Wesdome Gold Mines Ltd.

Amendment to Condensed Interim Consolidated Financial Statements

The attached Condensed Interim Consolidated Financial Statements of Wesdome Gold Mines Ltd. for the three months ended March 31, 2021 have been amended to correct for typographical errors for certain 2021 numbers. Specifically, the Condensed Interim Consolidated Statements of Cash Flows has been changed for net income, net cash from operating activities, additions to exploration properties and net cash used in investing activities. No other changes have been made to the financial statements and management's discussion and analysis filed on SEDAR on May 12, 2021.

This notice does not form a part of the Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2021.

May 13, 2021

WESDOME GOLD MINES LTD.

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2021

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Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited, expressed in thousands of Canadian dollars)

	Notes	As at March 31, 2021	As at December 31, 2020
Assets			
Current			
Cash and cash equivalents		**$ 63,884**	$ 63,480
Receivables and prepaids	**5**	**3,999**	4,243
Sales tax receivable		**4,773**	4,731
Inventories	**6**	**13,606**	12,451
Non-current assets held for sale	**21**	**10,326**	-
Total current assets		**96,588**	84,905
Restricted cash	**7**	**657**	657
Deferred financing cost	**11**	**960**	827
Mineral properties, plant and equipment	**8**	**132,047**	128,670
Exploration properties	**9**	**145,097**	143,524
Total assets		**$ 375,349**	$ 358,583
Liabilities			
Current			
Payables and accruals	**10**	**$ 25,117**	$ 21,123
Income and mining tax payable		**4,378**	3,481
Current portion of lease liabilities	**11**	**6,243**	5,901
Total current liabilities		**35,738**	30,505
Lease liabilities	**11**	**5,723**	5,604
Deferred income and mining tax liabilities		**41,491**	37,354
Decommissioning provisions	**12**	**21,813**	22,270
Total liabilities		**104,765**	95,733
Equity			
Equity attributable to owners of the Company			
Capital stock	**13**	**180,802**	179,540
Contributed surplus		**5,841**	6,472
Retained earnings		**83,941**	76,838
Total equity attributable to owners of the Company		**270,584**	262,850
		$ 375,349	$ 358,583

Commitments (Note 20)

On behalf of the Board:

/s/ Duncan Middlemiss
Director

/s/ Charles Main
Director

See accompanying notes to the condensed interim consolidated financial statements.

Wesdome Gold Mines Ltd.

Condensed Interim Consolidated Statements of Income and Comprehensive Income

(Unaudited, expressed in thousands of Canadian dollars except for per share amounts)

		Three Months Ended March 31,	
	Notes	**2021**	2020
Revenues	**16**	**$ 45,973**	$ 57,332
Cost of sales	**17**	**(30,264)**	(37,590)
Gross profit		**15,709**	19,742
Other expenses			
Corporate and general		**2,391**	1,971
Stock-based compensation	**14**	**310**	404
		2,701	2,375
Operating income		**13,008**	17,367
Interest expense	**18**	**(259)**	(324)
Accretion of decommissioning provisions	**12**	**(110)**	(125)
Other expense	**18**	**(303)**	364
Income before income and mining taxes		**12,336**	17,282
Income and mining tax expense			
Current		**1,096**	2,270
Deferred		**4,137**	3,499
		5,233	5,769
Net income and total comprehensive income		**$ 7,103**	$ 11,513
Earnings per share			
Basic	**15**	**$ 0.05**	$ 0.08
Diluted	**15**	**$ 0.05**	$ 0.08
Weighted average number of common shares (000s)			
Basic	**15**	**139,732**	138,464
Diluted	**15**	**142,617**	142,024

See accompanying notes to the condensed interim consolidated financial statements.

