**	4,433	2,371	53%	**13,021**	7,989	5,097	63%
Exploration and evaluation expenditures								
Eagle River	**-**	(13)	(13)		**-**	**-**	0	
Kiena	**5,493**	5,060	433		**11,019**	10,022	997	
Moss Lake	**5**	24	(19)		**17**	41	(24)	
Additions to Exploration properties	**5,498**	5,071	401	8%	**11,036**	10,063	973	10%
Total capital investments	**12,302**	9,504	2,772	29%	**24,057**	18,052	6,070	33%

Free cash flow[1] in Q2 2019 was $1.2 million compared to $2.0 million in Q2 2018. For the six months ended June 30, 2019, the free cash flow[1] was $0.7 million as compared with $5.2 million in the same period last year. The decrease in free cash flow[1] was primarily due to higher amounts incurred for mine operating costs and capital expenditures in the first half of the year.

As the Company moves forward with its plan for the TMA projects for the second half of 2019, the Company anticipates an outflow of cash resources in the second half of the year.



[1] Free cash flow is a non-IFRS performance measures. Please refer to the disclosures of non- IFRS measures in this MD&A

Secured Credit Facility and Lease Facilities

Secured Credit Facility

In Q2 2019, Wesdome has entered into a commitment letter with National Bank Financial Inc. ("NBF") providing for a three-year $40.0 million senior secured revolving credit facility ("NBF Facility"). National Bank of Canada has committed to provide up to $30.0 million of the NBF Facility, subject to the receipt by NBF of firm commitments for at least $10.0 million from one or more other financial institutions. The NBF Facility will be secured by all of the Company's present and future real and personal property.

The NBF Facility shall be used for general corporate and working capital purposes, including to repay all amounts owing under the Company's existing $36.0 million credit facility, under which approximately $4.9 million is outstanding under its equipment leasing and commercial card facilities as the end of the quarter. The closing of the NBF Facility is expected to occur in the third quarter of 2019 and is subject to the satisfaction of customary conditions, including the entering into of definitive documents.

In the first half of 2019, the Company is in compliance with the financial covenants stipulated under its existing secured credit facilities. At June 30, 2019, these facilities are secured by a fixed charge over all property together with a floating charge over all other assets of the Company.

In Q2 2019, the Company pledged cash of $0.6 million to secure a $0.6 million letter of credit issued in favour of a supplier and placed cash of $27,000 with the Ontario Ministry of Energy, Northern Development and Mines to provide financial assurance for one of its former mining sites.

Leasing Facility

In 2018, the Company established a $3.4 million lease facility with a Canadian bank. At July 3, 2019, the facility was increased to $9.9 million of which $4.1 million were currently drawn. In 2019, the Company also established a US$4.5 million equipment leasing facility with a U.S. based leasing company, of which US$0.5 million were drawn to date.

Reclamation Bonds

In Q1 2019, the Company entered into an agreement with a financial institution whereby the financial institution has issued surety bonds, on an unsecured basis, to the extent of $1.5 million to satisfy the Company's reclamation obligations for the Eagle River Complex. As at June 30, 2019, the total reclamation bonds issued to government environmental agencies amounted to $8.5 million (December 31, 2018 - $7.0 million).

SUMMARY OF SHARES ISSUED

As of August 8, 2019, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	137,085
Common share purchase options	5,613
Deferred Share Units	249
Restricted Share Units	444

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at June 30, 2019:

In $000s	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	$20,604	$20,604			
Mining and income liabilities	1,174	1,174			
Leases related to mining operations	9,989	5,119	3,380	1,490	
Other leases [1]	768	223	173	372	
Purchase commitments [2]	8,784	8,784			
Decommissioning liabilities	14,796		7,027		7,769
	$56,115	**$35,904**	**$10,580**	**$1,862**	**$7,769**

1 Other leases are leases substantively related to the lease of the office premise.
2 The Company anticipates 45% of the outstanding purchase commitments as at June 30, 2019 will be financed by finance leases.
3 As at June 30, 2019, the Company has classified $4.6 million of lease liabilities under its current lease facility with a chartered bank as a current liability on the basis that this obligation will be satisfied by a $5.0 million draw down of the NBF secured revolving credit facility.
4 The above table does not include an estimate of $0.8 million in financing costs related to the NBF secured revolving credit facility.

