WESDOME GOLD MINES LTD.

First Quarter 2020
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 ended March 31, 2020 and 2019, 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 May 5, 2020.

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*
Q1 2020	*January 1, 2020 – March 31, 2020*	**Q1 2019**	*January 1, 2019 – March 31, 2019*
Q4 2019	*October 1, 2019 – December 31, 2019*	**Q4 2018**	*October 1, 2018 – December 31, 2018*
Q3 2019	*July 1, 2019 – September 30, 2019*	**Q3 2018**	*July 1, 2018 – September 30, 2018*
Q2 2019	*April 1, 2019 – June 30, 2019*	**Q2 2018**	*April 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 income 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

Q1 2020 HIGHLIGHTS AND ACHIEVEMENTS

Operations and Financial Highlights	Comparison to Q1 2019
Gold production of 25,122 ounces from the Eagle River Complex.	Gold production increased by 32% (Q1 2019 – 19,010) as a result of increased ore feed from the Eagle River Complex.
Cash costs [1] of $1,120 (US$833) per ounce of gold sold [1].	Cash cost in Canadian dollars increased by 29% (Q1 2019 of $866 (US$651) per ounce due to lower grades and the acceleration of the processing of the Eagle ore stockpiles.
AISC [1] of $1,423 (US$1,058) per ounce.	AISC [1] in Canadian dollars increased by 9% (Q1 2019 - $1,311 (US$986) per ounce due to lower grades and the acceleration of the processing of the Eagle ore stockpiles.
Earned mine profit [1] of $27.6 million.	Mine profit [1] increased by 70% or $11.4 million (Q1 2019 - $16.3 million) due to higher gold production and higher realized price.
Operating cash flow of $33.4 million or $0.24 per share [1].	Increased by 165% or $20.8 million (Q1 2019 - $12.6 million or $0.09 per share [1]) due to higher gold production and realized prices.
Free cash flow [1] of $16.7 million or $0.12 per share [1].	Increased by $17.1 million (Q1 2019 - $0.4 million outflow). Invested $10.6 million in exploration and evaluation expenditures at Eagle River and Kiena in the quarter as compared to $6.6 million in Q1 2019.
Net income attributable to shareholders of $11.5 million or $0.08 per share.	Net income increased by 1.4 times from Q1 2019 net income of $8.1 million or $0.06 per share, and adjusted net income [1] increased by 2.0 times from Q1 2019 adjusted net income [1] of $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 mineral resources and reserves for the Eagle River Complex were recently updated and can be summarized as follows: • Increased Eagle River reserves by 36% net of 91,066 ounces of depletion. Mineral Reserves at Eagle River of 550,000 contained gold ounces (1,186,000 tonnes at 14.4 g/t Au, an increase of 20% in grade), of which 72% is located in the high grade 300 Zone. • Mishi Pit reserves slightly decreased compared to 2018 at 10,500 contained ounces (116,000 tonnes at 2.8 g/t Au). • Increased Eagle River Measured and Indicated Resources (exclusive of reserves) by 258%, or 3.6 times over 2018. Measured & Indicated Mineral Resources (exclusive of reserves) at Eagle River increased to 111,000 contained gold ounces (380,000 tonnes at 9.0 g/t Au). • Inferred resources (exclusive of reserves) at Eagle River and Mishi remain the same at 159,000 and 212,000 contained ounces respectively. • Ongoing extension and definition drilling of the 300 East Zones, and in particular the 303 Lens, has continued to return high grade gold intersections. Initially defined from the 750 m-level to 1,000 m-level, this zone has now been extended an additional 300 m down plunge to the 1,300 m-level. • Surface drilling continues to extend and better define the Falcon Zones, located in volcanic rocks approximately 200 m west of the mine diorite. Surface drilling has continued to expand the zone of mineralization to a depth of 4400 m elevation (i.e. 600 vertical m below surface) and over a strike of 200 m. • In order to better test the down plunge extension of the Falcon Zone, a drill rig has been positioned underground on the 772 m elevation. Initial drilling from underground has intersected visible gold mineralization in quartz veining approximately 70 m down plunge of the Falcon Zone. Given the steep easterly plunge defined by the recent drilling, it is interpreted that the Falcon 7 Zone now extends an additional 500 m down plunge and is the up plunge extension of the 7 Zone currently being mined near the 1,000 m elevation. • The 2020 exploration program at Eagle River consists of approximately 119,000 m of underground ("UG') definition and exploration drilling (72,000 m exploration and 47,000 m of definition drilling) using 5 underground drill rigs, and 33,500 m of surface drilling using 2 drills. • With normal operations curtailed due to the COVID-19 pandemic, there is currently no diamond drilling occurring at Eagle River. This step was taken in order to significantly lessen the personnel

	at the Eagle River site to enhance social distancing and hygiene protocols. All drilling ceased in March and up to that point in time there were two surface drills testing the Falcon Zones and five drills underground dispersed throughout the mine.
Kiena	• Prior to the COVID-19 suspension on March 25th, seven underground drills were in operation completing the infill and up and down plunge extension drilling of the Kiena Deep A Zone. This drilling has continued to confirm the overall continuity of the geometry and the high-grade gold mineralization of the Kiena Deep A Zone and identify additional mineralization outside of the most recent resource estimate. Recent drilling has extended the gold mineralization of the A Zone an additional 100 m down plunge and now extends a total in excess of 830 m. • The 79 Level Ramp was completed in early 2020. It provides optimal drill platforms for testing the up-plunge extension of the Kiena Deep A Zone between the 670 m-level and the 1050 m-level and will serve as a haulage drift for any future production from this area as it accesses the main shaft level dump pocket. Two of the seven drills are drilling the potential up plunge extension of the Kiena Deep A Zone. Previous limited drilling into the up-plunge area from 67 Level returned a number of good intersections that require follow up. Based on recent drilling from 67 Level, it is interpreted that the VC zones are folded as they extend down plunge to connect with the Kiena Deep A Zone. In addition, a total of 172 m of advance was achieved in the main ramp, below the 1050m elevation, reaching the 109 Level at the end of the quarter. • The 2020 exploration program at Kiena consisted of 75,000 m of underground drilling and 10,000 m of surface drilling. The underground exploration drilling program will utilize 7 drill rigs to better define the Kiena Deep A zone and convert inferred resources to indicated resources in advance of an updated resource estimate. Current operational suspension in Quebec due to the Covid-19 pandemic will challenge the Company in achieving it's full exploration program. • The Preliminary Economic Assessment ("**PEA**") study is ongoing and is expected to be completed in Q2 2020. The Company plans to update the Kiena Deep resources later on this year, which will lead into a more detailed Pre-Feasibility Study ("**PFS**") based upon positive results and exploration success.

COVID-19 IMPACT AND RESPONSES

The Eagle River complex has reduced operations, which will be in effect until the resumption of normal activities is deemed safe and appropriate. Non-essential related work, such as exploration, mine construction activities and the Mishi Open Pit operations have all been suspended in order to facilitate enhanced physical distancing to limit the potential spread of the COVID-19 virus. Production levels in the first quarter of 2020 thus far have not been significantly impacted by the COVID-19 health and safety protocols established in mid-March. Based on results to date and short-term forecasts, the Company is maintaining production guidance of 90,000 – 100,000 ounces. However, future conditions may warrant reduced or suspended production activities which would impact on our abilities to maintain our future timelines and objectives. We are continuing to closely monitor the situation and will provide updates as they become available.

