



# WESDOME GOLD MINES LTD

## European Gold Forum

April 2011

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# Cautionary Statements



## Cautionary Language regarding Forward-Looking Information

This presentation contains and refers to forward-looking information based on current expectations. All other statements other than statements of historical fact included in this release including, without limitation, statements regarding processing and development plans and future plans and objectives of Wesdome Gold Mines Ltd. (the “Company”) are forward-looking statements (or forward-looking information) that involve various risks and uncertainties. These forward-looking statements are made as of the date hereof and there can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein.

Important factors could cause actual results to differ materially from the Company’s expectations. Such factors include, among others: the actual results of additional exploration and development activities at the Company’s projects; the timing and amount of estimated future production and the costs thereof; capital expenditures; the availability of any additional capital required to bring future projects into production; future prices of commodities; the failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; Please refer to the “Risk Factors” in materials filed with securities regulatory authorities in Canada.

## Technical Disclosure

All technical disclosure contained in this presentation respects National Instrument 43-101 standards and is disclosed fully on SEDAR filings ([www.sedar.com](http://www.sedar.com)). The “Qualified Person” who has reviewed the technical content of this presentation is George N. Mannard, P. Geo. and Vice President, Exploration of Wesdome

# Canadian Underground Gold Miners



## **Established**

- 20 years of unhedged gold production since 1987
- No forward sales or options to sell

## **Experienced**

- 5 producing mines since 1987
- Eagle River Mine, Kiena Mine, Edwards Mine, Joubi Mine, Mishi Mine

## **Proven**

- 1.2 million ounces of production since 1987
- We continue to replace reserves

## **Trusted**

- Emphasis on safety
- Results-oriented

## **Focused**

- Canada only – low geopolitical risk
- Gold only – no other metals



# Canadian Underground Gold Miners



## Eagle River Mine – 100% owned and operated by Wesdome

- Located near Wawa, Ontario
- **2008 Forecast** 45,000 ounces – Actual 49,660
- **2009 Forecast** 40,000 ounces – Actual 60,750
- **2010 Forecast** 38,000 ounces – Actual 37,000

## Kiena Mine – 100% owned and operated by Wesdome

- Located in Val d'Or, Quebec
- **2008 Forecast** 35,000 ounces – Actual 40,340
- **2009 Forecast** 35,000 ounces – Actual 35,400
- **2010 Forecast** 32,000 ounces – Actual 32,000