NON-IFRS PERFORMANCE MEASURES

Average realized price per ounce of gold sold

Average realized price per ounce of gold sold is a non-IFRS measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS. Average realized price per ounce of gold sold is calculated by dividing gold sales proceeds received by the Company for the relevant period by the ounces of gold sold. It may not be comparable to information in other gold producers' reports and filings.

In 000s, except per unit amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Revenues per financial statements	**42,276**	32,535	29,462	28,920	31,443	26,217	31,544	21,165	**74,811**	57,660
Silver revenue from mining operations	**(38)**	(28)	(30)	(22)	(32)	(24)	(225)	-	**(66)**	(56)
Gold revenue from mining operations (a)	**42,238**	32,507	29,432	28,898	31,411	26,193	31,319	21,165	**74,745**	57,604
Ounces of gold sold (b)	**24,113**	18,760	18,077	18,401	18,573	15,430	19,351	13,069	**42,873**	34,003
Average realized price gold gold sold CAD (c) = (a) ÷ (b)	**1,752**	1,733	1,628	1,571	1,692	1,698	1,618	1,619	**1,743**	1,694
Average 1 USD → CAD exchange rate (d)	**1.3377**	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712	1.2528	**1.3336**	1.2781
Average realized price gold sold USD (c) ÷ (d)	**1,309**	1,303	1,233	1,202	1,311	1,342	1,273	1,293	**1,307**	1,325

Cash costs per ounce of gold sold

Cash cost per ounce of gold sold is a non-IFRS performance measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS, as well it may not be comparable to information in other gold producers' reports and filings. The Company has included this non-IFRS performance measure throughout this document as Wesdome believes that this generally accepted industry performance measure provides a useful indication of the Company's operational performance. 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. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of total cash costs per ounce of gold sold to cost of sales per the financial statements for each of the last eight quarters:

In 000s, except per unit amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Cost of sales per financial statements	**26,571**	20,185	22,162	20,599	20,405	18,764	23,780	15,594	**46,756**	39,169
Depletion and depreciation	**(6,350)**	(3,909)	(5,195)	(5,577)	(3,919)	(3,321)	(3,842)	(2,350)	**(10,259)**	(7,240)
Silver revenue from mining operations	**(38)**	(28)	(30)	(22)	(32)	(24)	(225)	-	**(66)**	(56)
Cash costs (a)	**20,183**	16,248	16,937	15,000	16,454	15,419	19,713	13,244	**36,431**	31,873
Ounces of gold sold (b)	**24,113**	18,760	18,077	18,401	18,573	15,430	19,351	13,069	**42,873**	34,003
Cash costs per ounce of gold sold (c) = (a) ÷ (b)	**837**	866	937	815	886	999	1,019	1,013	**850**	937
Average 1 USD → CAD exchange rate (d)	**1.3377**	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712	1.2528	**1.3336**	1.2781
Cash costs per ounce of gold sold USD (c) ÷ (d)	**626**	651	710	624	686	790	801	809	**637**	733

Production costs per tonne milled

Mine-site cost per tonne milled is a non-IFRS performance measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS, as well it may not be comparable to information in other gold producers' reports and filings. As illustrated in the table below, this measure is calculated by adjusting cost of sales, as shown in the statements of income for non-cash depletion and depreciation, royalties and inventory level changes and then dividing by tonnes processed through the mill. Management believes that mine-site cost per tonne milled provides additional information regarding the performance of mining operations and allows Management to monitor operating costs on a more consistent basis as the per tonne milled measure reduces the cost variability associated with varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, the estimated revenue on a per tonne basis must be in excess of the production cost per tonne milled in order to be economically viable. Management is aware that this per tonne milled measure is impacted by fluctuations in throughput and thus uses this evaluation tool in conjunction with production costs prepared in accordance with IFRS. This measure supplements production cost information prepared in accordance with IFRS and allows investors to distinguish between changes in production costs resulting from changes in production versus changes in operating performance.