Wesdome has adopted measures since March 12th of monitoring body temperatures and requesting a health survey of all personnel wishing to enter the Eagle River Complex or the Kiena Mine. Furthermore, rigorous deep cleaning and disinfecting has been employed at all sites including the corporate office. A social distancing protocol is in place and schedules have been staggered to reduce the number of people in the Company's common areas. The health and safety of our employees, contractors, vendors, and consultants is the Company's top priority. To aid in the Company's actions, a COVID-19 Taskforce has been created to monitor developments and set about action plans which will reduce the risk to all people directly involved with Wesdome.

In accordance with the Government of Quebec's order to close non-essential services, the Company is temporarily suspending exploration and development activities at its Kiena Complex in Val d'Or, Quebec. A definitive restart date has not been provided by the Government, but May 11, 2020 is a possibility. A small crew of essential employees will remain on site to provide security and other necessary services. Suspension of Kiena activities will not impact the timing of the PEA, which remains on track to be completed in Q2 2020. Currently the Company expects to resume drilling and development work at Kiena during the week of May 11, 2020, but a definitive start date has not been provided by the Government. The impact of this seven week shutdown has significantly tightened our timeframe of getting to a restart decision by the end of 2020. The timing of this will be evaluated and communicated to the market in Q3.

Due to the uncertainty regarding the potential re-emergence of the COVID-19 virus as a result of loosening the restrictions during the re-opening of the economy, the future production and our guidance will be subject to higher levels of risk than usual. The company has been successful, due to its care and planning, to keep the Eagle River Complex operating, but new cases at the site could change this, despite our best efforts. Wesdome has no reported cases to date.

GOLD MARKET OVERVIEW AND FOREIGN CURRENCY EXCHANGE RATE 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 Q1 2020, Wesdome realized an average gold price of $2,162 (US$1,608) per ounce as compared to $1,733 (US$1,303) per ounce realized in Q1 2019. The market price for gold in the quarter averaged US$1,582 per ounce (Canadian dollar equivalent of $2,126 per ounce (Q1 2019 - US$1,304 or $1,734 per ounce in Canadian dollars)).

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 Q1 2020 and as at March 31, 2020. 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.

The future gold price and foreign currency exchange rate volatility is expected to be impacted by the uncertainty surrounding the US dollar's direction in 2020 deriving from U.S. interest rates fluctuations, the outbreak of possible pandemic viruses around the globe, together with the geopolitical uncertainty persisted with the continuing tension over trade wars.

Because of the global economic crisis resulting from the COVID-19 virus, the governments have introduced extensive financial packages to support individuals and businesses. Central banks have decreased their lending rates to almost zero and have announced extensive and direct lending to private corporations and financial companies. Various businesses may fail and there could be significant loan defaults. The impact to consumer and business confidence levels is not known at this time. The COVID-19 factors are also being impacted by an unusually large decline in the price of oil. There is a possibility of a world-wide recession. The impacts of these circumstances is not known and their impact on the gold and forex markets is also not known and could be significant.

OUTLOOK

In the beginning of the year, the Company set its full-year 2020 production guidance at 90,000 – 100,000 ounces of gold, primarily from the Eagle River underground mine. The Company expects the production profile to be consistent throughout the year. The Company is on track to meet these targets:

	2020 Guidance
Eagle River	**87,000 – 96,000 ounces**
Mishi	**3,000 – 4,000 ounces**
	90,000 – 100,000 ounces
Head grade (g/t Au)	
Eagle River	**15.0 – 16.7**
Mishi	**2.0 – 2.4**
Cash cost per ounce [1]	**$800 - $875** **(US$615 – US$670)**
AISC per ounce [1]	**$1,280 - $1,350** **(US$985 – US$1,040)**

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

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Financial results								
Revenues [3, 4]	**57,332**	43,223	45,940	42,276	32,535	29,462	28,920	31,443
Mine operating profit [1]	**27,619**	25,816	26,770	22,055	16,259	12,495	13,898	14,957
Net income	**11,513**	12,077	12,449	8,327	8,092	2,643	3,631	5,725
Net income adjusted [1]	**11,513**	12,077	12,449	8,327	5,723	2,643	3,631	5,725
Earnings before interest, taxes, depreciation and amortization[1]	**25,483**	23,276	24,960	19,410	13,076	10,329	11,656	13,248
Operating cash flow	**33,429**	15,821	27,275	15,400	12,581	8,632	12,823	12,422
Free cash flow [1]	**16,672**	(3,297)	9,199	1,155	(429)	(4,491)	2,137	1,962
Per share information:								
Net income	**0.08**	0.09	0.09	0.06	0.06	0.02	0.03	0.04
Adjusted net income[1]	**0.08**	0.09	0.09	0.06	0.04	0.02	0.03	0.04
Operating cash flow [1]	**0.24**	0.11	0.20	0.11	0.09	0.06	0.10	0.09
Free cash flow [1]	**0.12**	(0.02)	0.07	0.01	0.00	(0.03)	0.02	0.01
Selected Financial Statement data:								
Cash and cash equivalents	**49,398**	35,657	38,611	27,395	27,847	27,378	30,714	26,719
Working capital	**37,971**	32,609	27,318	20,546	16,756	11,312	14,982	14,521
Total assets	**301,833**	285,718	265,065	238,599	225,740	209,637	203,388	193,019
Total non-current liabilities	**54,549**	51,161	41,897	31,680	28,961	25,170	23,040	23,056
Operational results								
Milling (tonnes)								
Eagle River	**55,874**	23,257	39,453	28,754	30,941	50,536	46,777	43,378
Mishi	**11,047**	9,108	204	18,623	18,470	8,478	4,076	25,233
Throughput [2]	**66,922**	32,365	39,657	47,377	49,411	59,014	50,854	68,610
Total tonnes/calendar day	**735**	352	431	521	549	641	553	753
Head grades (g/t Au)								
Eagle River	**14.0**	28.6	23.4	23.4	18.5	10.6	13.3	11.0
Mishi	**2.5**	1.9	2.8	3.0	2.2	2.4	3.4	2.7
Recovery (%)								
Eagle River	**97.3**	97.6	97.6	96.4	97.6	97.0	96.9	96.2
Mishi	**74.8**	77.1	85.5	85.2	80.6	81.9	80.9	83.6
Production (ounces) [2]								
Eagle River	**24,457**	20,894	28,894	20,873	17,955	16,712	19,437	14,767
Mishi	**665**	438	15	1,564	1,055	542	358	1,860
Total gold produced	**25,122**	21,332	28,910	22,437	19,010	17,254	19,795	16,628
Gold sales (ounces)	**26,500**	22,100	23,450	24,113	18,760	18,077	18,401	18,573