## Head Office

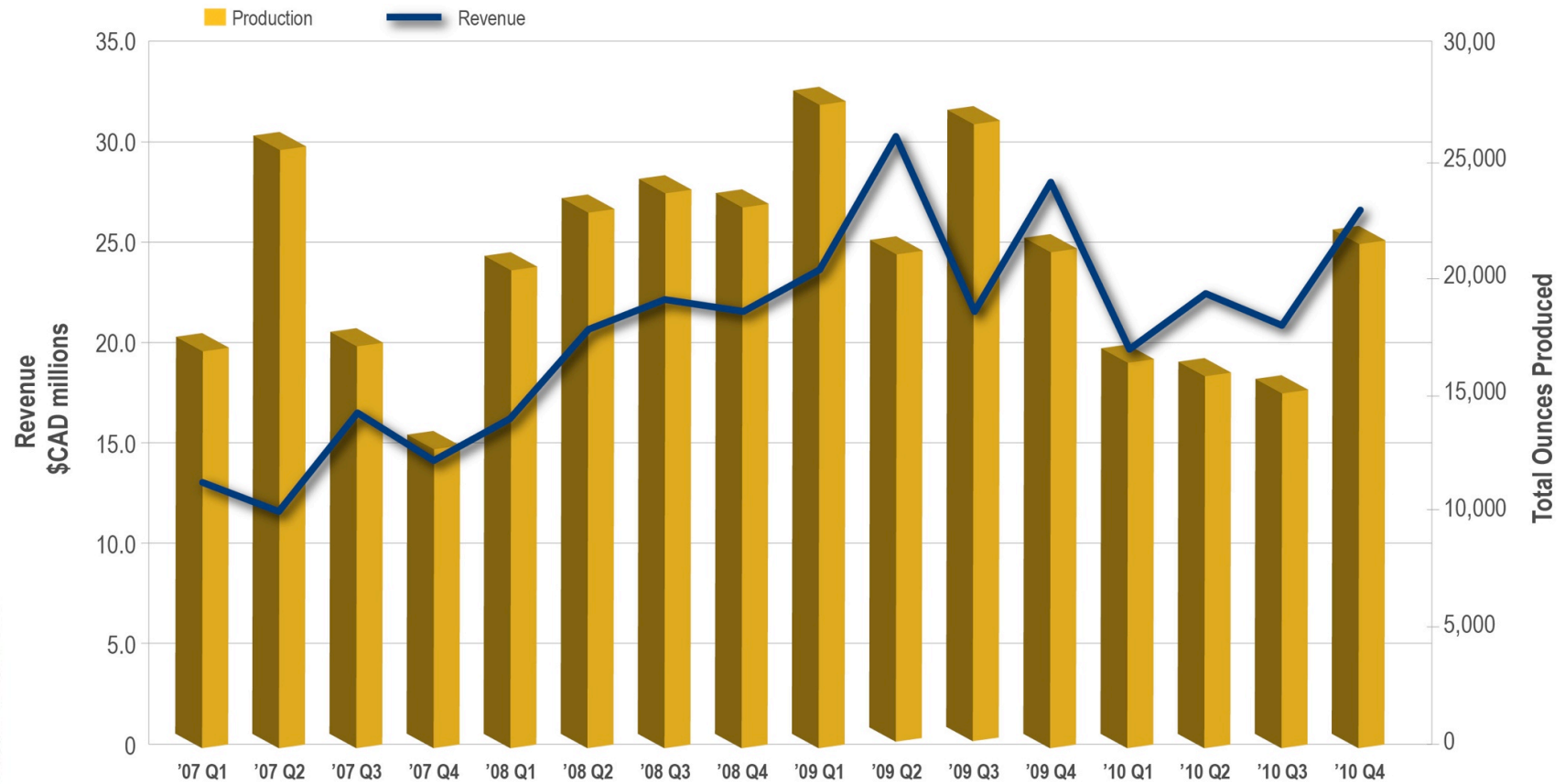
- Toronto, Ontario

## Overall

- 380 Employees
- 70,000 ounces forecast in 2011



# A Growing Gold Production Profile

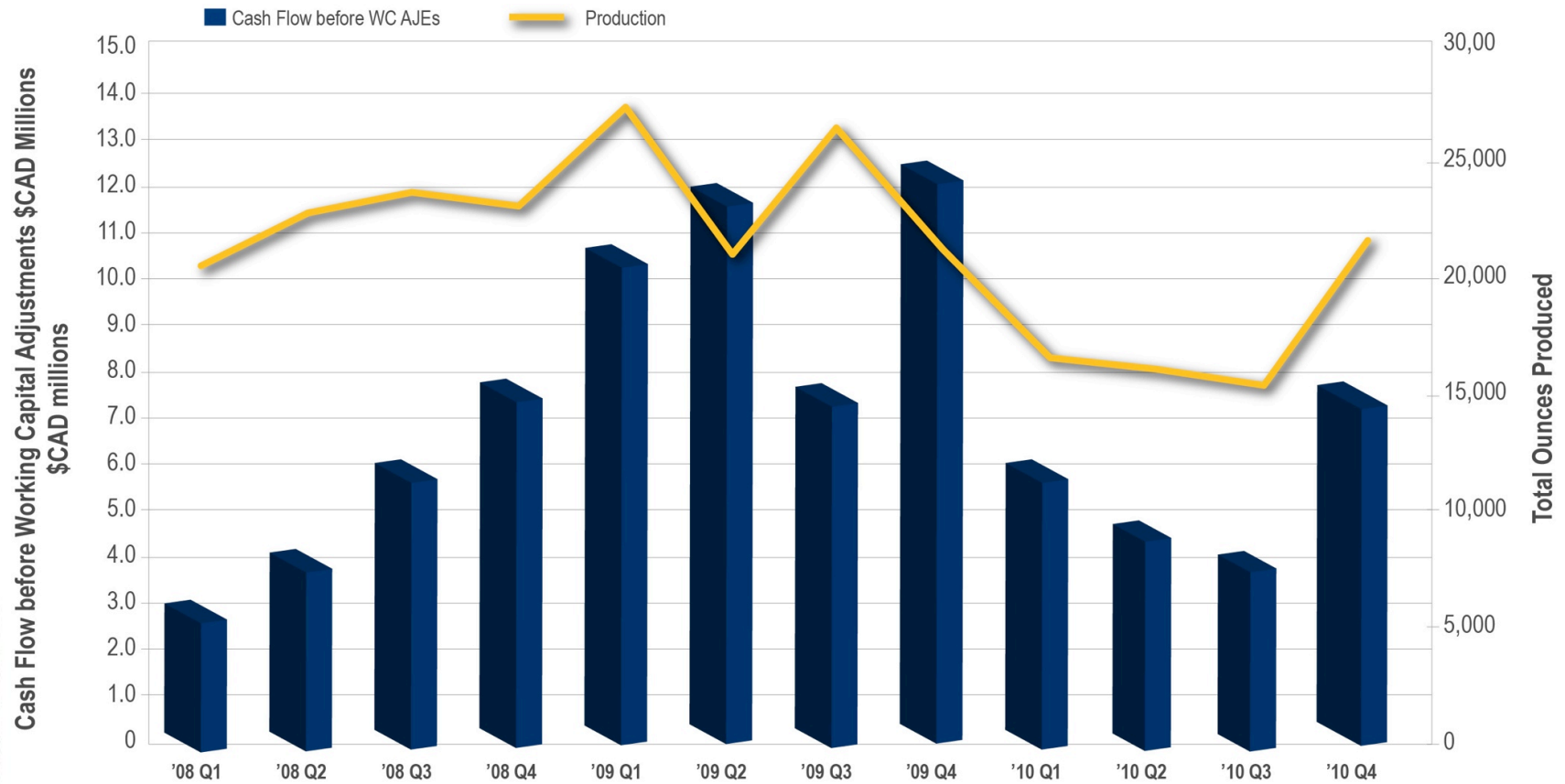


# Corporate Highlights



- **2008 Earnings of \$9.4 million**
- **2009 Earnings of \$32.2 million**
- **2010 Earnings of \$3.7 million**
- **Strong Operating Cash Flow**
  - 2008 Cash Flow from Operations of \$19.5M
  - 2009 Cash Flow from Operations of \$41.3M
  - 2010 Cash Flow from Operations of \$21.1M
  - 2010 Cash cost of \$CAD 897/oz
- **Safety**
  - Excellent Record (Over 1,000,000 hrs without a lost time accident at Kiena)
- **Exploration → Development**
  - Developing Dubuisson Zone at Kiena
  - Developing deeper levels of 811 Zone at Eagle River
  - Mishi open pit development underway

# Strong Cash Flow from Operations



# Capital Structure



<b>Stock Exchange Listing</b>	<b>WDO – TSX</b>
<hr/>	
<b>Shares Outstanding (April 2011)</b>	
Basic	<b>101.3 million</b>
Fully Diluted	<b>103.1 million</b>
Fully Diluted (Debenture Fully Converted)	<b>106.4 million</b>
<hr/>	
<b>Current Share Price (April 2011)</b>	<b>\$2.70</b>
Market Capitalization	<b>\$274 million</b>
Fully Diluted	<b>\$279 million</b>
Fully Diluted (Debenture Fully Converted)	<b>\$288 million</b>
<hr/>	
<b>Cash &amp; Bullion<sup>1,2</sup></b>	<b>\$41.2 million</b>
<b>Long-Term Debt<sup>1</sup></b>	<b>\$10.9 million</b>
<b>Gold &amp; Foreign Exchange Hedging</b>	<b>nil</b>

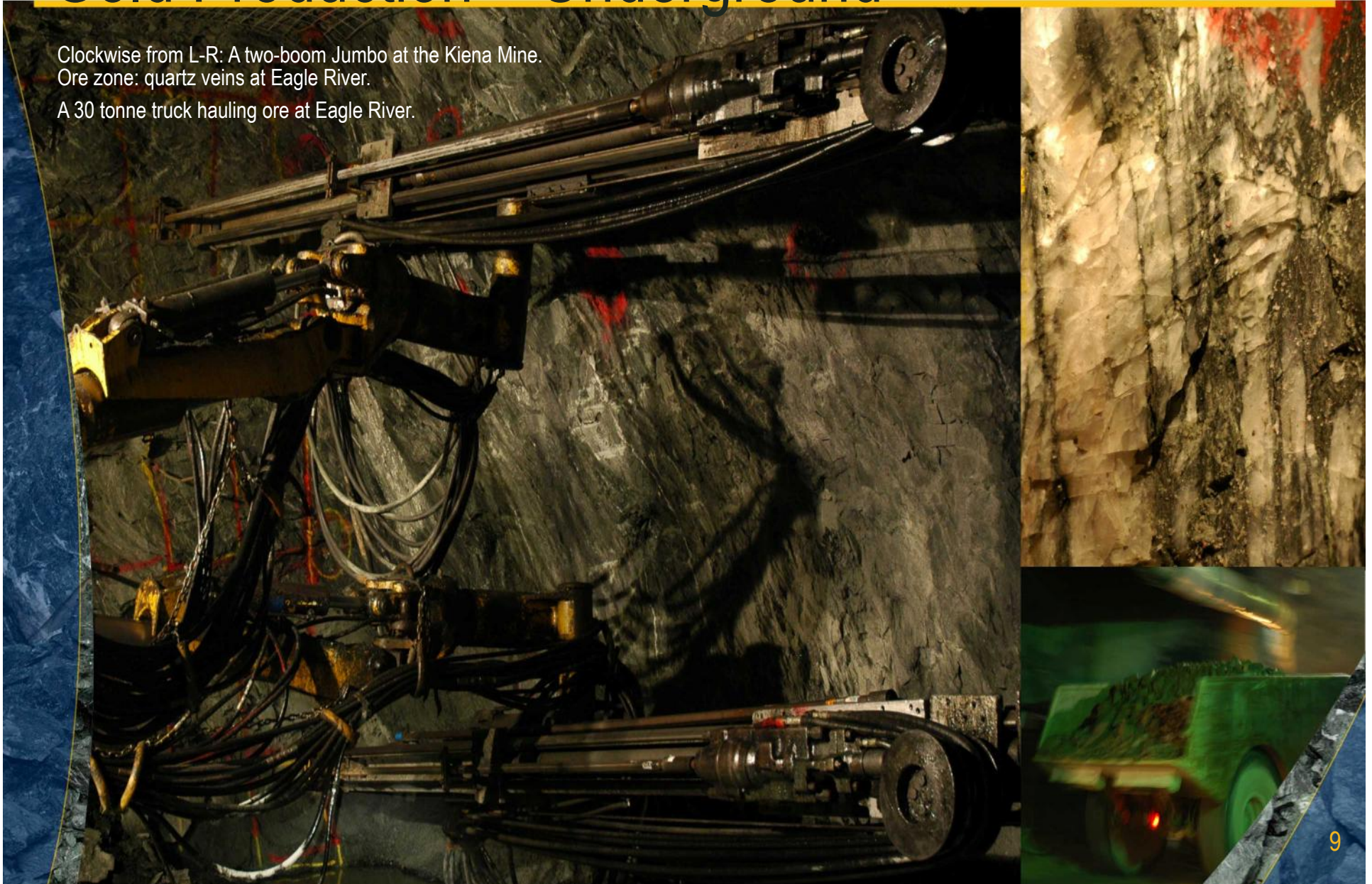
1. As at December 31, 2010

2. Bullion valued at market



# Gold Production – Underground

Clockwise from L-R: A two-boom Jumbo at the Kiena Mine.  
Ore zone: quartz veins at Eagle River.  
A 30 tonne truck hauling ore at Eagle River.