Wesdome Gold Mines Ltd.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, expressed in thousands of Canadian dollars)

	Notes	Capital Stock	Contributed Surplus	Retained Earnings	Total Equity
Balance, December 31, 2019		$ 174,789	$ 5,590	$ 26,123	$ 206,502
Net income for the period ended March 31, 2020		-	-	11,513	11,513
Exercise of options	**14**	682	-	-	682
Value attributed to options exercised		324	(324)	-	-
Value attributed to RSUs exercised	**14**	577	(577)	-	-
Stock-based compensation	**14**	-	404	-	404
Balance, March 31, 2020		$ 176,372	$ 5,093	$ 37,636	$ 219,101
Balance, December 31, 2020		**$ 179,540**	**$ 6,472**	**$ 76,838**	**$ 262,850**
Net income for the period ended March 31, 2021		**-**	**-**	**7,103**	**7,103**
Exercise of options	**14**	**321**	**-**	**-**	**321**
Value attributed to options exercised		**155**	**(155)**	**-**	**-**
Value attributed to RSUs exercised	**14**	**786**	**(786)**	**-**	**-**
Stock-based compensation	**14**	**-**	**310**	**-**	**310**
Balance, March 31, 2021		**$ 180,802**	**$ 5,841**	**$ 83,941**	**$ 270,584**

See accompanying notes to the condensed interim consolidated financial statements.

Wesdome Gold Mines Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited, expressed in thousands of Canadian dollars)

		Three Months Ended March 31,	
	Notes	**2021**	2020
Operating Activities			
Net income		**$ 7,103**	$ 11,513
Depreciation and depletion	**17**	**6,067**	7,877
Stock-based compensation	**15**	**310**	404
Accretion of decommissioning provisions	**12**	**110**	125
Deferred income and mining tax expense		**4,137**	3,499
Amortization of deferred financing cost		**105**	62
Interest expense	**18**	**259**	324
Foreign exchange loss on lease financing		**(29)**	351
		18,062	24,155
Net changes in non-cash working capital	**19**	**4,170**	10,656
Mining and income tax paid		**(199)**	(1,320)
Net cash from operating activities		**22,033**	33,491
Financing Activities			
Exercise of options	**16**	**321**	682
Deferred financing cost	**11**	**(239)**	(30)
Repayment of borrowings	**11**	**-**	(3,636)
Repayment of lease liabilities		**(1,516)**	(1,057)
Interest paid	**18**	**(259)**	(324)
Net cash used in financing activities		**(1,693)**	(4,365)
Investing Activities			
Additions to mining properties		**(8,519)**	(6,546)
Additions to exploration properties		**(11,899)**	(9,154)
Net changes in non-cash working capital	**19**	**482**	315
Net cash used in investing activities		**(19,936)**	(15,385)
Increase in cash and cash equivalents		**404**	13,741
Cash and cash equivalents - beginning of the period		**63,480**	35,657
Cash and cash equivalents - end of the period		**$ 63,884**	$ 49,398
Cash and cash equivalents consist of:			
Cash		**$ 63,884**	$ 49,398
		$ 63,884	$ 49,398

See accompanying notes to the condensed interim consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Wesdome Gold Mines Ltd. ("Wesdome" or the "Company") is a gold producer engaged in mining and related activities including exploration, extraction, processing and reclamation. The Company's principal assets include the Eagle River Mine, the Mishi Mine and the Eagle River Mill located near Wawa, Ontario, together called the "Eagle River Complex", the Moss Lake property in Thunder Bay, Ontario, and the Kiena Mining and Milling Complex ("Kiena Complex") and exploration properties located in Val D'Or, Quebec. The Company is a publicly traded company, continued under Part 1A of the Companies Act (Quebec) and its common shares are listed on the Toronto Stock Exchange (TSX: WDO). Wesdome's head office is located at 220 Bay Street, Suite 1200, Toronto, Ontario, Canada, M5J 2W4

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – "*Interim Financial Reporting*" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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, 2020.

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, 2020, with the exception of the new accounting policy described below.

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 to the Company's consolidated financial statements for the year ended December 31, 2020.

These condensed interim consolidated financial statements are presented in Canadian dollars ("Cdn $"), which is also the functional currency of the Company.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 12, 2021.

3. ACCOUNTING POLICY

Assets held for sale and discontinued operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortization. Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

4. ACCOUNTING PRONOUNCEMENTS

There have been no new accounting pronouncements adopted since the release of the Company's consolidated financial statements for the year ended December 31, 2020.

New standards and interpretations

Property, Plant and Equipment- Proceeds Before Intended Use (Amendments to IAS 16)

The international Accounting Standards Board (IASB) has published 'Property, plant and equipment- Proceeds Before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.
Amendment to IAS 16 amends the standard to prohibit deducting from cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. Amendment to IAS 16 is effective for annual periods beginning on or after January 1, 2022. Early application is permitted. The Company adopted this standard early beginning from reporting periods on or after January 1, 2021. The adoption of this standard did not have an impact on the condensed interim consolidated financial statements for the reporting period ended March 31, 2021.