In 000s, except per units and per share amounts	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Per ounce of gold sold [1]								
Average realized price	**2,162**	1,954	1,957	1,752	1,733	1,628	1,571	1,692
Cash costs	**1,120**	786	815	837	866	937	815	886
Cash margin	**1,042**	1,168	1,142	915	867	691	756	806
AISC [1]	**1,423**	1,305	1,344	1,220	1,311	1,371	1,160	1,242
Production costs/tonne milled [1]	**425**	470	583	390	301	306	283	225
Average 1 USD → CAD exchange rates	**1.3449**	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911
Cost Metrics (in USD)								
Cash costs [1]	**833**	595	618	626	651	710	624	686
AISC [1]	**1,058**	988	1,018	912	986	1,038	888	962

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 *Revenues include insignificant amounts from the sale of by-product silver.*

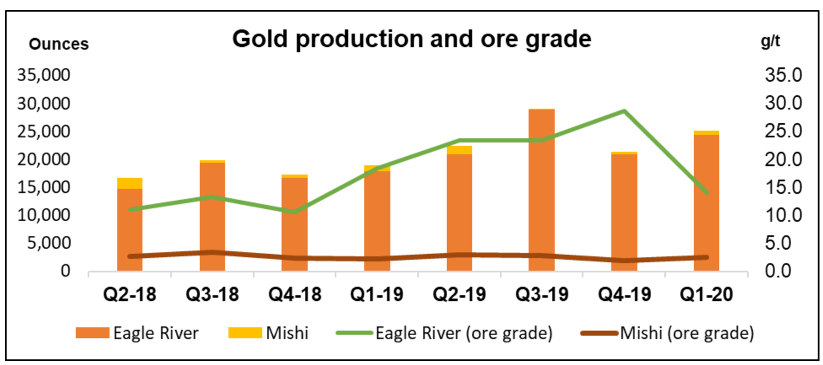
4 *Wesdome's strategy is to increase the amount of underground tonnes mined, thereby displacing the open pit tonnes in order to substantially increase gold production.*

Q1 2020 FINANCIAL AND OPERATIONAL REVIEW

Operational Results

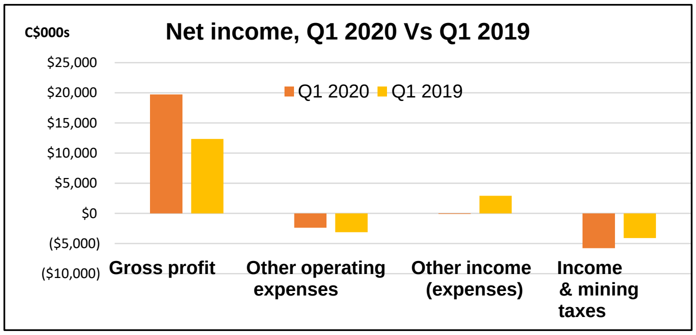
In $000s	Q1 2020	Q1 2019	Change	
Ore milled (tonnes)				
Eagle River	**55,874**	30,941	24,933	81%
Mishi	**11,047**	18,470	(7,423)	(40)%
Throughput	**66,922**	49,411	17,511	35%
Head Grade (g/t Au)				
Eagle River	**14.0**	18.5	(4.5)	(24)%
Mishi	**2.5**	2.2	0.3	14%
Recoveries (percent)				
Eagle River	**97.3**	97.6	(0.3)	(0)%
Mishi	**74.8**	80.6	(5.8)	(7)%
Gold production (ounces)				
Eagle River	**24,457**	17,955	6,502	36%
Mishi	**665**	1,055	(390)	(37)%
	25,122	19,010	6,112	32%
Gold Sold (ounces)	**26,500**	18,760	7,740	41%

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. Production at Eagle River Mine increased by 36% from Q1 2019 to 24,457 ounces of gold, due to an 81% increase in total throughput; offset partially by a 24% decrease in head grade. Head grade at Eagle River in Q1 2020 averaged 14.0 g/t, slightly lower than budget due to stope sequencing.



The contribution of ore feed from Mishi in Q1 2020 reduced by 40% to 11,047 t compared to 18,470 t processed in Q1 2019. Mishi pit achieved a head grade of 2.5 g/t producing 665 ounces of gold in Q1 2020 as compared to a grade of 2.2 g/t producing 1,055 ounces of gold in Q1 2019. Higher grade ore from Eagle was prioritized at the mill during the quarter.

Financial Review, Q1 2020 as compared to Q1 2019



Net income and adjusted net income for the three months ended March 31, 2020 was $11.5 million or $0.08 per share as compared to net income of $8.1 million or $0.06 per share and adjusted net income of $5.7 million or $0.04 per share for the same period in 2019.

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	Q1 2020	Q1 2019	Change	
Revenues	**57,332**	32,535	24,797	76%
Costs and expenses				
Cost of sales	**37,590**	20,185	17,405	86%
Corporate and general	**1,971**	2,008	(37)	(2)%
Stock-based compensation	**404**	1,099	(695)	(63)%
	39,965	23,292	16,673	
Operating income	**17,367**	9,243	8,124	88%
Interest and other income (expenses) [2]	**(85)**	2,934	(3,019)	
Income before taxes	**17,282**	12,177	5,105	
Mining and income tax expense	**5,769**	4,085	1,684	
Net income	**11,513**	8,092	3,421	42%
Operating cash flows	**33,429**	12,581	20,848	166%
Free cash flows [1]	**16,672**	(429)	17,101	

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 Q1 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	Q1 2020	Q1 2019	Change	
Revenues from operations				
Gold	**57,295**	32,507	24,788	76%
Silver	**37**	28	9	
	57,332	32,535	24,797	76%

In 2020, Wesdome generated $57.3 million in gold sales revenue from the sale of 26,500 ounces of gold at an average realized price of $2,162 (US$1,608) per ounce; as compared to the sale of 18,760 ounces of gold at $1,733 (US$1,303) per ounce for revenue of $32.5 million in Q1 2019. The 76% increase in sales revenues is the result of the increase in gold production, combined with a strong Canadian dollar realized price.

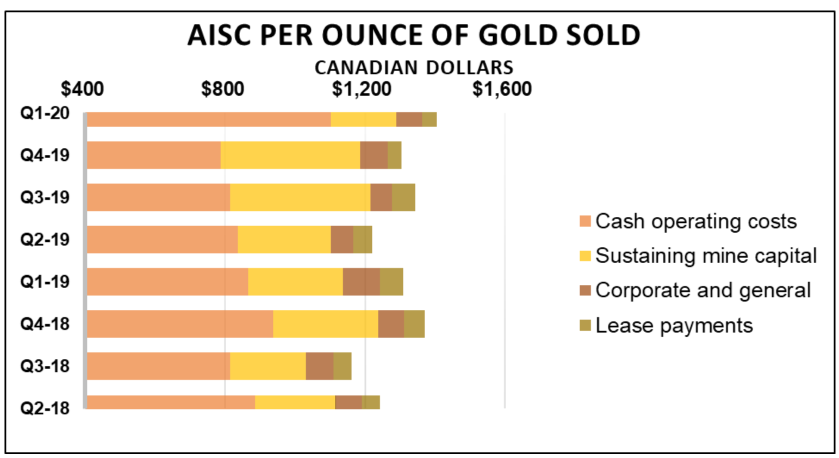
Cost of Sales

In $000s	Q1 2020	Q1 2019	Change	
Cost of Sales				
Mining and processing costs				
Mining	**10,477**	9,688	789	
Processing	**4,540**	3,878	662	
Site administration and camp costs	**6,782**	4,857	1,925	
Change in inventories [1]	**6,889**	(2,755)	9,644	
	28,688	15,668	13,020	
Royalties	**1,025**	608	417	
Depletion and depreciation	**7,877**	3,909	3,968	
	37,590	20,185	17,405	86%

[1] See Note 16 of the Company's financial statements for a breakdown of stockpile and in-circuit inventory adjustments for the three-month period ended March 31, 2020 and 2019.