In 000s, except per unit amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Cost of sales per financial statements	**26,571**	20,185	22,162	20,599	20,405	18,764	23,780	15,594	**46,756**	39,169
Depletion and depreciation	**(6,350)**	(3,909)	(5,195)	(5,577)	(3,919)	(3,321)	(3,842)	(2,350)	**(10,259)**	(7,240)
Royalties	**(701)**	(608)	(529)	(597)	(484)	(539)	(424)	(414)	**(1,309)**	(1,023)
Inventory adjustments	**(1,063)**	(788)	1,615	(47)	(570)	1,184	(3,530)	2,316	**(1,851)**	614
Mining and processing costs, before inventory adjustments (a)	**18,457**	14,880	18,053	14,378	15,432	16,088	15,984	15,146	**33,337**	31,520
Ore milled (tonnes) (b)	**47,377**	49,411	59,014	50,854	68,610	77,326	77,488	83,059	**96,788**	145,936
Production costs per tonne milled (a) ÷ (b)	**390**	301	306	283	225	208	206	182	**344**	216

Mine profit

Mine profit is a non-IFRS measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS, as well it may not be comparable to information in other gold producers' reports and filings. It is calculated as the difference between gold sales revenue from mining operations and cash mine site operating costs (see Cash cost per ounce of gold sold under this Section above) per the Company's Financial Statements. The Company believes it illustrates the performance of the Company's operating mines and enables investors to better understand the Company's performance in comparison to other gold producers who present results on a similar basis.

In 000s, except per unit amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Gold revenue from mining operations (per above)	**42,238**	32,507	29,432	28,898	31,411	26,193	31,319	21,165	**74,745**	57,604
Cash costs (per above)	**20,183**	16,248	16,937	15,000	16,454	15,419	19,713	13,244	**36,431**	31,873
Mine profit	**22,055**	16,259	12,495	13,898	14,957	10,774	11,606	7,921	**38,314**	25,731
Per ounce of gold sold (Canadian dollar):										
Average realized price (a)	**1,752**	1,733	1,628	1,571	1,692	1,698	1,618	1,619	**1,743**	1,694
Cash costs (b)	**837**	866	937	815	886	999	1,019	1,013	**850**	937
Cash margin (a) – (b)	**915**	867	691	756	807	699	599	606	**893**	757

All-in sustaining costs

All-in sustaining costs (AISC) include mine site operating costs incurred at Wesdome mining operations, sustaining mine capital and development expenditures, mine site exploration expenditures and equipment lease payments related to the mine operations and corporate administration expenses. The Company believes that this measure represents the total costs of producing gold from current operations and provides Wesdome and other stakeholders with additional information that illustrates the Company's operational performance and ability to generate cash flow. This cost measure seeks to reflect the full cost of gold production from current operations on a per-ounce of gold sold basis. New project and growth capital are not included.

In 000s, except per unit amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Cost of sales, per financial statements	**26,571**	20,185	22,162	20,599	20,405	18,764	23,780	15,594	**46,756**	39,169
Depletion and depreciation	**(6,350)**	(3,909)	(5,195)	(5,577)	(3,919)	(3,321)	(3,842)	(2,350)	**(10,259)**	(7,240)
Silver revenue from mining operations	**(38)**	(28)	(30)	(22)	(32)	(24)	(225)	-	**(66)**	(56)
Cash costs	**20,183**	16,248	16,937	15,000	16,454	15,419	19,713	13,244	**36,431**	31,873
Sustaining mine exploration and development	**4,696**	4,740	4,142	3,677	3,744	3,450	3,053	3,545	**9,436**	7,194
Sustaining mine capital equipment	**221**	336	1,280	317	499	106	162	434	**557**	605
Tailings management facility	**1,509**	-	-	-	-	-	-	-	**1,509**	-
Corporate and general	**1,498**	2,008	1,337	1,429	1,416	1,077	1,248	909	**3,506**	2,493
Payment of lease liabilities	**1,316**	1,255	1,086	931	956	659	674	762	**2,571**	1,615
All-in Sustaining costs (AISC) (a)	**29,423**	24,587	24,782	21,354	23,069	20,711	24,850	18,894	**54,010**	43,780
Ounces of gold sold (b)	**24,113**	18,760	18,077	18,401	18,573	15,430	19,351	13,069	**42,873**	34,003
AISC (c) = (a) ÷ (b)	**1,220**	1,311	1,371	1,160	1,242	1,342	1,284	1,446	**1,260**	1,288
Average 1 USD → CAD exchange rate (d)	**1.3377**	1.3295	1.3204	1.3070	1.2911	1.2647	1.2712	1.2528	**1.3336**	1.2781
AISC USD (c) ÷ (d)	**912**	986	1,038	888	962	1,061	1,010	1,154	**945**	1,007

Free cash flow and operating and free cash flow per share

Free cash flow is calculated by taking net cash provided by operating activities less cash used in capital expenditures and lease payments as reported in the Company's financial statements. Free cash flow per share is calculated by dividing free cash flow by the weighted average number of shares outstanding for the period.