# 5 Years of Replacing Reserves\*



## Kiena Mine – Val d’Or, Quebec

2P RESERVE ESTIMATE				ACTUAL PRODUCTION			
DATE	TONNES	GRADE	OUNCES	DATE	TONNES	GRADE	OUNCES
Dec 31, 2005	-	-	-	2006	94,200	3.1	9,300
Dec 31, 2006	795,000	4.4	113,000	2007	284,757	3.9	35,404
Dec 31, 2007	534,700	4.5	76,900	2008	241,641	5.2	40,344
Dec 31, 2008	733,000	4.3	102,000	2009	302,034	3.6	35,398
Dec 31, 2009	600,000	4.1	78,000	2010	285,500	3.5	32,000
Dec 31, 2010	1,097,000	2.8	99,000				
<b>CUMULATIVE PRODUCTION:</b>					<b>1,208,132</b>	<b>3.9</b>	<b>152,446</b>

## Eagle River Mine – Wawa, Ontario

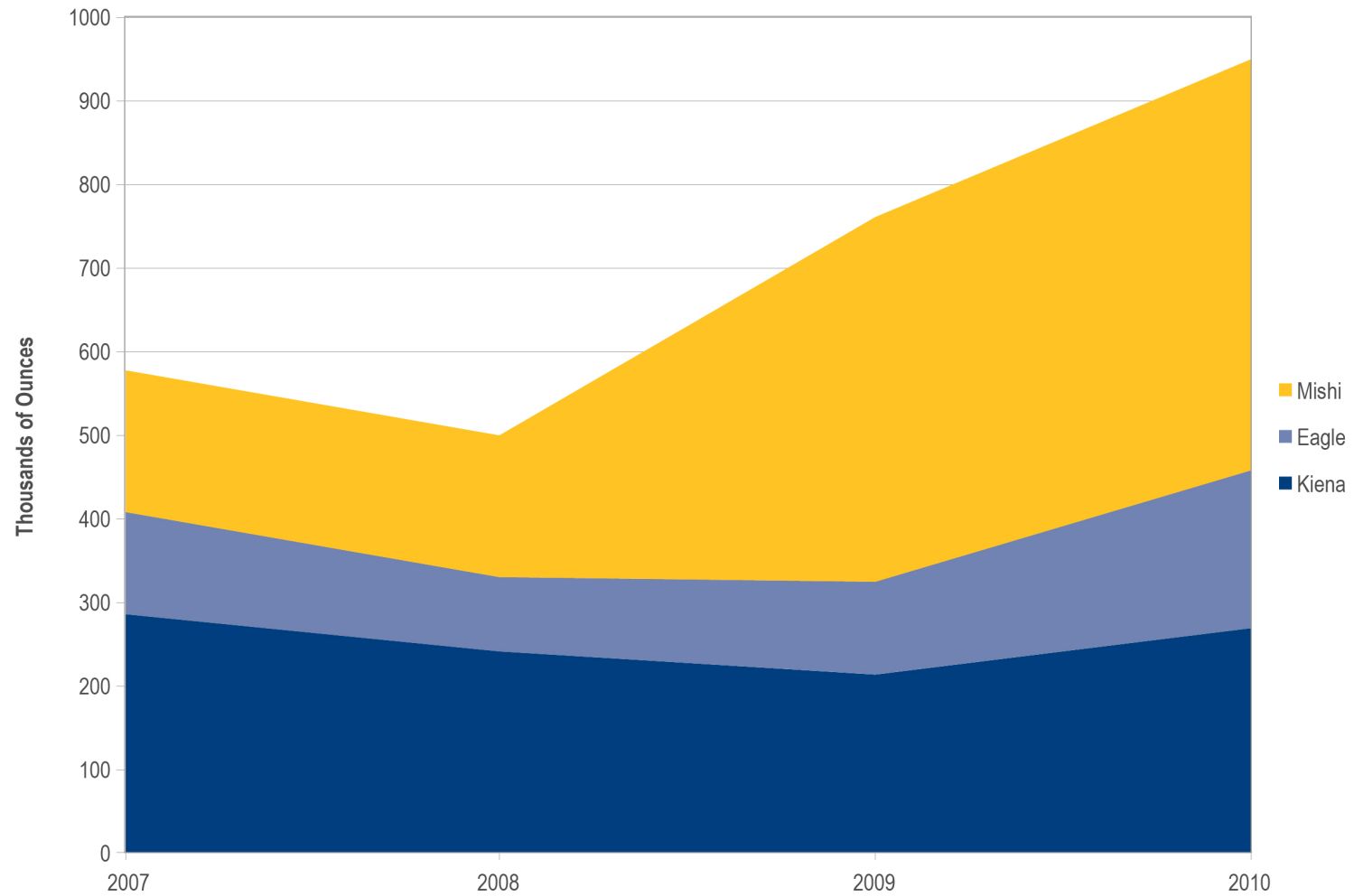
2P RESERVE ESTIMATE				ACTUAL PRODUCTION			
DATE	TONNES	GRADE	OUNCES	DATE	TONNES	GRADE	OUNCES
Dec 31, 2005	217,000	11.3	78,000	2006	135,100	10.1	43,699
Dec 31, 2006	253,000	12.9	105,000	2007	76,676	13.1	32,299
Dec 31, 2007	265,000	10.8	92,000	2008	118,916	13.0	49,660
Dec 31, 2008	231,000	9.8	73,000	2009	132,004	14.3	60,754
Dec 31, 2009	400,000	8.6	110,000	2010	155,500	7.4	37,000
Dec 31, 2010	345,000	15.0	167,000				
<b>CUMULATIVE PRODUCTION:</b>					<b>618,196</b>	<b>11.2</b>	<b>223,412</b>

\* Mineral Reserve and Mineral Resource estimates are compliant with National Instrument 43-101 which regulates disclosure of technical information