Cost of sales increased by $17.4 million from $20.1 million in Q1 2019. The increase in cost of sales was mainly due to: (i) a $9.7 million decrease in ore stockpile and bullion inventory adjustment resulting from inventory level changes; (ii) an increase of $3.4 million in site operating costs due to more tonnes processed at the mill and additional expenditures for mine and site services; (iii) higher royalties costs; and (iv) non-cash depletion and depreciation expense resulting from a larger depreciable asset base.

Cash cost and AISC per ounce of gold sold in Q1 2020 were $1,120 (US$833) and $1,423 (US$1,058) per ounce; as compared to cash cost and AISC per ounce of gold sold in Q1 2019 of $866 (US$651) and $1,311 (US$986), respectively. (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 remained consistent at $2.0 million. The corporate and general expenditure level is expected to be between $1.6 and $1.8 million on a quarterly basis in 2020.

Stock-based payments

In Q1 2020, the Company granted 366,452 stock options, 89,399 Restricted Share Units ("**RSUs**") and 89,399 Performance Share Units ("**PSUs**") to its employees and officers under its 2017 Omnibus Equity Plan ("**Plan**"). The stock options have a three-year vesting term, with the first tranche vesting on March 13, 2021. The RSUs also have a three-year vesting term with the first tranche vesting on March 26, 2021. The PSUs have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

Tax Expense

In $000s	Q1 2020	Q1 2019	Change	
Mining and income tax expense				
Current	**2,270**	968	1,302	
Deferred	**3,499**	3,117	382	
	5,769	4,085	1,684	41%

The effective tax rate for Q1 2020 was 33.4% as compared to 33.5% for Q1 2019. The Company anticipates the effective tax rate will be approximately between 38.0% and 41% for 2020. Wesdome is currently subject to mining tax liability for any resource profits earned in Ontario as the majority of the tax deduction pools have been previously utilized.

EAGLE RIVER COMPLEX

The Eagle River Complex produced 25,122 ounces of gold in Q1 2020 as compared to 19,010 ounces in Q1 2019.

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 Q1 2020, the mill processed 66,922 t or 735 tpd of Eagle River and Mishi ore as compared to 49,411 t or 549 tpd in Q1 2019. Higher mill availability allowed for additional tonnes to be processed from the Eagle River stockpiles.

The mill availability was 89% in Q1 2020 and 79% in Q1 2019.

The mill recovery in Q1 2020 for Eagle ore was 97.3% and 74.8% for Mishi ore as compared to 97.6% for the Eagle ore and 80.6% for the Mishi ore in Q1 2019. The lower mill recovery for Mishi was mainly due to lower throughput.

Eagle River Underground Mine

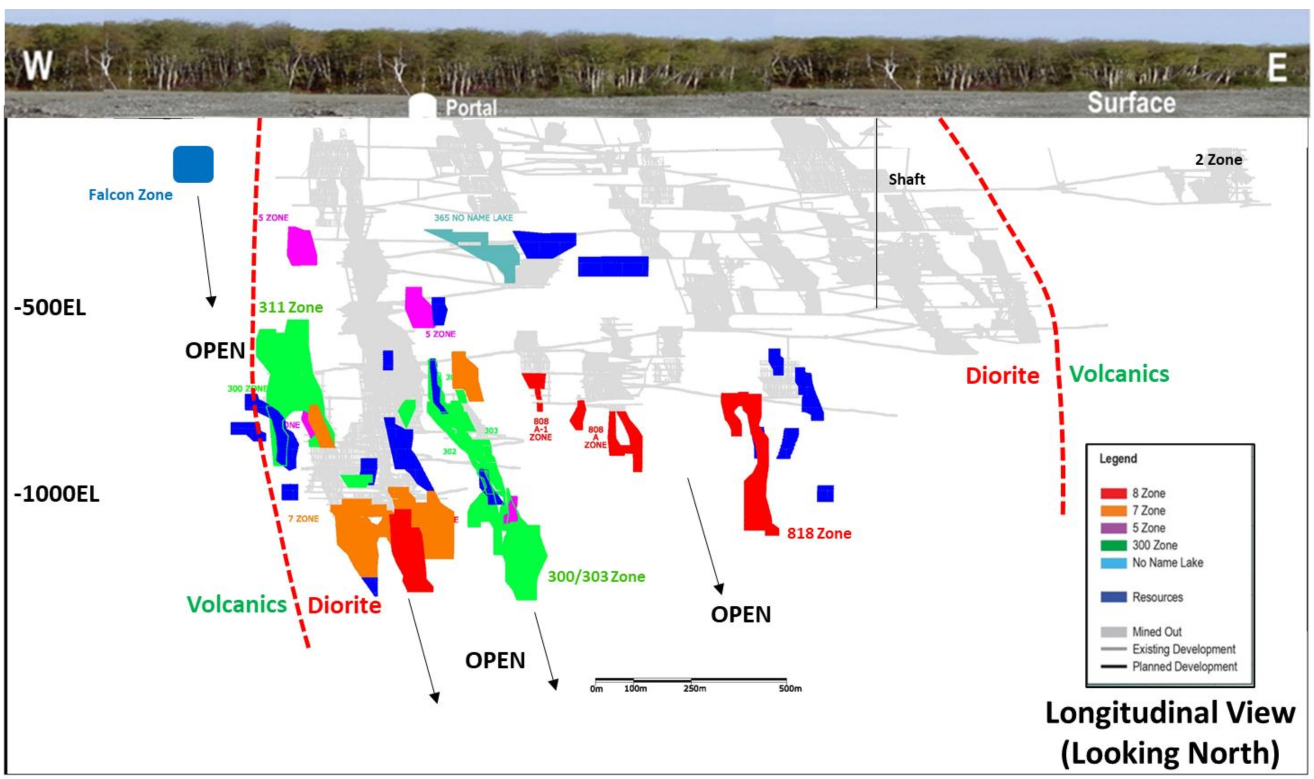
Development and Drilling

The mineral resources and reserves for the Eagle River Complex were recently updated and can be summarized as follows:

- Increased Eagle River reserves by 36% net of 91,066 ounces of depletion. Mineral Reserves at Eagle River of 550,000 contained gold ounces (1,186,000 tonnes at 14.4 g/t Au, an increase of 20% in grade), of which 72% is located in the high grade 300 Zone.
- Increased Eagle River Measured and Indicated Resources (exclusive of reserves) by 258%, or 3.6 times over 2018. Indicated & Measured Mineral Resources (exclusive of reserves) at Eagle River increased to 111,000 contained gold ounces (380,000 tonnes at 9.0 g/t Au).

To limit the potential spread of the COVID-19 virus, the Company has temporarily suspended all non-production related work, including underground definition and exploration drilling, at the Eagle River Complex effective mid-March 2020, until the resumption of normal activities is deemed safe and appropriate.