New Standards and Interpretations not yet applied

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, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

5. RECEIVABLES AND PREPAIDS

	March 31, 2021	December 31, 2020
Vendor deposits	$ -	$ 1,004
Prepayments to vendors	1,234	1,826
Prepaids and other	2,765	1,413
	$ 3,999	$ 4,243

6. INVENTORIES

	Notes	March 31, 2021	December 31, 2020
Gold in process	5(i), (ii)	$ 7,292	$ 6,786
Supplies		3,028	3,051
Ore stockpiles	5(iii)	3,286	2,614
		$ 13,606	$ 12,451

(i) Gold in process inventory consists of both gold doré and gold in process that are awaiting the completion of the final refining process into saleable gold, expected within one month of the financial statement date.

(ii) As at March 31, 2021 gold in process inventory includes Eagle, Mishi and Kiena inventory carried at cost of $6,884,000, $357,000 and $51,000, respectively. As at December 31, 2020, gold in process inventory includes Eagle, Mishi and Kiena inventory carried at cost of $6,232,000, $74,000 and $480,000, respectively.

(iii) As at March 31, 2021, ore stockpile inventory includes Eagle, Mishi and Kiena inventory carried at cost of $1,239,000, $2,002,000 and $45,000 respectively. As at December 31, 2020, ore stockpile inventory includes Eagle, Mishi and Kiena inventory carried at cost of $854,000, $1,715,000 and $45,000 respectively.

The amount of inventory recognized as an expense for the three months ended March 31, 2021 is $23,879,000 (March 31, 2020: $21,799,000) and is included in cost of sales (Note 17).

7. RESTRICTED CASH

	March 31, 2021	December 31, 2020
Cash deposit related to a mine closure plan (Note 12)	$ 27	$ 27
Cash pledged to a bank related to a letter of credit	630	630
	$ 657	$ 657

8. MINING PROPERTIES, PLANT AND EQUIPMENT

	Company Owned Assets								Right-of-use assets				
	Mining properties			Plant & equipment					Plant & equipment				
	Eagle River Complex	Kiena Complex	Sub-total	Eagle River Complex	Kiena Complex	Corporate	Sub-total	Total	Eagle River Complex	Kiena Complex	Corporate	Total	Grand total
Gross Carrying Amount													
Balance, December 31, 2019	**$ 176,844**	**$ 35,201**	$ 212,045	$ 25,174	$ 562	$ 111	$ 25,847	$ 237,892	$ 10,981	$ 152	$ 787	$ 11,920	$ 249,812
Additions	23,672	-	23,672	4,351	486	-	4,837	28,509	6,718	(81)	-	6,637	35,146
Transfer from exploration properties	1,566	-	1,566	-	-	-	-	1,566	-	-	-	-	1,566
Write-down of equipment	-	-	-	(2,536)	-	-	(2,536)	(2,536)	-	-	-	-	(2,536)
Balance, December 31, 2020	**$ 202,082**	**$ 35,201**	**$ 237,283**	**$ 26,989**	**$ 1,048**	**$ 111**	**$ 28,148**	**$ 265,431**	**$ 17,699**	**$ 71**	**$ 787**	**$ 18,557**	**$ 283,988**
Additions	6,418	**-**	6,418	837	768	-	1,605	**8,023**	2,008	(71)	-	**1,937**	**9,960**
Balance, March 31, 2021	**$ 208,500**	**$ 35,201**	**$ 243,701**	**$ 27,826**	**$ 1,816**	**$ 111**	**$ 29,753**	**$ 273,454**	**$ 19,707**	**$ -**	**$ 787**	**$ 20,494**	**$ 293,948**
Accumulated Depletion													
Balance, December 31, 2019	**$ 79,923**	**$ 35,201**	$ 115,124	$ 17,643	$ 441	$ 46	$ 18,130	$ 133,254	$ (497)	$ 51	$ 239	$ (207)	$ 133,047
Depletion	17,390	-	17,390	3,757	134	-	3,891	21,281	2,954	(42)	187	3,099	24,380
Write-down of equipment	-	-	-	(2,109)	-	-	(2,109)	(2,109)	-	-	-	-	(2,109)
Balance, March 31, 2021	**$ 97,313**	**$ 35,201**	**$ 132,514**	**$ 19,291**	**$ 575**	**$ 46**	**$ 19,912**	**$ 152,426**	**$ 2,457**	**$ 9**	**$ 426**	**$ 2,892**	**$ 155,318**
Depletion	**4,815**	**-**	**4,815**	**739**	**67**	**-**	**806**	**5,621**	**924**	**(9)**	**47**	**962**	**6,583**
Balance, March 31, 2021	**$ 102,128**	**$ 35,201**	**$ 137,329**	**$ 20,030**	**$ 642**	**$ 46**	**$ 20,718**	**$ 158,047**	**$ 3,381**	**$ -**	**$ 473**	**$ 3,854**	**$ 161,901**
Net carrying amount,													
December 31, 2020	$ 104,769	$ -	$ 104,769	$ 7,698	$ 473	$ 65	$ 8,236	$ 113,005	$ 15,242	$ 62	$ 361	$ 15,665	$ 128,670
March 31, 2021	**$ 106,372**	**$ -**	**$ 106,372**	**$ 7,796**	**$ 1,174**	**$ 65**	**$ 9,035**	**$ 115,407**	**$ 16,326**	**$ -**	**$ 314**	**$ 16,640**	**$ 132,047**