Operating cash flow per share is a non-IFRS measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS. Operating cash flow per share is calculated by dividing cash flow from operating activities in the Company's Financial Statements by the weighted average number of shares outstanding for each year. It may not be comparable to information in other gold producers' reports and filings.

In 000s, except per share amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Net cash provided by operating activities per financial statements (c)	**15,400**	12,581	8,632	12,823	12,422	12,423	13,468	3,541	**27,981**	24,845
Sustaining mine exploration and development	**(4,696)**	(4,740)	(4,142)	(3,677)	(3,744)	(3,450)	(3,053)	(3,545)	**(9,436)**	(7,194)
Sustaining mine capital equipment	**(221)**	(336)	(1,280)	(317)	(499)	(106)	(162)	(434)	**(557)**	(605)
Tailings management facility	**(1,509)**	-	-	-	-	-	-	-	**(1,509)**	-
Leasehold improvements and IT fixtures	**110**	(110)	(27)	(28)	(65)	-	-	-	**-**	(65)
Capitalized exploration and evaluation expenditures	**(5,498)**	(5,538)	(5,699)	(5,733)	(5,071)	(4,992)	(4,598)	(5,317)	**(11,036)**	(10,063)
Surface exploration at Eagle River	**(488)**	(1,031)	(889)	-	(125)	-	-	-	**(1,519)**	(125)
Funds held against standby letters of credit	**(627)**	-	-	-	-	-	-	-	**(627)**	-
Payment of lease liabilities	**(1,316)**	(1,255)	(1,086)	(931)	(956)	(659)	(674)	(762)	**(2,571)**	(1,615)
Free cash flows (a)	**1,155**	(429)	(4,491)	2,137	1,962	3,216	4,981	(6,517)	**726**	5,178
Weighted number of shares (000s) (b)	**136,740**	135,788	135,132	134,754	134,276	134,132	133,890	133,888	**136,266**	132,871
Per Share data										
Operating cash flow (c) ÷ (b)	**0.11**	0.09	0.06	0.10	0.09	0.09	0.10	0.03	**0.21**	0.19
Free cash flow (a) ÷ (b)	**0.01**	0.00	(0.03)	0.02	0.01	0.02	0.04	(0.05)	**0.01**	0.04

Net income (adjusted) and Adjusted net earnings per share

Adjusted net income (loss) and adjusted net earnings per share are non-IFRS performance measures and do not constitute a measure recognized by IFRS and do not have standardized meanings defined by IFRS, as well both measures may not be comparable to information in other gold producers' reports and filings. Adjusted net income (loss) is calculated by removing the one-time gains and losses resulting from the disposition of non-core assets, non-recurring expenses and significant tax adjustments (mining tax recognition and exploration credit refunds) not related to current period's earnings, as detailed in the table below. Wesdome discloses this measure, which is based on its financial statements, to assist in the understanding of the Company's operating results and financial position.

In 000s, except per share amounts	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Net income (loss) per financial statements	**8,327**	8,092	2,643	3,631	5,725	2,859	(567)	296	**16,419**	8,584
Adjustments for:										
Restructuring costs:	**-**	-	-	-	-	-	-	2,159	**-**	-
Exploration credit refund	**-**	(2,867)	-	-	-	-	-	-	**(2,867)**	-
Other	**-**	(255)	-	-	-	-	-	-	**(255)**	-
Total adjustments	**-**	(3,122)	-	-	-	-	-	2,159	**(3,122)**	-
Related income tax effect	**-**	753	-	-	-	-	-	(572)	**753**	-
Recognition of mining taxes	**-**	-	-	-	-	-	3,924	-	**-**	-
	-	(2,369)	-	-	-	-	3,924	1,587	**(2,369)**	-
Net income adjusted (a)	**8,327**	5,723	2,643	3,631	5,725	2,859	3,357	1,883	**14,050**	8,584
Weighted number of shares (000s) (b)	**136,740**	135,788	135,132	134,754	134,276	134,132	133,890	133,888	**136,266**	132,871
Per Share data										
Net adjusted earnings (a) ÷ (b)	**0.06**	0.04	0.02	0.03	0.04	0.02	0.03	0.01	**0.10**	0.06

EBITDA

Earnings before interest, taxes and depreciation and amortization ("**EBITDA**") is a non-IFRS financial measure which excludes the following items from net income (loss): interest expense; mining and income taxes and depletion and depreciation expenses. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use EBITDA and as an indicator of Wesdome's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. EBITDA is intended to provide additional information to investors and analysts and do not have any standardized definition under IFRS, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other producers may calculate EBITDA differently. The following table provides a reconciliation of net income in the Company's consolidated financial statements to EBITDA:

In 000s	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD 2019	YTD 2018
Net income (loss) per financial statements	**8,327**	8,092	2,643	3,631	5,725	2,859	(567)	296	**16,419**	8,584
Adjustments for:										
Mining and income tax expense	**4,619**	4,085	2,408	2,380	3,532	1,802	5,840	1,401	**8,704**	5,334
Depletion and depreciation	**6,350**	3,909	5,195	5,577	3,919	3,321	3,842	2,350	**10,259**	7,240
Non-recurring expenses (income)	**-**	(3,122)	-	-	-	-	-	2,159	**(3,122)**	-
Interest expense	**83**	188	2	173	176	155	168	4	**271**	331
	19,379	13,152	10,248	11,761	13,352	8,137	9,283	6,210	**32,531**	21,489

ACCOUNTING MATTERS

BASIS OF PRESENTATION

The condensed interim consolidated financial statements of Wesdome for the three and six months ended June 30, 2019 have been prepared in accordance with International Accounting Standard 34 – "*Interim Financial Reporting"* ("**IAS 34**") using accounting policies consistent with IFRS. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2018, with the exception of the adoption of new lease accounting policy on the new accounting standard IFRS 16 in January, 2019 (see "*Accounting Pronouncement"* in this MD&A).

The preparation of condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company's condensed interim consolidated financial statements are consistent with those applied and disclosed.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

CRITICAL JUDGMENT IN APPLYING ACCOUNTING POLICIES

Exploration and evaluation expenditures

Judgment is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable by future exploration, which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available.

KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Reserves and Resources

Mineral Reserves are the economically mineable parts of the Company's Measured and Indicated Mineral Resources that have been incorporated into the mine plan. The Company estimates Mineral Reserves and Mineral Resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to Proven and Probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body.

Changes in the Mineral Reserves estimates may impact the carrying value of mining properties and equipment, depletion, impairment assessments and the timing of decommissioning and remediation obligations.

(ii) Depletion

Mining properties are depleted using the units of production ("**UOP**") method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from Proven and Probable reserves.

The calculation of the UOP rate, and therefore the annual depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(iii) Provision for decommissioning obligations

The Company assesses its provision for decommissioning on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning obligations requires management to make estimates of the future costs the Company will incur to complete the decommissioning work required to comply with existing laws and regulations at each mining operation. Also, future changes to environmental laws and regulations could increase the extent of decommissioning work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning. The provision represents management's best estimate of the present value of the future decommissioning obligation. Actual future expenditures may differ from the amounts currently provided.

(iv) Share-based payments

The determination of the fair value of Share-based payments is based on subjective assumptions input into an option pricing model, instead of based on historical cost. The model requires that management make forecasts as to future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share-based payments incorporate an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates and is adjusted if the actual forfeiture rate differs from the expected rate.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

(v) Income and mining and income taxes

The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to different interpretations by the taxpayer and the relevant tax authority. The provision for mining and income taxes represents management's interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions and events during the period. The Company may be required to change its provision for income taxes or deferred tax balances when the ultimate deductibility of certain items is successfully challenged by taxing authorities or if estimates used in determining the amount of deferred tax asset to recognized change significantly, or when receipt of new information indicates the need for adjustment in the amount of deferred tax to be recognized. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income tax, deferred tax balances and the effective tax rate. Any such changes could materially affect the amounts reported in the consolidated financial statements in the year these changes occur.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets are realizable. The impact of different interpretations and applications could be material.

(vi) Recoverability of mining properties

The Company's management reviews the carrying values of its mining properties on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining properties depends on confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on life-of-mine ("**LOM**") plans in its assessments of economic recoverability and probability of future economic benefit. LOM plans provide an economic model to support the economic extraction of reserves and resources. A long-term LOM plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.

(vii) Inventory – ore stockpile

Expenditures incurred, and depletion of assets used in mining and processing activities are deferred and accumulated as the cost of ore maintained in stockpiles. These deferred amounts are carried at the lower of cost or net realizable value ("**NRV**"). Impairments of ore in stockpiles resulting from NRV impairments are reported as a component of current period costs.

The allocation of costs to ore in stockpiles and the determination of NRV involve the use of estimates. There is a significant degree of uncertainty in estimating future milling costs, future milling levels, prevailing and long-term gold and silver prices, and the ultimate estimated recovery for ore.