Prior to the decision to suspend all non-production related work, Wesdome continued to develop and explore two parallel zones, the No. 7 and 300 zones, 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. Drilling was being completed with five underground drill rigs to extend the known 7 East, 300 East and 311 West and Falcon zones up and down dip and also along the western margin of the mine diorite. In addition, drilling is ongoing to test for additional parallel structures in the eastern portion of the mine diorite. Surface drilling with two drill rigs once restarted will continue to test the recently discovered Falcon zones. Wesdome's goal is to fill the mill entirely from high grade ore from Eagle River and to identify additional resources and workplaces for increased future production profiles.



300 East Zones - 303 Lens

Ongoing extension and definition drilling of the 300 East Zones, and in particular the 303 Lens, has continued to return high grade gold intersections (see February 12, 2020 press release). The 303 Lens defines a zone that is interpreted to be the intersection between two conjugate structures, namely the 301 and 300 East Zones, where increased widths and grades have been returned. Initially defined from the 750 m-level to 1,000 m-level, this zone has now been extended an additional 300 m down plunge to the 1,300 m-level. The down plunge extension is a relatively more tabular zone that now measures in excess of 100 m along strike with above average widths and grades. The down plunge extension is more similar to the adjacent 300 East Zones and the gold mineralization remains open down plunge.

Falcon Zones

Surface drilling continues to extend and better define the Falcon Zones, located in volcanic rocks approximately 200 m west of the mine diorite (see press release dated February 12, 2020). The Falcon Zones occur near the contact between tholeiitic mafic volcanic and calc-alkaline felsic to intermediate volcanics, which are commonly sheared with biotite-sericite altered and laminated quartz veins with visible gold. Surface drilling has continued to expand the zone of mineralization to a depth of 4400 m elevation (i.e. 600 vertical m below surface) and over a strike of 200 m.

In order to better test the down plunge extension of the Falcon Zone, a drill rig has been positioned underground on the 772 m elevation. Initial drilling from underground has intersected visible gold mineralization in quartz veining approximately 70 m down plunge of the Falcon Zone. Assaying of this hole returned 160.5 g/t Au over 3.9 metres. Given the steep easterly plunge defined by the recent drilling, it is interpreted that the Falcon 7 Zone now extends an additional 500 m down plunge and is the up plunge extension of the 7 Zone currently being mined near the 1,000 m elevation. This down plunge extension of the Falcon Zone is located proximal to existing mine infrastructure, and as such, remains one of the priorities for surface and underground drilling in 2020. The Falcon Zones have the potential to provide additional workplaces required to increase the tonnage milled from Eagle River underground.

In addition, given the recent success of the surface exploration campaign defining gold mineralization in the volcanic rocks surrounding the mine diorite, surface mapping and prospecting, with potential follow-up trenching and drilling, is planned for 2020. There are many historic gold showings in the volcanic rocks that remain underexplored along a 20 km trend.

Plans for 2020

With diamond drilling suspended due to the COVID-19 pandemic, the Company will be challenged to achieve it's full exploration program in 2020.

- The 2020 exploration program at Eagle River consists of approximately 119,000 metres ("m") of underground ("UG') definition and exploration drilling (72,000 m exploration and 47,000 m of definition drilling) using 5 underground drill rigs, and 33,500 m of surface drilling using 2 drills.
- Definition drilling will be focused at 300W, 300E, and down dip on the 711 and 811 zones.
- Underground exploration drilling will be completed down plunge at the 300E zone, as well as west of 7 Zone along the diorite contact and up plunge from the 311 Zone towards the Falcon zones. Additional underground exploration will also be completed further to the east of the current mining areas, in the east-central area of the mine at the 200 and 825 m-levels to test for parallel zones north of the historic 8 and 6 zones.
- The 33,500 m surface drilling program will initially concentrate on better defining and expanding the Falcon zones and later in the year focus on regional targets west of the mine diorite where recent surface sampling has returned a number of anomalous gold values.

TAILINGS AND WATER MANAGEMENT

The Eagle site is well prepared for the upcoming spring freshet expected early in Q2 2020. To date, we have not experienced any water management issues. The Mishi pit will be used to manage the excess of water at the reclaim pond, near the Eagle mill. In addition, the Company plans to complete the work, that has been undertaken last year, at the Tailings Management Area, with completion of the vertical raise (Stage 4) of the existing dam structure. This work is substantially planned for June to October of this year and will allow for additional tailings capacity for the future. The Stage 4 raise will add nearly 4 years of tailings capacity at current production rates.

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.

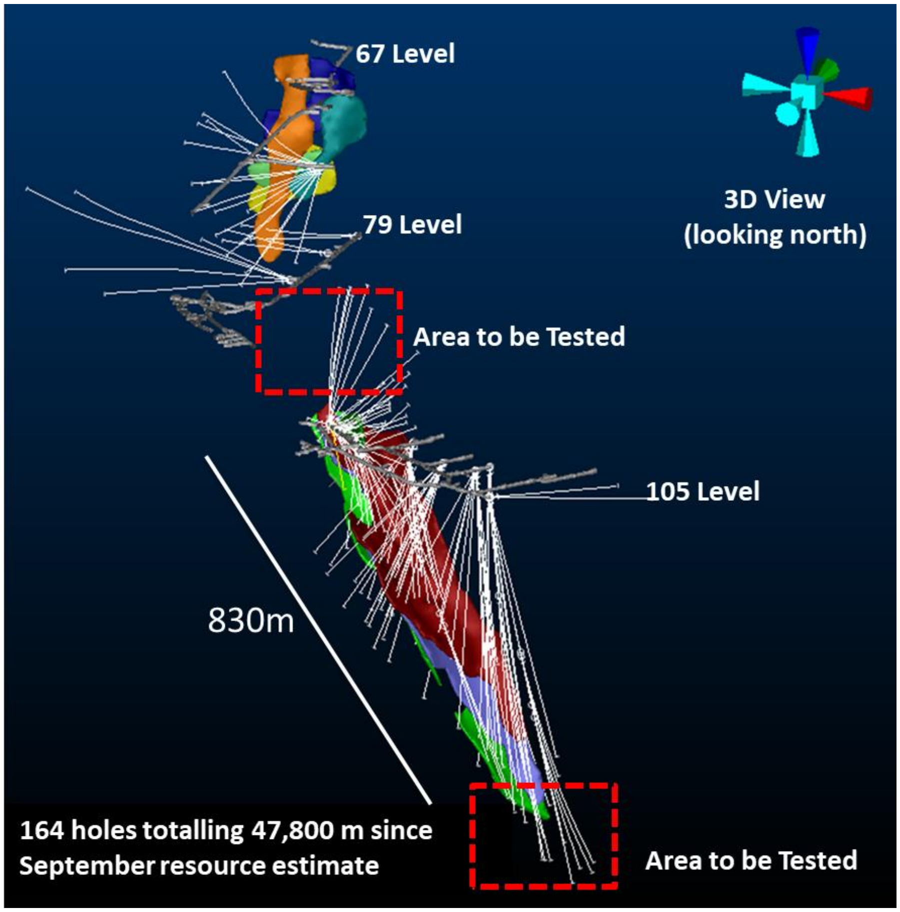
EXPLORATION DRILLING

In accordance with the Government of Quebec's order on March 23, 2020 to close non-essential services, the Company is temporarily suspending exploration and development activities at its Kiena Complex in Val d'Or, Quebec. A definitive restart date has not been provided by the Government, but May 11, 2020 is a possibility.