(i) Eagle River Complex

The Eagle River Complex consists of the Eagle River Mine, the Mishi Mine and the Eagle River Mill and all related infrastructure and equipment.

The Eagle River Mine is subject to a 2% net smelter return royalty.

(ii) Kiena Mine Complex

The Kiena Mine Complex consists of the Kiena Mine concession, Kiena Mill, related infrastructure and equipment and land position in the Township of Dubuisson, Quebec.

The Kiena Mine is not subject to any underlying royalties.

9. EXPLORATION PROPERTIES

	Kiena Group	Moss Lake Group	Mishi/Eagle Group	Total
Balance, December 31, 2019	$ 84,327	$ 10,228	$ 12,089	$ 106,644
Exploration expenditures	44,004	84	-	44,088
Gold revenue from a bulk sample	(3,608)	-	-	(3,608)
Write-down of Magnacon exploration	-	-	(2,034)	(2,034)
Transfer to mineral properties	-	-	(1,566)	(1,566)
Balance, December 31, 2020	124,723	10,312	8,489	143,524
Exploration expenditures	**15,785**	**14**	-	**15,799**
Gold revenue from a bulk sample	**(3,900)**	-	-	**(3,900)**
Transfer to non-current assets held for sale	**-**	**(10,326)**	**-**	**(10,326)**
Balance, March 31, 2021	**$ 136,608**	**$ -**	**$ 8,489**	**$ 145,097**

10. PAYABLES AND ACCRUALS

	March 31, 2021	December 31, 2020
Trade payables and accrued liabilities	**$ 18,104**	$ 15,355
Employee related payables	**6,153**	4,937
Royalties payable	**860**	831
	$ 25,117	$ 21,123

11. LEASE LIABILITIES

Future minimum payments under lease obligations are as follows:

	March 31, 2021	December 31, 2020
No later than one year	**$ 6,630**	$ 6,290
Later than one year and no later than five years	**5,882**	5,778
Total minimum lease payments	**12,512**	12,068
Less: Interest portion at the weighted average interest rate of 4.48% (2020: 4.65%)	**546**	563
Total lease liabilities, secured by equipment	**11,966**	11,505
Less: Current portion	**6,243**	5,901
Long-term portion	**$ 5,723**	$ 5,604

Secured Credit Facility and Lease Facilities

On March 29, 2021, Wesdome extended the current maturity date of the $45 million senior secured revolving credit facility ("**NBF Facility**"), led by National Bank Financial Inc. ("**NBF**") from September 27, 2022 to March 29, 2024. During Q1 2021, the Company was in compliance with the financial covenants stipulated under the NBF Facility. 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. At March 31, 2021 the entire $45.0 million facility was available.