# 5 Years of Replacing Reserves

Total Reserves & Resources



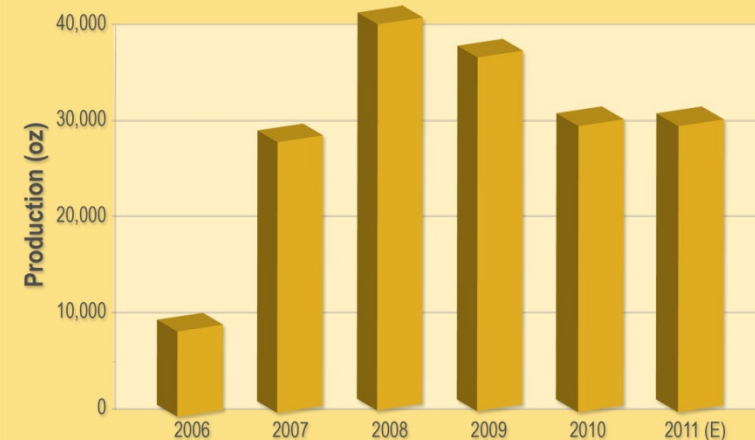
# Kiena Complex – Val d'Or, Québec





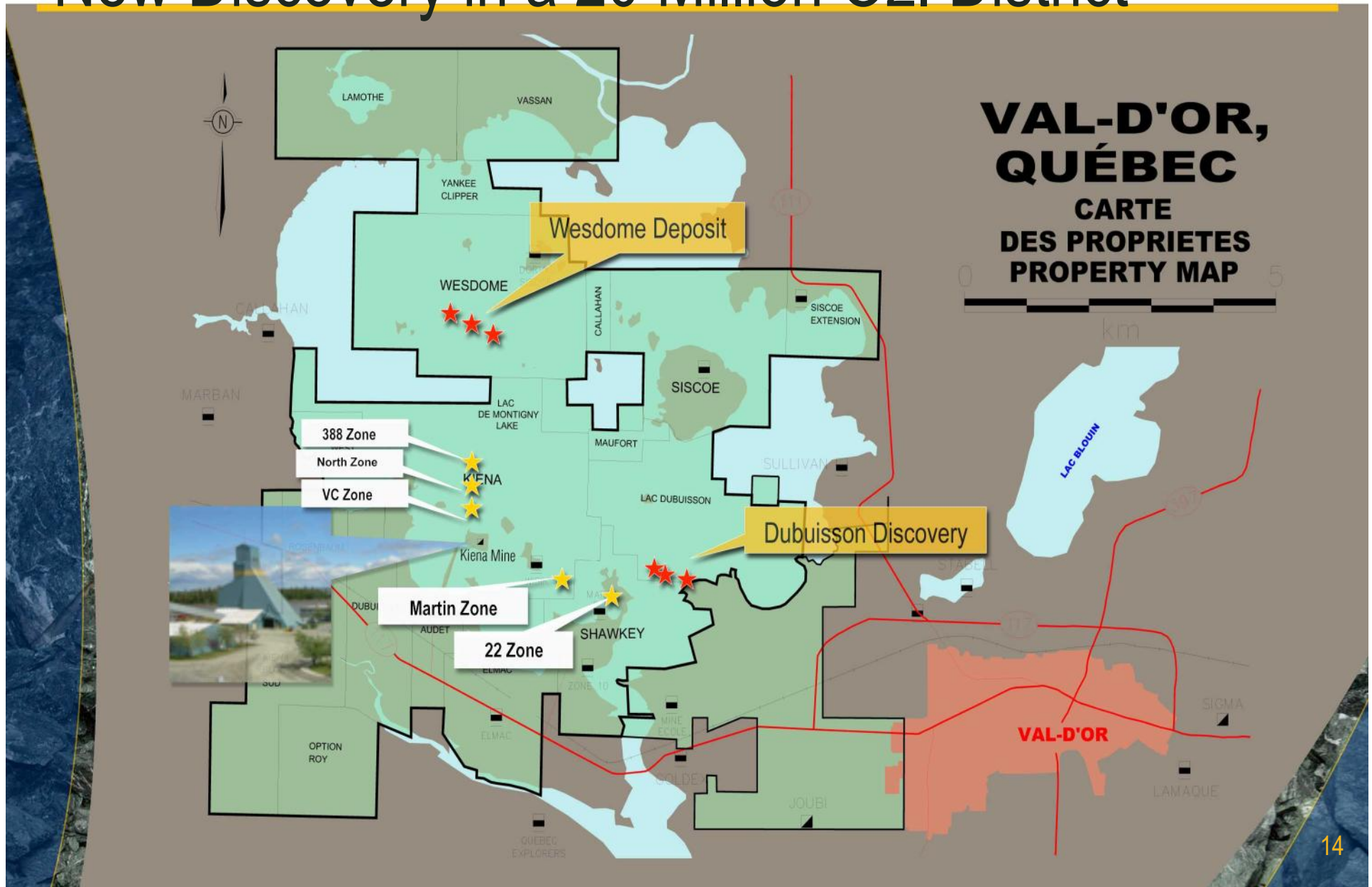
# Kiena Complex

- **Current reserves of 99,000 oz. gold**
  - Further resources of 170,000 oz.
  - In commercial production since 2006
  - Significant exploration potential
- **Past producer between 1981 and 2002<sup>1</sup>**
  - 2000 tpd infrastructure
  - 1.56 mm ounces of gold produced
  - Average annual production of ~75,000 oz at US\$234/oz between 1985 and 2002
- **Current production forecast<sup>2</sup>**
  - 32,000 oz in 2011
  - 1,000 tpd – 5 days a week
  - 300,000 tonnes per year
  - Mill capacity to double production with favourable exploration results