Prior to the closure order, seven underground drills were in operation completing the infill drilling and up and down plunge extension drilling of the Kiena Deep A Zone. This drilling has continued to confirm the overall continuity of the geometry and the high grade gold mineralization of the Kiena Deep A Zone and identify additional mineralization outside of the most recent resource estimate. Recent drilling has continued to extend the gold mineralization of the A Zone down plunge and now extends a total in excess of 830 m. A total of 47,800 m in 164 new drill holes have now been drilled since the latest resource estimate, which is expected to be updated later in 2020.

The 79 Level Ramp has been completed in early 2020. It provides optimal drill platforms for testing the up plunge extension of the Kiena Deep A Zone between the 670 m-level and the 1050 m-level and will serve as a haulage drift for any future production from this area as it accesses the main shaft level dump pocket. Two of the seven drills are drilling the potential up plunge extension of the Kiena Deep A Zone. Previous limited drilling into the up plunge area from the 67 Level returned a number of good intersections that require follow up. In addition, drilling from this ramp will allow drilling of the down dip extension of the VC zones. Based on recent drilling from 67 Level, it is interpreted that the VC zones are folded as they extend down plunge to connect with the Kiena Deep A Zone.

In addition, initial drilling on 79 Level intersected a new zone of gold mineralization in a previously untested area along strike from the S50 Zone.



Regionally, in order to identify additional exploration targets adjacent to the Kiena mine, a Magnetotelluric Geophysical Survey has been completed on the lake ice covering the Kiena deposit and the immediately surrounding volcanic rocks to the east and west. The survey was designed to identify deep structures up to 1.5 km depths. The data is currently being processed and merged with the regional historic drilling information, which is providing a better understanding of the geology and the controls on mineralization to aid future drilling.

The PEA study is ongoing and expected to be completed in Q2 2020; which will be based on the latest Kiena Mineral Resource Estimate from September 2019. Ongoing drilling of the A Zone continues to expand the size of this zone and is expected to grow the resource base.

Plans for 2020

Current operational suspension in Quebec due to the COVID-19 pandemic will challenge the Company in achieving it's full exploration program in 2020.

- The 2020 exploration program at Kiena consists of 75,000 m of underground drilling and 10,000 m of surface drilling.
- The underground exploration drilling program will utilize 7 drill rigs to better define the Kiena Deep A zone and convert inferred resources to indicated resources in advance of an updated resource estimate, and also test the up plunge potential of the A Zone and down dip extensions of the VC Zones between the 67 and 105 m levels that will be completed from the recently developed 79 m level.
- Additional underground exploration will be completed to test the down plunge potential of the A Zone below 1,500 vertical metres where recent drilling has returned high grade results. An additional 220 m of development along the SE portion of the existing 105 m level will be established to test down plunge extension of both the A and B zones.
- Elsewhere in the mine area, drilling will occur at the South Zone and areas of S50 Zone to expand mineral resources near existing infrastructure as these zones remain an important component of any restart plan.
- A 10,000 m surface drilling program is planned to explore for zones similar to the Kiena Deep A Zone.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2020, Wesdome had working capital of $40.2 million compared to $11.3 million at December 31, 2019. Cash and cash equivalents at March 31, 2020 was $49.4 million as compared to $35.7 million at the beginning of the year. An abbreviated cash flow statement is as follows:

In Millions (Canadian dollar)	**Q1 2020**	**Q1 2019**	**Change**
Eagle River			
Mine profits[1]	$27.6	$16.3	$11.4
Sustaining capital and mine exploration	(5.0)	(5.1)	0.1
Capitalized exploration	(1.5)	(1.0)	(0.5)
Lease payments and other	(1.1)	(1.3)	0.3
	20.1	8.9	11.3
Kiena			
Investment in exploration & evaluation	(9.2)	(5.5)	(3.7)
Corporate	(2.0)	(2.0)	0.0
Stock options exercised	0.7	1.9	(1.2)
Mining tax paid	(1.3)	0.0	(1.3)
Borrowings	(3.6)	0.0	(3.6)
Net change in working capital and other	8.9	(2.8)	11.7
Net increase in cash	$13.7	$0.4	$13.2
Cash, beginning of period	$35.7	$27.4	
Cash, end of period	**$49.4**	**$27.8**	

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

Mine profits [1] for Q1 2020 increased by close to 72% from Q1 2019 primarily due to increased production and higher realized gold price. The increase in mine profits has led to the use of cash flow from operations to invest $10.7 million in the Eagle River surface exploration and the Kiena asset in Q1 2020.

The following table identifies the significant movements in operating cash flow for the three months ended March 31, 2020 and 2019 as follows:

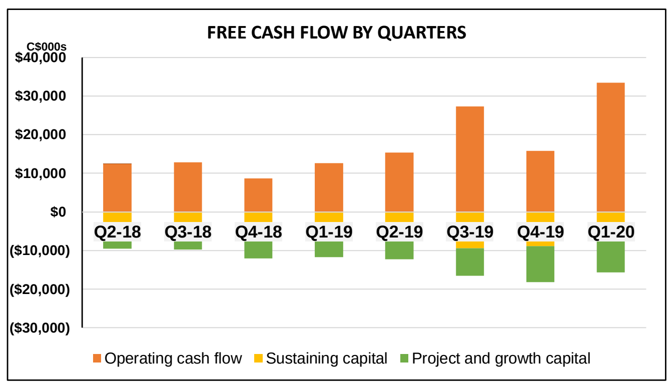
In $000s	Q1 2020	Q1 2019	Change	
Operating cash flow, previous period	**15,821**	8,632	7,189	83%
Increase (decrease) in cash margin from mine operations	**1,803**	3,764	(1,961)	
Decrease (increase) in other operating expenditures	**(226)**	(106)	(120)	
Mining and income tax recovery (payments)	**(2,114)**	-	(2,114)	
Net change in working capital balances	**17,436**	205	17,231	
Other	**709**	86	623	
Net increase (decrease) in operating cash flows	**17,608**	3,949	13,659	
Operating cash flow, current period	**33,429**	12,581	20,848	166%

The net change in working capital balances is primarily due to the decrease in ore stockpile and bullion inventory resulting from inventory level changes.

Capital and exploration and evaluation expenditures incurred in Q1 2020 totaled $15.7 million as compared to $11.8 million in Q1 2019. A breakdown of the capital expenditures for the three months ended March 31, 2020 and 2019 are as follows:

In $000s	Q1 2020	Q1 2019	Change	
Mining properties and plant and equipment				
Eagle River				
Capitalized exploration costs	**1,495**	1,747	(252)	
Sustaining mine development costs	**4,765**	4,024	741	
Mining equipment and infrastructure upgrades	**196**	336	(140)	
Tailings management facility	**34**	-	34	
	6,490	6,107	383	
Corporate Office	**-**	110	(110)	
Kiena				
Exploration equipment	**56**	-	56	
Additions to Mining properties	**6,546**	6,217	329	5%
Exploration and evaluation expenditures				
Eagle River	**-**	-	-	
Kiena	**9,148**	5,526	3,622	
Moss Lake	**6**	12	(6)	
Additions to Exploration properties	**9,154**	5,538	3,616	65%
Total capital investments	**15,700**	11,755	3,945	34%

Wesdome generated $16.7 million of free cash flow [1] in Q1 2020 compared to $0.4 million outflow in Q1 2019. The increase in free cash flow [1] was primarily due to the increase in the number of ounces sold, combined with a favorable gold price; offset by higher spending on the Eagle River surface exploration, and the Kiena asset.