On closing, the Company drew down $4,358,000 under the NBF Facility, of which $3,952,000 was used to repay in full the amounts owed under the Company's $36,000,000 credit facility. As at March 31, 2021, the Company incurred $239,000 in fees and expenses related to the extension of NBF Facility. As at December 31, 2019, $3,636,000 was drawn under the credit facility which was repaid in the first quarter of 2020. During the remaining quarters of 2020 and the first quarter of 2021 no further funds were drawn under the credit facility.

In 2018, the Company established a $3,400,000 lease facility with a Canadian bank. On August 18, 2020, the facility was increased to $16,900,000, of which $14,400,000 was drawn as at March 31, 2021. The Company also established a US$4,500,000 equipment leasing facility with a U.S. based leasing company, of which US$4,200,000 (CDN$5,288,000) was drawn as at March 31, 2021 and are included in Lease Liabilities as at March 31, 2021.

12. DECOMMISSIONING PROVISIONS

The Company is committed to a program of environmental protection at its mines, development projects and exploration sites which are subject to various federal and provincial laws and regulations. The Eagle River and Mishi ores and waste rocks are not acid generating which minimizes the environmental risks of mining. The Magnacon Mine, which is located next to the Eagle River Mill, and the Kiena Complex are both under care and maintenance.

The Company has recorded the decommissioning costs at its active and dormant mine sites on the basis of management's best estimates of future costs to settle the obligations on the closing date, based on information available on the reporting date. Although the ultimate amount of decommissioning costs is uncertain, the Company estimated its future decommissioning costs for the Eagle River Complex to be $17,227,000 which has been discounted over a period of five years using a discount rate of 2.99%; and the

Kiena Mine Complex is $7,027,000 as at March 31, 2021. The Company has provided in aggregate $16,600,000 in financial assurances (Notes 12 (a) and 12 (b)) for these future environmental obligations.

The final closure plans were submitted during Q4 2019, for the 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.

a) Change in decommissioning provisions

The following table presents the reconciliation of the aggregate carrying amount of the obligation associated with the retirement of mining properties:

	March 31, 2021	December 31, 2020
Balance, beginning of the period	**$ 22,270**	$ 21,443
Accretion expense for the period	**110**	354
Changes in estimates, Eagle River Complex	**(567)**	473
	$ 21,813	$ 22,270

b) Reclamation bond

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, 2021, the total reclamation bonds issued to government environmental agencies amounted to $16,600,000 (December 31, 2020 - $16,600,000).

13. CAPITAL STOCK

Authorized:
The authorized capital of the Company consists of an unlimited number of common shares without par value.

	Notes	Shares	Amount
Issued:			
Balance, December 31, 2019		137,992,453	$ 174,789
Exercise of options	14	1,129,291	4,174
Exercise of RSUs	14	190,541	577
Redemption of DSUs	14	-	-
Balance, December 31, 2020		139,312,285	179,540
Exercise of options	14	**140,000**	**476**
Exercise of RSUs	14	**220,043**	**786**
Balance, March 31, 2021		**139,672,328**	**$ 180,802**

14. STOCK-BASED COMPENSATION

Up until May 3, 2017, the Company had an equity settled common share purchase plan (the "Stock Option Plan") under which the Board of Directors may grant options to purchase common shares to directors, officers, employees and independent contractors of Wesdome and/or its affiliates (collectively, the "Service Providers"). The maximum aggregate number of common shares under option at any time pursuant to the Stock Option Plan was 10% of the issued and outstanding common shares at the time of the grant.

On May 3, 2017, the shareholders of the Company approved the 2017 Omnibus Plan pursuant to which it is able to issue share-based long-term incentives. All Service Providers are eligible to receive awards, as defined below, under the 2017 Omnibus Plan. The 2017 Omnibus Plan replaced the Company's existing Stock Option Plan which remains in effect, but no further options will be issued thereunder.

Under the 2017 Omnibus Plan, the maximum number of common shares issuable from treasury pursuant to awards shall not exceed 10% of the total outstanding common shares from time to time less the number of common shares issuable pursuant to all other security-based compensation arrangements of Wesdome (being the Stock Option Plan).

On June 2, 2020, the shareholders of the Company approved the 2020 Omnibus Plan pursuant to which it is able to issue share-based long-term incentives. All Service Providers are eligible to receive awards, as defined below, under the 2020 Omnibus Plan. The 2020 Omnibus Plan replaced the Company's existing Stock Option Plans which remain in effect, but no further options will be issued thereunder.