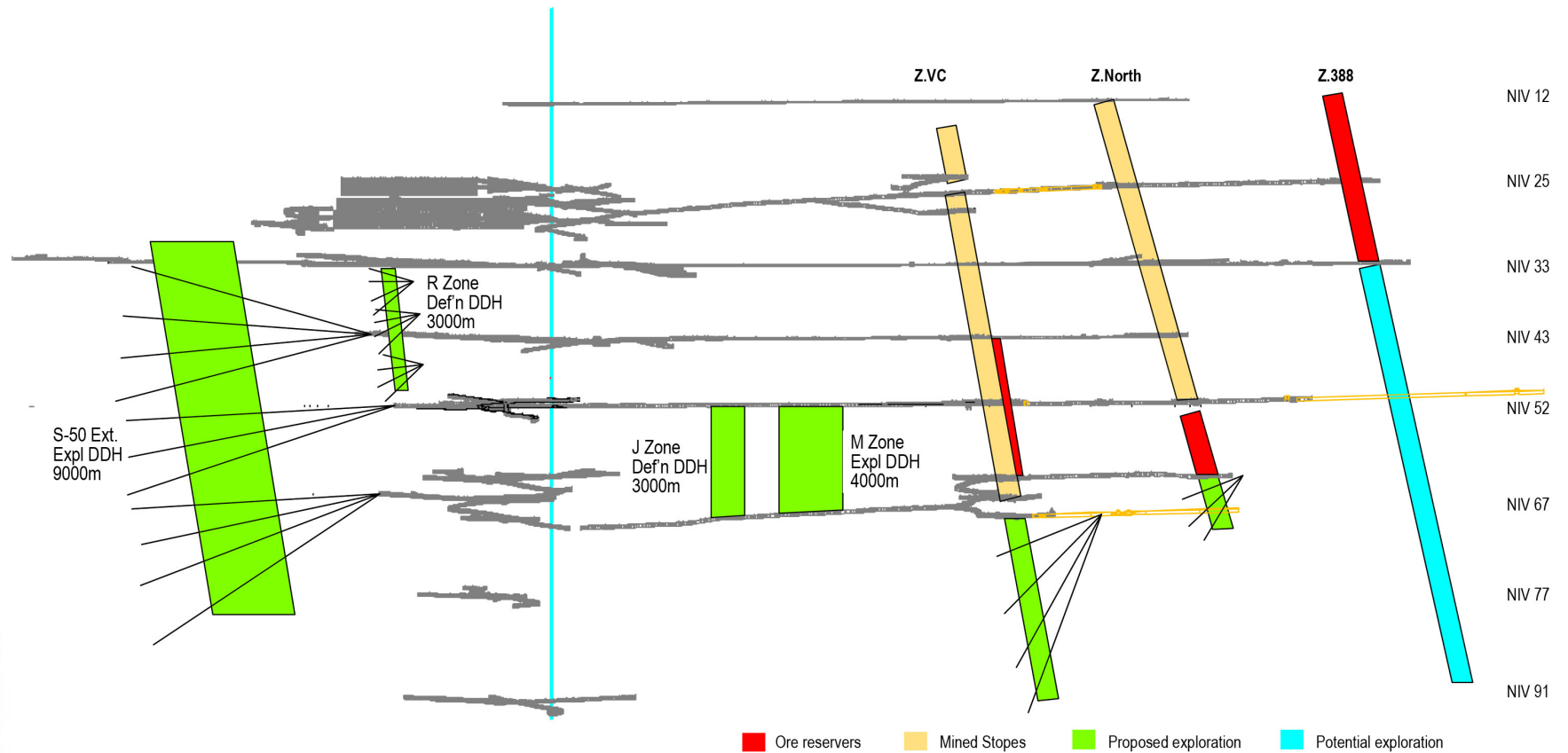


1. Source: Company reports, Placer Dome, McWatters.  
2. Estimated

# New Discovery in a 20 Million Oz. District

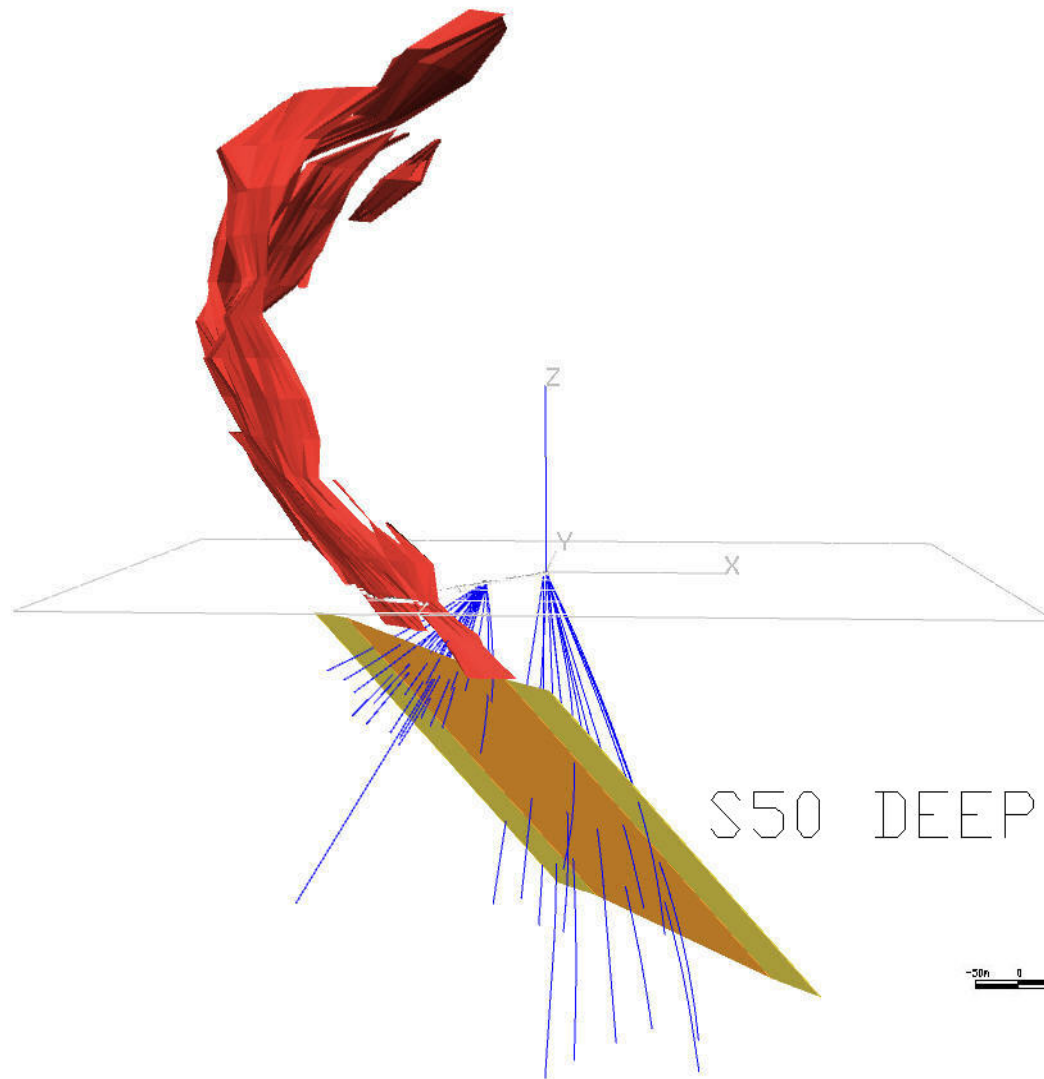


# Kiena 2011 Exploration





# Kiena 2011 Exploration – S50

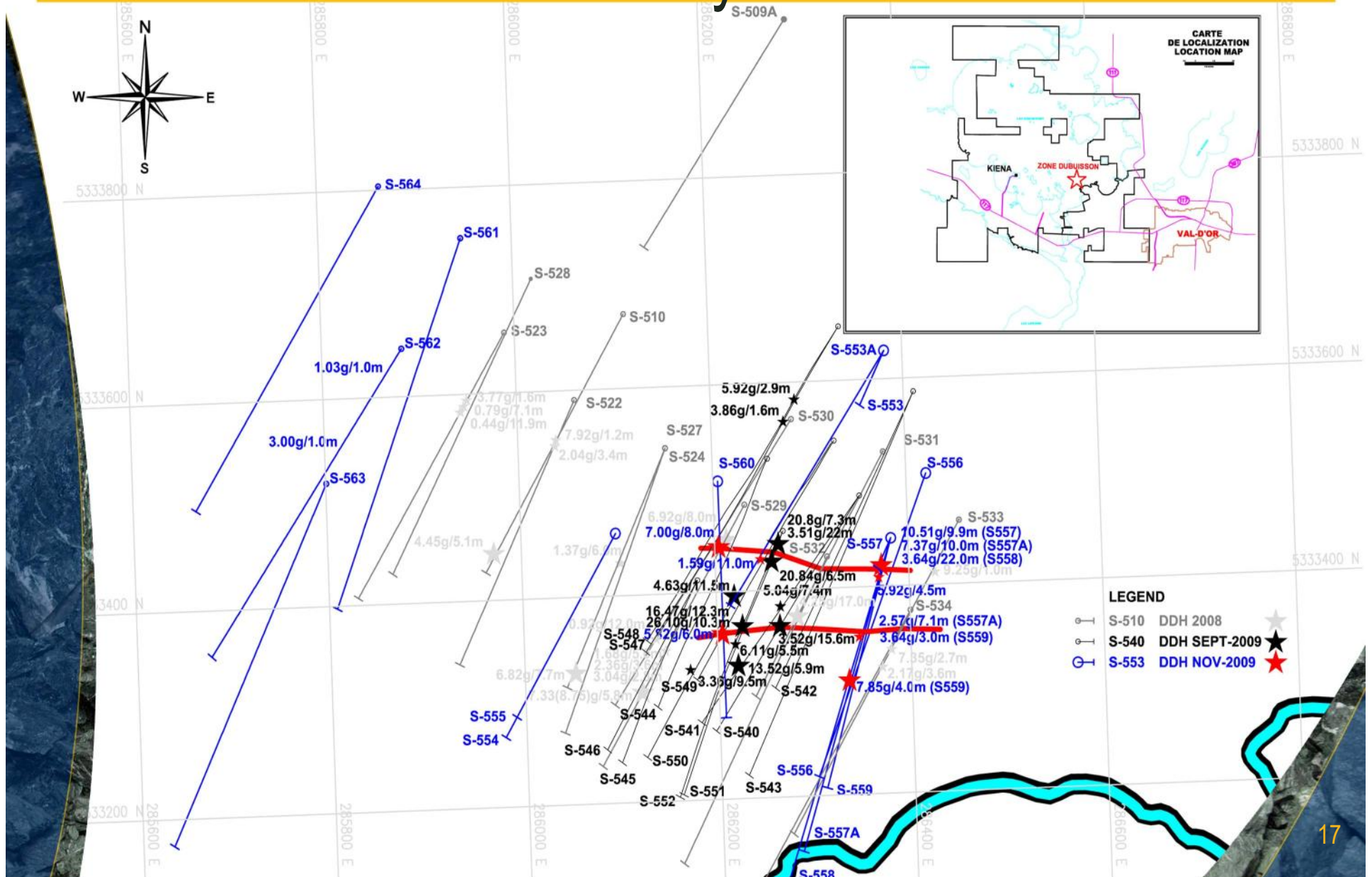