[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

During Q1 2020, the Company was in compliance with the financial covenants stipulated under its $45.0 million senior secured revolving credit facility ("**NBF Facility**"), led by National Bank Financial Inc. ("**NBF**"). The NBF Facility, which will be used for general corporate and working capital purposes, is secured by all of the Company's present and future real and personal property. The NBF Facility is available by way of (i) Canadian dollar Prime Rate or U.S. dollar Base Rate, with interest rates ranging from 2.5% to 3.5% over NBF's Prime Rate or Base

Rate, as applicable, (ii) Canadian dollar Bankers' Acceptances at acceptance fees ranging from 3.5% to 4.5%, and (iii) U.S. dollar LIBOR with interest rates ranging from 3.5% to 4.5% over LIBOR. The actual spread or rate will be determined based on the Company's net leverage ratio (as defined). The NBF Facility is also available for letters of credit. During Q1, 2020, the Company repaid $3.6 million, which had been drawn to repay amounts owing under the previous credit facility. At March 31, 2020 the entire $45 million facility is available.

Leasing Facility

The Company currently has a $9.9 million leasing facility ("**C$ Leasing Facility**") with a chartered Canadian bank of which $9.5 million were drawn. In addition, the Company also established a US$4.5 million leasing facility with a U.S. based leasing company ("**US$ Leasing Facility**"), of which US$3.5 million were currently drawn. As at March 31, 2020, $9.0 million and US$2.4 million was owing under the C$ Leasing Facility and US$ Leasing Facility, respectively.

Reclamation Bonds

The Company currently has an agreement with a financial institution whereby the financial institution has issued surety bonds, on an unsecured basis to satisfy the Company's reclamation obligations for the Eagle River Complex. During Q1 2020, the financial institution has increased the surety bond for the Eagle River Complex by $8.0 million. As at March 31, 2020, the total reclamation bonds issued to government environmental agencies amounted to $16.6 million (December 31, 2019 - $8.6 million).

The final closure plans, which were submitted during Q4 2019, for its Eagle River Complex to the Ontario Ministry of Energy, Northern Development and Mines ("**MENDM**") for approval. The MENDM has approved the closure plan for the Eagle River Mill in Q1 2020 and the closure plans for the Eagle River Mine and the Mishi-Magnacon Mine are still being reviewed. The Company has obtained financial commitment from the financial institution to amend the surety bonds for the anticipated increase in financial assurance to be provided to the government for the estimate of the financial assurance requirements.

SUMMARY OF SHARES ISSUED

As of May 5, 2020, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	138,539
Common share purchase options	4,524
Deferred Share Units	249
Performance Share Units	89
Restricted Share Units	343

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at March 31, 2020:

In $000s	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	21,289	$21,289			
Mining and income liabilities	2,367	2,367			
Lease liabilities	11,504	4,990	4,429	2,085	
Borrowings	-	-			
Purchase and work commitments [1]	4,441	4,441			
Decommissioning liabilities	24,254		7,027		17,227
	$63,855	**$33,087**	**$11,456**	**$2,085**	**$17,227**

[1] The Company anticipates 51% of the outstanding purchase and work commitments as at March 31, 2020 will be financed by finance leases.

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Revenues per financial statements	**57,332**	43,223	45,940	42,276	32,535	29,462	28,920	31,443
Silver revenue from mining operations	**(37)**	(40)	(49)	(38)	(28)	(30)	(22)	(32)
Gold revenue from mining operations (a)	**57,295**	43,183	45,891	42,238	32,507	29,432	28,898	31,411
Ounces of gold sold (b)	**26,500**	22,100	23,450	24,113	18,760	18,077	18,401	18,573
Average realized price gold sold CAD (c) = (a) ÷ (b)	**2,162**	1,954	1,957	1,752	1,733	1,628	1,571	1,692
Average 1 USD → CAD exchange rate (d)	**1.3449**	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911
Average realized price gold sold USD (c) ÷ (d)	**1,608**	1,480	1,482	1,309	1,303	1,233	1,202	1,311

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Cost of sales per financial statements	**37,590**	22,804	25,246	26,571	20,185	22,162	20,599	20,405
Depletion and depreciation	**(7,877)**	(5,397)	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(3,919)
Silver revenue from mining operations	**(37)**	(40)	(49)	(38)	(28)	(30)	(22)	(32)
Cash costs (a)	**29,676**	17,367	19,121	20,183	16,248	16,937	15,000	16,454
Ounces of gold sold (b)	**26,500**	22,100	23,450	24,113	18,760	18,077	18,401	18,573
Cash costs per ounce of gold sold (c) = (a) ÷ (b)	**1,120**	786	815	837	866	937	815	886
Average 1 USD → CAD exchange rate (d)	**1.3449**	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911
Cash costs per ounce of gold sold USD (c) ÷ (d)	**833**	595	618	626	651	710	624	686

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Cost of sales per financial statements	**37,590**	22,804	25,246	26,571	20,185	22,162	20,599	20,405
Depletion and depreciation	**(7,877)**	(5,397)	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(3,919)
Royalties	**(1,025)**	(797)	(1,074)	(701)	(608)	(529)	(597)	(484)
Inventory adjustments	**(215)**	(1,407)	5,023	(1,063)	(788)	1,615	(47)	(570)
Mining and processing costs, before inventory adjustments (a)	**28,473**	15,203	23,119	18,457	14,880	18,053	14,378	15,432
Ore milled (tonnes) (b)	**66,922**	32,365	39,657	47,377	49,411	59,014	50,854	68,610
Production costs per tonne milled (a) ÷ (b)	**425**	470	583	390	301	306	283	225

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Gold revenue from mining operations (per above)	**57,295**	43,183	45,891	42,238	32,507	29,432	28,898	31,411
Cash costs (per above)	**29,676**	17,367	19,121	20,183	16,248	16,937	15,000	16,454
Mine profit	**27,619**	25,816	26,770	22,055	16,259	12,495	13,898	14,957
Per ounce of gold sold (Canadian dollar):								
Average realized price (a)	**2,162**	1,954	1,957	1,752	1,733	1,628	1,571	1,692
Cash costs (b)	**1,120**	786	815	837	866	937	815	886
Cash margin (a) – (b)	**1,042**	1,168	1,142	915	867	691	756	807