Under the 2020 Omnibus Plan, the maximum number of common shares issuable from treasury pursuant to awards shall not exceed 10% of the total outstanding common shares from time to time less the number of common shares issuable pursuant to all other security-based compensation arrangements of Wesdome, being the Stock Option Plan.

As at March 31, 2021, awards to purchase 9,194,000 common shares of Wesdome were available for grant under the Equity Incentive Plans.

The following table reflects the continuity of options granted for the three months ended March 31, 2021 and 2020.

	Three months ended March 31,			
	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Outstanding, beginning of period	**3,757,621**	**3.40**	4,513,715	2.72
Granted	**379,934**	**8.50**	366,452	8.67
Exercised	**(140,000)**	**2.29**	(261,738)	2.61
Outstanding, end of period	**3,997,555**	**3.92**	4,618,429	3.20

On March 26, 2021 the Company granted 379,934 stock options to its employees and officers, under its 2020 Omnibus Plan. On March 13, 2020, the Company granted 366,452 stock options to its employees and officers, under its 2017 Omnibus Plan. On August 14, 2020, the Company granted 19,802 stock options to its officer. All stock options granted have a three-year vesting term commencing on the anniversary date of the issue.

The weighted average share price at the date of exercise for stock options exercised during the three months ended March 31, 2021 and 2020 was $8.98 and $8.98, respectively.

The following table outlines share options outstanding at March 31, 2021:

	Outstanding Options			Exercisable Options	
Range of exercise prices	Number outstanding	Weighted average remaining life (years)	Weighted average exercise price $	Number exercisable	Weighted average exercise price $
$1.57 - $1.86	815,000	0.33	1.63	815,000	1.63
$1.87 - $2.20	828,422	1.98	1.96	828,422	1.96
$2.21 - $3.46	817,000	0.97	2.78	817,000	2.78
$3.47 - $8.89	784,002	2.53	4.96	578,927	4.85
$6.90 - $13.83	753,131	3.48	8.72	116,606	8.67
	3,997,555	1.83	3.92	3,155,955	2.86

The following table reflects the continuity of RSUs granted for the three months ended March 31, 2021 and 2020.

	Three months ended March 31, 2021		2020	
	Number of RSUs	Weighted average of exercised RSUs	Number of RSUs	Weighted average
		$		$
Outstanding, beginning of period	**343,210**	**-**	444,349	-
Granted	**82,853**	**-**	89,399	-
Exercised	**(220,043)**	**8.50**	(190,541)	6.97
Outstanding, end of period	**206,020**	**-**	343,207	-

On March 26, 2021, the Company granted 82,853 RSUs to its employees and officers, under its 2020 Omnibus Plan. On March 13, 2020, the Company granted 89,399 RSUs to its employees and officers, under its 2017 Omnibus Plan. The RSUs granted have a three-year vesting term with the first tranche vesting on March 26, 2022.

The following table reflects the continuity of PSUs granted for the three months ended March 31, 2021 and 2020.

	Three months ended March 31, 2021		2020	
	Number of PSUs	Weighted average of exercised PSUs	Number of PSUs	Weighted average
		$		$
Outstanding, beginning of period	**89,399**	**-**	-	-
Granted	**165,706**	**-**	89,399	-
Exercised	**-**	**-**	-	-
Outstanding, end of period	**255,105**	**-**	89,399	-

On March 26, 2021, the Company granted 165,706 PSUs to its employees and officers, under its 2020 Omnibus Plan. On March 13, 2020, the Company granted 89,399 PSUs to its employees and officers, under its 2017 Omnibus Plan. The PSUs granted have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

The following table reflects the continuity of DSUs granted for the three months ended March 31, 2021 and 2020.

	Three months ended March 31,			
	2021		2020	
	Number of DSUs	Weighted average of exercised PSUs	Number of DSUs	Weighted average
		$		$
Outstanding, beginning of period	**315,031**	**-**	249,472	-
Granted	**-**	**-**	-	-
Redeemed	**-**	**-**	-	-
Outstanding, end of period	**315,031**	**-**	249,472	-

On June 3, 2020, the Company granted 65,799 DSUs (third grant) to its non-management board members, under its 2020 Equity Incentive Plan. All of the DSUs are fully vested at the grant date and become payable upon retirement of the directors.