S50 DEEP TARGET

-50m 0 50m 100m 150m



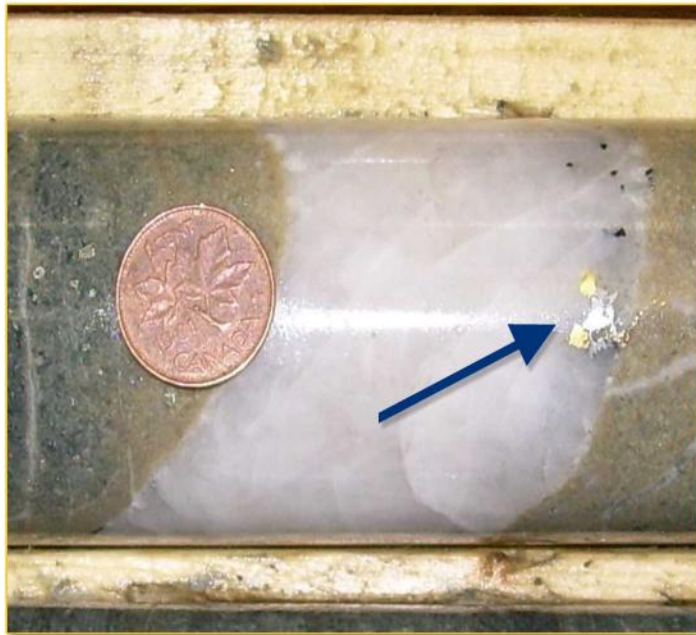
# New Dubuisson Discovery



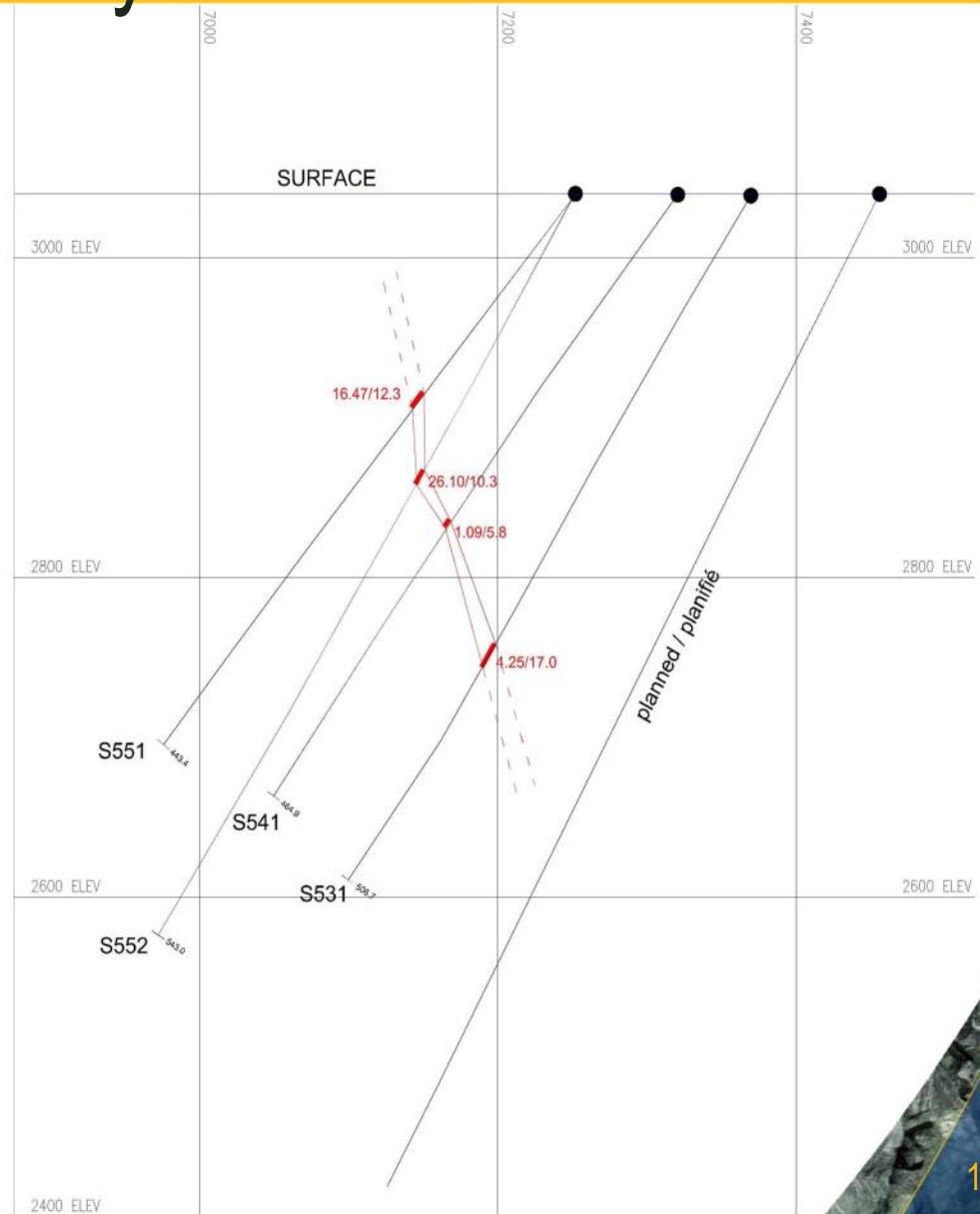
# New Dubuisson Discovery



## Exciting High Grade



- 26.1 gAu/tonne over 10.3 metres
- 16.5 gAu/tonne over 12.3 metres
- Significant exploration potential