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Cost of sales, per financial statements	**37,590**	22,804	25,246	26,571	20,185	22,162	20,599	20,405
Depletion and depreciation	**(7,877)**	(5,397)	(6,076)	(6,350)	(3,909)	(5,195)	(5,577)	(3,919)
Silver revenue from mining operations	**(37)**	(40)	(49)	(38)	(28)	(30)	(22)	(32)
Cash costs	**29,676**	17,367	19,121	20,183	16,248	16,937	15,000	16,454
Sustaining mine exploration and development	**4,765**	5,634	5,515	4,696	4,740	4,142	3,677	3,744
Sustaining mine capital equipment	**196**	323	(43)	221	336	1,280	317	499
Tailings management facility	**34**	2,863	3,950	1,509	-	-	-	-
Corporate and general	**1,971**	1,745	1,417	1,498	2,008	1,337	1,429	1,416
Payment of lease liabilities [1]	**1,057**	901	1,558	1,316	1,255	1,086	931	956
All-in Sustaining costs (AISC) (a)	**37,699**	28,833	31,518	29,423	24,587	24,782	21,354	23,069
Ounces of gold sold (b)	**26,500**	22,100	23,450	24,113	18,760	18,077	18,401	18,573
AISC (c) = (a) ÷ (b)	**1,423**	1,305	1,344	1,220	1,311	1,371	1,160	1,242
Average 1 USD → CAD exchange rate (d)	**1.3449**	1.3200	1.3204	1.3377	1.3295	1.3204	1.3070	1.2911
AISC USD (c) ÷ (d)	**1,058**	988	1,018	912	986	1,038	888	962

[1] The payment of the lease liabilities excludes the cancellation payment of $3.9 million.

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net cash provided by operating activities per financial statements (c)	**33,429**	15,821	27,275	15,400	12,581	8,632	12,823	12,422
Sustaining mine exploration and development	**(4,765)**	(5,634)	(5,515)	(4,696)	(4,740)	(4,142)	(3,677)	(3,744)
Sustaining mine capital equipment	**(196)**	(323)	43	(221)	(336)	(1,280)	(317)	(499)
Tailings management facility	**(34)**	(2,863)	(3,950)	(1,509)	-	-	-	-
Leasehold improvements and IT fixtures	**-**	-	-	110	(110)	(27)	(28)	(65)
Capitalized exploration and evaluation expenditures	**(9,154)**	(8,312)	(5,872)	(5,498)	(5,538)	(5,699)	(5,733)	(5,071)
Exploration capital equipment	**(56)**	(32)	-	-	-	-	-	-
Surface exploration at Eagle River	**(1,495)**	(1,053)	(1,194)	(488)	(1,031)	(889)	-	(125)
Funds held against standby letters of credit	**-**	-	(30)	(627)	-	-	-	-
Payment of lease liabilities [1]	**(1,057)**	(901)	(1,558)	(1,316)	(1,255)	(1,086)	(931)	(956)
Free cash flows (a)	**16,672**	(3,297)	9,199	1,155	(429)	(4,491)	2,137	1,962
Weighted number of shares (000s) (b)	**138,464**	137,867	137,302	136,740	135,788	135,132	134,754	134,276
Per Share data								
Operating cash flow (c) ÷ (b)	**0.24**	0.11	0.20	0.11	0.09	0.06	0.10	0.09
Free cash flow (a) ÷ (b)	**0.12**	(0.02)	0.07	0.01	0.00	(0.03)	0.02	0.01

[1] The payment of the lease liabilities excludes the cancellation payment of $3.9 million.

Net income (adjusted) and Adjusted net income per share

Adjusted net income (loss) and adjusted net income 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 income, 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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net income per financial statements	**11,513**	12,077	12,449	8,327	8,092	2,643	3,631	5,725
Adjustments for:								
Exploration credit refund	**-**	-	-	-	(2,867)	-	-	-
Other	**-**	-	-	-	(255)	-	-	-
Total adjustments	**-**	-	-	-	(3,122)	-	-	-
Related income tax effect	**-**	-	-	-	753	-	-	-
	-	-	-	-	(2,369)	-	-	-
Net income adjusted (a)	**11,513**	12,077	12,449	8,327	5,723	2,643	3,631	5,725
Weighted number of shares (000s) (b)	**138,464**	137,867	137,302	136,740	135,788	135,132	134,754	134,276
Per Share data								
Net adjusted income (a) ÷ (b)	**0.08**	0.09	0.09	0.06	0.04	0.02	0.03	0.04

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net income per financial statements	**11,513**	12,077	12,449	8,327	8,092	2,643	3,631	5,725
Adjustments for:								
Mining and income tax expense	**5,769**	5,487	6,297	4,619	4,085	2,408	2,380	3,532
Depletion and depreciation	**7,877**	5,397	6,076	6,350	3,909	5,195	5,577	3,919
Non-recurring expenses (income)	**-**	-	-	-	(3,122)	-	-	-
Interest expense	**324**	315	138	114	112	83	68	72
	25,483	23,276	24,960	19,410	13,076	10,329	11,656	13,248

ACCOUNTING MATTERS

BASIS OF PRESENTATION

The condensed interim consolidated financial statements of Wesdome for the three months ended March 31, 2020 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, 2019.

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, 2019.

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

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. 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

Proven and probable 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 its proven and probable reserves and measured, indicated and inferred 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 proven and probable reserves or measured, indicated and inferred mineral resources 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 applicable to 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) Stock-based compensation

The determination of the fair value of stock-based compensation is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. 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. Stock-based compensation incorporates an expected forfeiture rate and is estimated based on historical forfeitures and expectations of future forfeitures, 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 taxes and deferred 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 income taxes and deferred tax 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 be recognized changes 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 advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

The following new standards, and amendments to standards and interpretations, are effective for the first time for the annual periods beginning on or after January 1, 2020 and have been applied in preparing these condensed interim consolidated financial statements:

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7)

IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosure* have been revised to incorporate amendments issued by the IASB in response to the ongoing reform of interest rate benchmarks around the world. The replacement of existing benchmarks with new risk-free rates over the next few years can have significant effects on hedge accounting. The amendments aim to provide relief for hedging relationships. The amendments provide temporary exceptions from applying certain hedge accounting requirements in IFRS 9 and IAS 39 to all hedging relationships directly affected by interest rate benchmark reform. Without these amendments, the uncertainty surrounding the replacement of benchmark rates could result in entities having to discontinue hedge accounting solely because of the reform's effect on their ability to make forward-looking assessments. The amendments to IFRS 7 also provide specific disclosure requirements regarding uncertainty arising from interest rate benchmark reform. The adoption of this amendment did not have a material impact on the Company's financial statements.

Definition of Material

The IASB has issued *Definition of Material*, amending IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to make it easier for entities to judge whether information is material for inclusion in the financial statements. The amendments:

- include in the definition of material guidance that was previously only featured elsewhere in IFRS
- improve the explanations that accompany the definition
- ensure the definition of material is consistent across all IFRS standards

The adoption of this amendment did not have a material impact on the Company's financial statements.

New standards and interpretations not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"

- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

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 18 of the Company's financial statements 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 2019 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 made to Wesdome's disclosure controls and procedures in Q1 2020.

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 March 31, 2020 that have materially affected, or are reasonably likely to materially affect, Wesdome's internal control over financial reporting.

Changes in Internal Controls over Financial Reporting

No changes were made to our internal controls over financial reporting that occurred in Q1 2020, that have materially affected, or are reasonably likely to materially affect, our internal controls 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 2020 Annual Information Form filed on SEDAR at www.sedar.com.