The fair value of the stock options, RSUs, PSUs and DSUs awarded to employees and officers that will eventually vest, determined as of the date of grant, is recognized as share-based compensation expense over the vesting period of the equity instruments, with a corresponding increase to contributed surplus. The fair value of stock options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant and the fair value of RSUs, PSUs and DSUs is the market value of the underlying shares as of the date of grant.

For the three months ended March 31, 2021 and 2020, grant date fair value estimates were based on the following variables:

	Three months ended March 31,	
	2021	2020
Weighted average fair value, per option ($)	**3.42**	4.13
Weighted average risk-free interest rate (%)	**0.47**	0.65
Weighted average volatility (%)	**56.63**	55.85
Expected life (years)	**3.0**	3.0
Forfeiture rate (%)	**7.8**	9.7

The fair value compensation and contributed surplus relating to stock options, RSUs, PSUs and DSUs for the three months ended March 31, 2021 was $310,000 (2020: $404,000).

15. EARNINGS PER SHARE

	Three Months Ended March 31,			
	2021		2020	
Earnings available to common shareholders	**$**	**7,103**	$	11,513
Weighted average number of shares, basic (000s)		**139,732**		138,464
Dilutive securities – options and RSU (000s)		**2,885**		3,560
Weighted average number of shares, diluted (000s)		**142,617**		142,024
Basic earnings per share	**$**	**0.05**	$	0.08
Diluted earnings per share	**$**	**0.05**	$	0.08
Number of shares excluded from diluted earnings per share calculation due to anti-dilutive effect: Options (000s)		**41**		-

16. REVENUES

	Three Months Ended March 31,			
	2021		2020	
Revenues from mining operations				
Gold	**$**	**45,934**	$	57,295
Silver		**39**		37
	$	**45,973**	$	57,332

17. COST OF SALES

	Three Months Ended March 31,			
	2021		2020	
Mining and processing				
Mining	**$**	**11,165**	$	10,477
Processing		**4,601**		4,540
Site administration and camp costs		**8,109**		6,782
Change in inventories [1]		**(663)**		6,889
		23,212		28,688
Royalties		**985**		1,025
Depletion and depreciation		**6,067**		7,877
	$	**30,264**	$	37,590

(1) Change in inventories				
Ore stock pile inventory	**$**	**(176)**	$	6,674
Bullion and in-circuit inventory		**(487)**		215
	$	**(663)**	$	6,889

18. INTEREST AND OTHER

a) Interest expense

	Notes	Three Months Ended March 31, 2021	2020
Interest on lease liabilities	10	**$ 127**	$ 135
Premium on reclamation bonds		**37**	16
Interest on secured credit facility		**95**	173
		$ 259	$ 324

b) Other income/(expense)

	Three Months Ended March 31, 2021	2020
Interest income	**$ 63**	106
Foreign exchange (loss) gain	**(244)**	310
Amortization of deferred financing cost	**(106)**	(62)
Other (expense) income	**(16)**	10
	$ (303)	$ 364

19. SUPPLEMENTAL CASH FLOW INFORMATION

	Notes	Three Months Ended March 31, 2021	2020
Net changes in non-cash working capital			
Operating activities			
Receivables and prepaids		**$ 360**	$ 929
Payables and accruals		**3,353**	731
Mining and income tax payable		**1,096**	2,268
Gold in process and ore stockpiles		**(663)**	6,889
Supplies and other		**24**	(161)
		$ 4,170	$ 10,656
Investing activities			
Receivables and prepaids		**$ (158)**	$ (1,024)
Payables and accruals		**640**	1,339
		$ 482	$ 315
Non-cash transactions			
Change to decommissioning provisions	11	**$ (567)**	$ (606)
Mining property assets acquired under finance leases		**2,008**	1,825
		$ 1,441	$ 1,219

20. FINANCIAL INSTRUMENTS

Fair Values

Following is a table which sets out the fair values of recognized financial instruments using the valuation methods and assumptions described below:

	At March 31, 2021				At December 31, 2020			
	Carrying amount		Estimated fair value		Carrying amount		Estimated fair value	
Financial Assets								
Cash and cash equivalents	**$**	**63,884**	**$**	**63,884**	$	63,480	$	63,480
Receivables		**2,007**		**2,007**		2,481		2,481
	$	**65,891**	**$**	**65,891**	$	65,961	$	65,961
Financial Liabilities								
Payables and accruals	**$**	**25,117**	**$**	**25,117**	$	21,123	$	21,123
	$	**25,117**	**$**	**25,117**	$	21,123	$	21,123