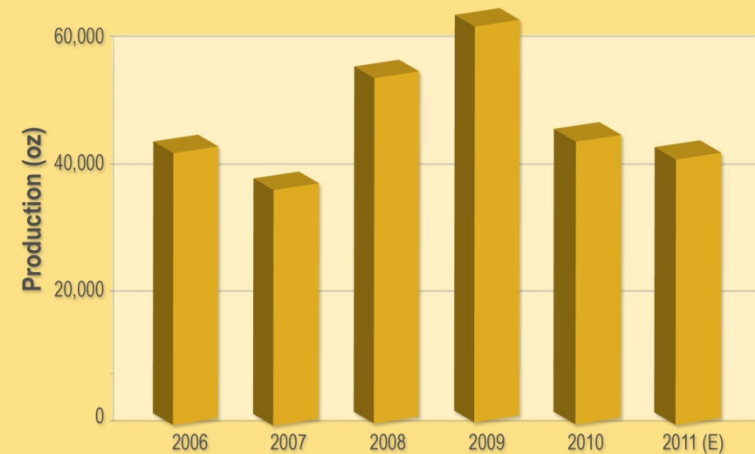


# Eagle River Mine – Wawa, Ontario



# Eagle River

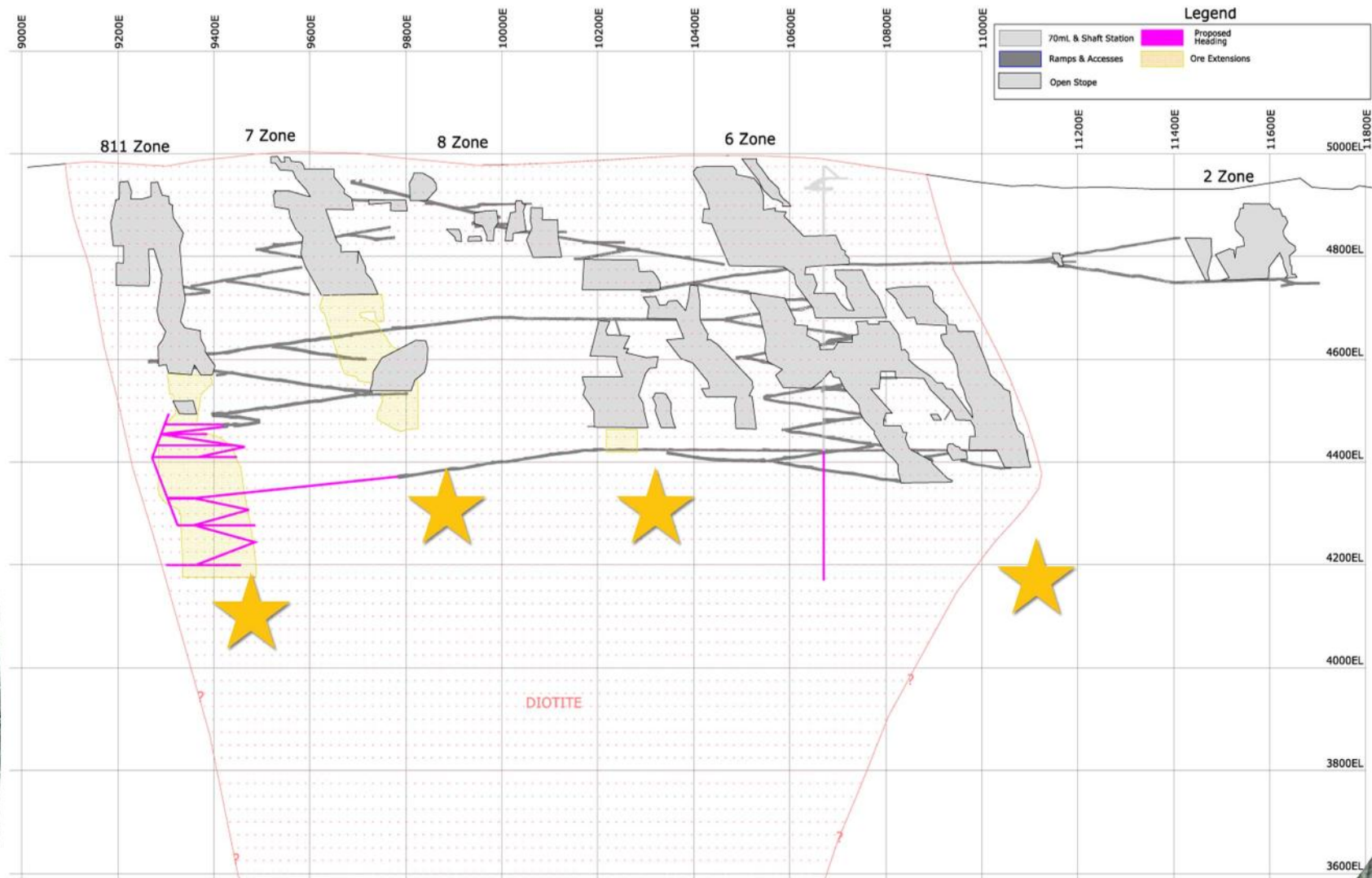
- **Current reserves of 167,000 oz gold**
  - In production since 1995
  - 10 year history of replacing reserves
- **Current production forecast<sup>1</sup>**
  - 2011 – 35,000 oz
  - 2009 grades averaged 14.3 g/t
  - Mill capacity to double production with favourable exploration results
- **Numerous exploration targets**
  - Exciting high grade results in mine's west end
  - Zones 808 and 811
  - Open at depth
- **Tax pools reduce future taxes**



1. Estimate



# Eagle River 2011 Exploration Targets



# Mishi Open Pit

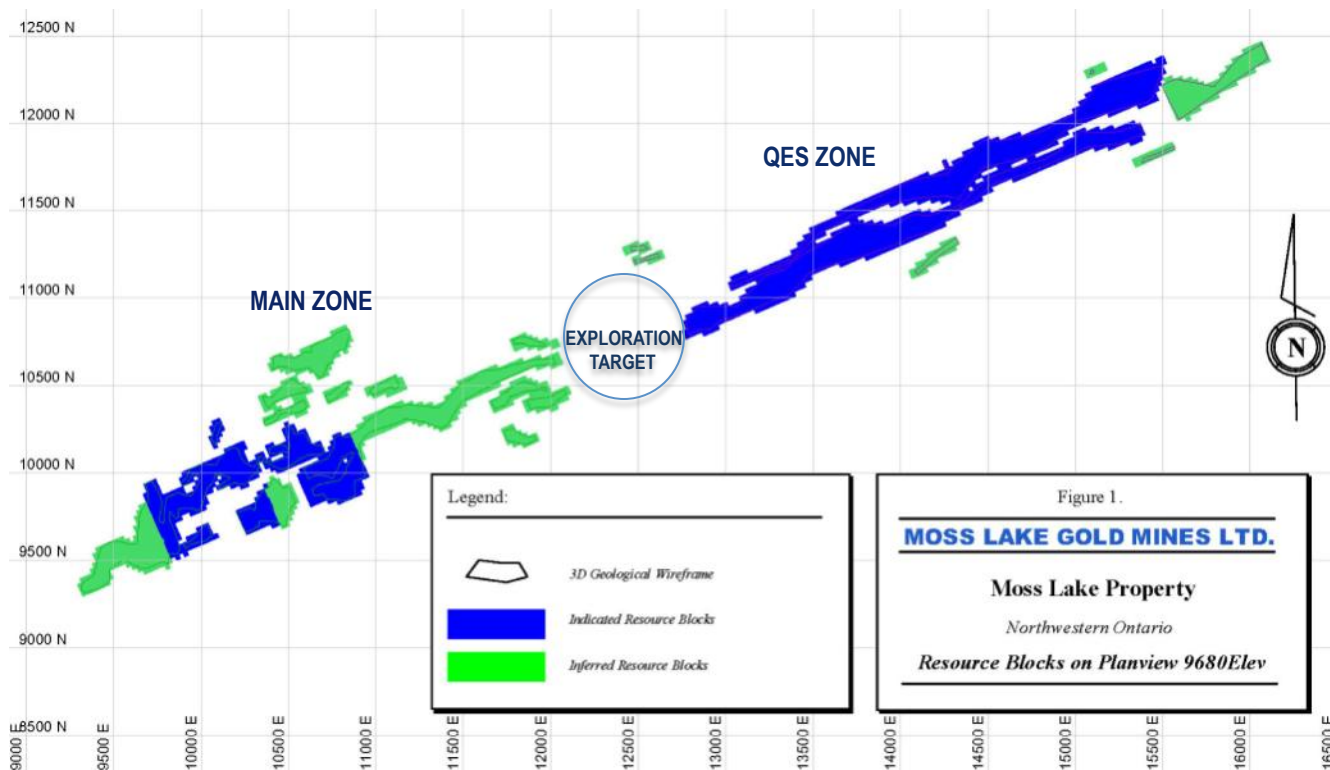
- Mishi Open Pit is a gold deposit containing Measured and Indicated Resources of 5.7 million tonnes at 2.4 gAu/t or 438,000 ounces
  - Additional Inferred Resources 1.2 million tonnes at 3.6 gAu/t or 140,000 ounces
  - 90% of Measured and Indicated Resources above a depth of 110 metres
- 135,495 tonnes mined at a recovered grade 3.57 gAu/t or 15,562 ounces
- Located 2 km from Wesdome's Eagle River Mill, currently at half capacity
- Permitting in place subject to closure plan amendments
- Positive pre-feasibility study with robust economics announced in November, 2010