(viii) Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advisement, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

The Company received $2.9 million in tax reassessments and interests from Revenue Québec in Q2 2018 in connection with the Québec Appeal Court decision rendered in March 2018 (see "**Litigation**" under Operation and Financial Review in this MD&A). The Company recorded in payable and accruals, the $2.9 million it received in 2018 on the basis that the Revenue Québec appealed this decision to the Supreme Court and a decision whether the case will be heard by the Supreme Court was uncertain at that time. In Q1 2019, the Company recorded this amount in income upon the successful outcome in the Supreme Court Appeal.

ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Pronouncements

IFRS 16 – Leases

This new accounting pronouncement, which supersedes IAS 17 – Leases and will be effective for periods beginning on or after January 1, 2019, eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases with exemptions permitted for short- term leases and leases of low value assets. In addition, the new accounting standard sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. The Company prospectively adopted IFRS 16 at the beginning of 2019 with no restatement of prior year comparatives using the modified retrospective approach. The adoption of this accounting pronouncement resulted in an increase of $.0.9 million in plant and equipment and a corresponding $0.9 million increase in lease liabilities (see note 3 to the Financial Statements).

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments disclosures require the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and, b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Please refer to note 19 of the Company's unaudited condensed consolidated financial statements for the three months and six months ended June 30, 2019 for a discussion of the factors that affects Wesdome.

RISKS AND UNCERTAINTIES

Risks and uncertainties related to economic and industry factors and the Company's approach to the management of these risks are discussed in detail in the 2018 annual MD&A.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In compliance with the Canadian Securities Administrators' Regulation we have filed certificates signed by the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure Controls and Procedures

The CEO and the CFO have designed disclosure controls and procedures, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

(i) material information relating to the Corporation has been made known to them; and

(ii) information required to be disclosed in the Corporation's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation

There were no changes were made to Wesdome's disclosure controls and procedures in Q2 2019,

Internal Control over Financial Reporting

The CEO and the CFO have also designed internal controls over financial reporting ("**ICFR**") or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") in Internal Control – Integrated Framework (COSO 2013).

Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation. There have been no significant changes in our internal controls during the three months ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, Wesdome's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the CEO and CFO, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that any design will not succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

RESPONSIBILITY FOR TECHNICAL INFORMATION

The technical and scientific information relating to exploration activities disclosed in this document was prepared under the supervision of and verified and reviewed by Marc-André Pelletier, P. Eng., Chief Operating Officer of Wesdome, and Michael Michaud, P.Geo., Vice President, Exploration of Wesdome, both and a "**Qualified Persons**" as defined in NI 43-101.

Data verification involves data input and review by senior project geologists at site, scheduled weekly and monthly reporting to senior exploration management and the completion of project site visits by senior exploration management to review the status of ongoing project activities and data underlying reported results. All drilling results for exploration projects or supporting resource and reserve estimates referenced in this MD&A have been previously reported in news releases disclosures by the Company, and have been prepared in accordance with NI 43-101 Standards of Disclosure for Mineral Projects. The sampling and assay data from drilling programs are monitored through the implementation of a quality assurance - quality control ("**QA-QC**") program designed to follow industry best practice.

INFORMATION CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

The mineral reserve and resource estimates were prepared in accordance with NI 43-101 as required by Canadian securities regulatory authorities. For United States reporting purposes, the United States Securities and Exchange Commission ("**SEC**") applies different standards in order to classify mineralization as a reserve. In particular, while the terms "measured," "indicated" and "inferred" mineral resources are required pursuant to NI 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into reserves. In addition, "inferred" mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, issuers must not make any disclosure of results of an economic analysis that includes inferred mineral resources, except in rare cases.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, constitute "forward-looking statements" and are based on expectations, estimates and projections as of the date of this MD&A. The words – "believe", "expect", "anticipate", "plan", "intend", "continue", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Wesdome to be materially different from the Company's estimated future results, performance or achievements expressed or implied by the forward-looking statements and the forward-looking statements are not guarantees of future performance. Factors that could cause results or events to differ materially from current expectations expressed or implied are inherent to the gold mining industry and include, but are not limited to, those discussed in the section entitled "Risks and Uncertainties". The Company does not intend and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by applicable laws.

RISK FACTORS

Refer to the risk factors described in the Company's 2018 Annual Information Form filed on SEDAR at www.sedar.com.