The fair value of cash and cash equivalents, receivables and payables approximate their carrying amounts due to their short-term nature. The fair value of obligations under finance leases approximates their carrying values due to current market rates and consistency of credit spread. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

Financial instrument and related risks

1) Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The market price movements that could adversely affect the value of the Company's financial assets and liabilities include commodity price risk, foreign currency exchange risk and interest rate risk.

(a) Commodity price risk

The Company's financial performance is closely linked to the price of gold which is impacted by world economic events that dictate the levels of supply and demand. The Company had no gold price hedge contracts in place as at or during the three months ended March 31, 2021 and 2020.

(b) Foreign currency exchange risk

The Company's revenue is exposed to changes in foreign exchange rates as the Company's primary product, gold, is priced in U.S. dollars. The Company had no forward exchange rate contracts in place and no foreign currency holdings as at or during the three months ended March 31, 2021 and 2020.

(c) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash has in the past included highly liquid investments that earn interest at market rates. Fluctuations in market rates of interest do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

2) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company believes it has access to sufficient capital through internally generated cash flows and equity and debt capital markets. Executive management is also actively involved in the review and approval of planned expenditures.

The following table shows the timing of cash outflows relating to payables and accruals, finance leases and other financial obligations as at March 31, 2021:

		<1 Year		1-2 Years		3-5 Years		Over 5 Years
Payables and accruals	$	25,117	$	-	$	-	$	-
Mining and income tax liabilities		4,378		-		-		-
Lease liabilities		6,630		4,262		1,620		-
Purchase commitments [1]		12,110		-		-		-
Decommissioning liabilities		-		7,027		-		17,227
Total	$	48,235	$	11,289	$	1,620	$	17,227

[1] The Company anticipates of the $12,110,000 outstanding purchase commitments as at March 31, 2021 to finance $3,446,000 with finance leases.

3) *Credit Risk*

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company minimizes its credit risk by selling its gold exclusively to financial institutions. The Company's receivables consist primarily of government refunds and credits and advances to vendors on projects at the mine. The Company estimates its maximum exposure to be the carrying value of cash and cash equivalents and receivables.

The Company manages credit risk by maintaining bank accounts and term deposits with Schedule 1 Canadian banks. The Company's cash is not subject to any external limitations.

21. NON-CURRENT ASSETS HELD FOR SALE

On January 26, 2021, Wesdome entered into a definitive purchase agreement (the "Agreement") with Goldshore Resources Inc. ("Goldshore") to monetize its Moss Lake Project ("Moss Lake") located in Ontario, Canada (the "Transaction"). Pursuant to the Agreement, Goldshore will acquire all of Wesdome's property, assets and rights related to Moss Lake. The Closing of the Transaction ("Closing") is expected to occur in Q2 2021. Following the closing, Goldshore will hold a 100% interest in Moss Lake.

Under the terms of the Agreement, Wesdome will receive minimum initial aggregate consideration of approximately $57 million, comprised of the following:

- $12.5 million in cash upon Closing;
- Shares of Goldshore in an amount equal to the greater of a) $19.5 million and b) 30% of the issued and outstanding common shares at Closing;
- $20 million in shares of Goldshore in the form of milestone payments consisting of:
    - $5 million within 12 months of Closing;

  - $7.5 million upon the earlier of (i) Goldshore completing an updated PEA or pre-feasibility study; and (ii) 30 months from Closing;
  - $7.5 million upon the earlier of (i) Goldshore completing a feasibility study, (ii) the date on which Goldshore makes a development decision on Moss Lake; and (iii) 48 months from Closing;
- The grant to Wesdome of a 1.00% NSR royalty on all metal production from Moss Lake. Goldshore shall have the right to repurchase the NSR royalty for (i) $5 million within 30 months of Closing; or (ii) $7.5 million between 30 – 48 months from Closing. The royalty buyback rights shall expire if not exercised within 48 months of Closing.

As the Company's proceeds expected from the sale are greater than the current carrying value of Moss Lake, the property remains at it carrying amount.