# Moss Lake Gold Mines (MOK-V: 57%)

- Moss Lake is a gold deposit containing a 1.63 Moz global inferred resource
  - 1.11 Moz Indicated [40.3M tons at 0.027 opt in-situ]
  - 0.52 Moz Inferred [20.7M tons at 0.025 opt in-situ]
- Located 100km due West of Thunder Bay, Ontario
- Mineral resource geometry favours open pit mining techniques





# 2011 Exploration Overview



**\$11.7M investment to further grow resources & production**

- 167,000m of total drilling
- Mishi Mine construction & Dubuisson project access

## Wawa, ON

### **Eagle River Mine**

- \$2.5M budget
- 37,000m of definition drilling
- 11,000m of exploration drilling
- Focus on 811 zone access

### **Mishi Mine**

- \$2.0M budget
- 15,000m of drilling

## Val d'Or, QC

### **Kiena Mine**

- \$6.2M budget
- 25,000m of surface drilling
- 31,000m of exploration drilling
- 34,000m of definition drilling
- Northwest & Martin zones
- S-50 zone

### **Dubuisson Project**

- \$1.0M budget
- 13,700m of drilling

# Invest in Wesdome



- **Canadian mining company with 2 profitable, producing mines**
  - Eagle River Mine – underground mine in commercial production since 1995
  - Kiena Mine – underground mine in commercial production since 2006
  - Strong EPS, CFPS and Free Cash Flow. Cash and gold bullion increasing
- **Strategic land package in prolific Val d’Or and Wawa regions in Canada**
  - One of Canada’s highest concentrations of historic gold producers
  - Low geopolitical risk – 2 of the best mining jurisdictions in the world
- **Solid production base and growth potential**
  - Produced over 69,000 oz gold in 2010
  - Production estimate for 2011 is 70,000 oz
  - Capacity in place and ready to double production
- **Significant exploration potential**
  - 12,735 wholly-owned hectares in 2 Archean greenstone belts
  - New Dubuisson gold discovery in Val d’Or
  - Extensive drilling programs in 2011
- **Excellent gold price leverage-Room to Grow**
  - Gold sales as high as \$CAD 1,406/oz in Q1 2011
  - Every \$CAD 10/oz increase in the gold price increases bottom line by \$700,000\*

\*Based on 70,000 ounces gold production in 2011

# Going Forward



- **Further Pursuit of Organic Growth**
  - Growing our production through on-site exploration
  - Reassessing our known, 100%-owned deposits @ \$CDN 1,300/oz gold
  - Strategic acquisitions vs. M&A
- **3rd Consecutive Dividend**
  - \$0.02 dividend to be paid April 29th, 2011
- **Solid production base and growth potential**
  - 70,000 ounces forecast this year
  - Infrastructure still only at half capacity
- **Resource Growth Per Share**
  - Wesdome Indicated and Inferred resources increased over 3x
  - Extensive drilling programs at Eagle River, Kiena, Dubuisson in progress
  - Mishi potential expanding – Resources increased 6x



# Appendix A – 2010 Reserves and Resources\*



Resource Classification	Tonnes	Grade (gAu/t)	Contained Gold (oz)
<b>Kiena</b>			
Proven	534,000	2.9	50,000
Probable	563,000	2.7	49,000
<b>Total 2P Reserves</b>	<b>1,097,000</b>	<b>2.8</b>	<b>99,000</b>
Measured	409,000	3.6	47,000
Indicated	956,000	4.0	123,000
<b>Total M+I Resources</b>	<b>1,365,000</b>	<b>3.9</b>	<b>170,000</b>
<b>Eagle River</b>			
Proven	88,400	11.0	31,000
Probable	256,600	16.5	136,000
<b>Total 2P Reserves</b>	<b>345,000</b>	<b>15.0</b>	<b>167,000</b>
<b>Indicated</b>	<b>83,000</b>	<b>7.9</b>	<b>21,000</b>
<b>Wesdome Project</b>			
<b>Indicated</b>	<b>276,000</b>	<b>7.7</b>	<b>68,000</b>
<b>Mishi</b>			
Proven	174,000	2.7	14,000
Probable	535,000	2.5	39,000
<b>Total 2P Reserves</b>	<b>709,000</b>	<b>2.6</b>	<b>53,000</b>
Measured	281,000	2.5	22,000
Indicated	5,455,000	2.4	416,000
<b>Total M+I Resources (Mishi Resources include mineral reserves)</b>	<b>5,736,000</b>	<b>2.4</b>	<b>438,000</b>
<b>Total 2P, M&amp;I Ounces</b>			<b>963,000</b>
<b>Eagle River</b>			
<b>Inferred</b>	<b>331,000</b>	<b>6.6</b>	<b>70,000</b>
<b>Wesdome Project</b>			
<b>Inferred</b>	<b>1,563,000</b>	<b>7.9</b>	<b>400,000</b>
<b>Mishi</b>			
<b>Inferred</b>	<b>1,202,000</b>	<b>3.6</b>	<b>140,000</b>
<b>Total Inferred Ounces</b>			<b>610,000</b>



\*Mineral Reserve and Mineral Resource estimates are compliant with National Instrument 43-101 which regulates disclosure of technical information

# Appendix B – Management Team



- **Donovan Pollitt, P. Eng., CFA – *President & CEO***
  - Professional Engineer with Wesdome since 2004
  - Played key role in the merger of Wesdome and River Gold Mines in 2006, and Wesdome with Western Quebec Mines in 2007
  
- **Donald Orr, CA – *Secretary-Treasurer***
  - Chartered Accountant with Wesdome since 1997
  - Has been involved in the start-up of the Eagle River mine in 1994 and the acquisition of the Kiena mine in 2003
  
- **George Mannard, P. Geo., MSc.A. – *Vice President, Exploration***
  - Professional Geologist with 23 years experience in the Val d'Or camp
  - Career highlights include being Senior Geologist responsible for the Louvicourt discovery
  
- **Andre Roy, P. Eng., MSc.A. – *Vice President, Operations***
  - Professional Engineer with 30 years of experience in the mining industry
  - Experience in management and consulting for many companies, including Aurizon Mines, Cambior Incorporated, and Genivar

# Appendix C – Institutional Shareholders



## Summary of Institutional Shareholders of Wesdome\*:

- AGF Funds
- American Century
- Gabelli & Co Inc
- Mackenzie Financial
- RBC Global Asset Management
- Resolute Funds
- Sprott Asset Management
- TD Asset Management

\*Source: ThompsonReuters