



WESDOME GOLD MINES LTD.

2023 Annual

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS	1
NON-IFRS PERFORMANCE MEASURES.....	1
BUSINESS OVERVIEW	1
OPERATING HIGHLIGHTS	3
GOLD MARKET OVERVIEW AND FOREIGN CURRENCY EXCHANGE RATE OVERVIEW.....	8
OUTLOOK.....	8
QUARTERLY FINANCIAL AND OPERATIONAL RESULTS.....	9
EAGLE RIVER COMPLEX.....	13
KIENA COMPLEX	16
SUMMARY OF SHARES ISSUED.....	22
CONTRACTUAL OBLIGATIONS	23
NON-IFRS PERFORMANCE MEASURES.....	24
ACCOUNTING MATTERS	32
BASIS OF PRESENTATION.....	32
CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS	32
ACCOUNTING PRONOUNCEMENTS	34
RELATED PARTY TRANSACTIONS.....	36
RISKS AND UNCERTAINTIES	36
MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING.....	42
RESPONSIBILITY FOR TECHNICAL INFORMATION	43
INFORMATION CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES.....	44
CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS.....	44
RISK FACTORS.....	44

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**”) audited financial statements for the years ended December 31, 2023 and 2022, 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 March 12, 2024.

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
Q4 2023	<i>October 1, 2023 – December 31, 2023</i>	Q4 2022	<i>October 1, 2022 – December 31, 2022</i>
Q3 2023	<i>July 1, 2023 – September 30, 2023</i>	Q3 2022	<i>July 1, 2022 – September 30, 2022</i>
Q2 2023	<i>April 1, 2023 – June 30, 2023</i>	Q2 2022	<i>April 1, 2022 – June 30, 2022</i>
Q1 2023	<i>January 1, 2023 – March 31, 2023</i>	Q1 2022	<i>January 1, 2022 – March 31, 2022</i>
FY 2023	<i>January 1, 2023 – December 31, 2023</i>	FY 2022	<i>January 1, 2022 – December 31, 2022</i>

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
- Cash margin
- All-in sustaining costs (“**AISC**”)
- Free cash flow and operating and free cash flow per share
- Adjusted net income (loss) and adjusted net income (loss) per share
- Earnings before Interest, Taxes, 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**” with a secondary listing on the OTCQX under the symbol “**WDOFF**”. The registered and principal office of the Company is located at 220 Bay Street, Suite 1200, Toronto, Ontario, M5J 2W4.

Our focus is on responsible mining. This is demonstrated by the care we take for our people, communities and the environment which is integral to our success. We seek to continually understand and, where possible, avoid or minimize, the potential negative impacts of our activities while we look to generate new and positive opportunities through stakeholder, community and Indigenous partnerships and investments. We also believe in setting goals and objectives as a way to drive our sustainability performance forward and hold ourselves accountable.

Wesdome is a Canadian focused gold producer with two high grade underground assets, the Eagle River mine and the recently commissioned Kiena mine. The Company's primary goal is to responsibly leverage this operating platform and high-quality brownfield and greenfield exploration pipeline to build Canada's next intermediate gold producer. The Eagle River Complex in Wawa, Ontario is currently producing gold at a rate of 80,000 – 90,000 ounces per year. The Kiena Complex in Val d'or, Quebec is a fully permitted underground mine and milling operation. The Kiena Mine is expected to produce 80,000 – 90,000 ounces in 2024. Wesdome is actively exploring both underground and on surface within the mine areas and more regionally at both the Eagle River and Kiena Complex. 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

The following table summarizes the Company's selected operating and financial highlights for the quarter and year ended December 31, 2023 and 2022:

In 000s, except per units and per share amounts	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Financial results								
Revenue ³	102,221	75,035	27,186	36%	333,173	265,483	67,690	25%
Cash margin ¹	47,576	26,466	21,110	80%	132,939	95,674	37,265	39%
Net income (loss)	2,420	(3,527)	5,947	(169)%	(6,187)	(14,706)	8,519	(58)%
Adjusted net income (loss) ¹	2,420	(3,527)	5,947	(169)%	(1,910)	(5,856)	3,946	(67)%
Earnings before interest, taxes, depreciation and amortization ¹	38,256	21,309	16,947	80%	99,333	55,617	43,716	79%
Operating cash flow	37,176	10,267	26,909	262%	101,351	65,206	36,145	55%
Free cash flow ¹	7,799	(31,609)	39,408	(125)%	(6,405)	(90,174)	83,769	(93)%
Per share information:								
Net income (loss)	0.02	(0.02)	0.04	(181)%	(0.04)	(0.10)	0.06	(58)%
Adjusted net income (loss) ¹	0.02	(0.02)	0.04	(181)%	(0.01)	(0.04)	0.03	(68)%
Operating cash flow	0.25	0.07	0.18	257%	0.69	0.46	0.23	49%
Free cash flow ¹	0.05	(0.22)	0.27	(124)%	(0.04)	(0.63)	0.59	(93)%
Selected financial statement data:								
Cash	41,371	33,185	8,186	25%	41,371	33,185	8,186	25%
Working capital	(6,894)	(38,044)	31,150	(82)%	(6,894)	(38,044)	31,150	(82)%
Total assets	618,956	619,127	(171)	(0)%	618,956	619,127	(171)	(0)%
Total non-current liabilities	102,541	105,017	(2,476)	(2)%	102,541	105,017	(2,476)	(2)%
Operational results								
Milling (tonnes)	104,318	109,725	(5,407)	(5)%	419,925	362,058	57,867	16%
Gold produced (ounces)	36,216	35,116	1,100	3%	123,336	110,850	12,486	11%
Gold sold (ounces)	37,620	31,500	6,120	19%	126,620	113,000	13,620	12%
Per ounce of gold sold ¹								
Average realized price ¹	2,715	2,380	335	14%	2,629	2,347	282	12%
Cost of sales	2,087	1,968	119	6%	2,333	1,897	436	23%
Cash costs ¹	1,451	1,540	(89)	(6)%	1,579	1,500	79	5%
Cash margin ¹	1,264	840	424	51%	1,050	847	203	24%
AISC ¹	2,082	2,136	(54)	(3)%	2,231	2,020	211	10%
Cost of sales/tonne milled	753	565	188	33%	704	592	111	19%
Production costs/tonne milled ¹	474	444	30	7%	458	463	(5)	(1)%
Cost Metrics (in USD)								
Cost of sales	1,532	1,450	83	6%	1,729	1,804	(75)	(4)%
Cash costs ¹	1,065	1,134	(69)	(6)%	1,170	1,153	17	2%
AISC ¹	1,529	1,573	(44)	(3)%	1,653	1,552	101	6%

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.

Operating Highlights

- Gold production in Q4 2023 and FY 2023 was 3% and 11% higher than the corresponding periods in 2022 due to higher throughput from Kiena offset by lower grade, combined with higher grade at the Eagle River Complex.

- Cash costs in Canadian dollars in Q4 2023 of \$1,451 (US\$1,065) per ounce decreased by 6% from Q4 2022 mainly due to a 19% increase in ounces sold, partially offset by a 12% increase in aggregate mine operating costs. Cash costs in Canadian dollars for FY 2023 of \$1,579 (US\$1,170) per ounce increased by 5% from FY 2022 mainly due to a 18% increase in aggregate mine operating costs, offset by a 12% increase in ounces sold. In FY 2023, the aggregate mine operating costs increased by \$16.0 million or 15% at Eagle River due to increased ore development metres, waste movement, improvements made to strengthen the technical and mine management team at site, and general maintenance improvements. Kiena's aggregate operating costs in FY 2023 increased by \$14.4 million or 23% primarily due to a 66% increase in throughput and increased staffing levels required to support commercial production, which was declared on December 1, 2022.
- AISC in Canadian dollars in Q4 2023 of \$2,082 (US\$1,529) per ounce decreased by 3% from Q4 2022 mainly due to a 19% increase in ounces sold; partially offset by higher aggregate mine operating costs and inclusion of capital spending at Kiena. Kiena restarted commercial production in December 2022. AISC in Canadian dollars for FY 2023 of \$2,231 (US\$1,653) per ounce increased by 10% from FY 2022 mainly due to increased capital spending at Eagle River resulting from the replacement of aging site infrastructure, inclusion of capital spending at Kiena after the start of commercial production in December 2022 and an 18% increase in aggregate mine operating costs; partially offset by a 12% increase in ounces sold.
- Cash margin in Q4 2023 and FY 2023 was 51% and 24% higher than the corresponding periods in 2022 mainly due to a higher Canadian dollar realized gold price and increase in ounces sold.
- Operating cash flow in Q4 2023 of \$37.2 million (0.25 per share) and in FY 2023 of \$101.4 million (\$0.69 per share) was 262% and 55% higher than the corresponding periods in 2022 mainly due to the higher cash margin.
- Free cash flow in Q4 2023 and in FY 2023 was \$39.4 million and \$83.8 million higher than the corresponding periods in 2022 mainly due to the higher cash margin and overall decrease in capital expenditure. In FY 2022, the Company invested \$146.0 million in capital expenditures at Eagle River and Kiena. Of that, \$100.6 million was spent in support of the restart of the Kiena mine.

Financial Highlights

- Net income in Q4 2023 increased by \$5.9 million and the net loss for FY 2023 decreased by \$8.5 million from the corresponding periods in 2022 mainly because of the increase in cash margin by \$21.1 million and \$37.3 million, respectively; decrease in exploration and evaluation expenses by \$6.6 million, decrease in impairment of investment in associate by \$8.2 million and decrease in income tax expense by \$11.7 million in full year of 2023; partially offset by 12% and 18% increase in aggregate mine operating costs in Q4 2023 and FY 2023, respectively.
- The adjusted net loss of \$1.9 million for FY 2023 decreased by \$4.3 million after adjusting for after tax impact of impairment of investment in associate and retirement costs to \$1.9 million or (0.01) per share from net loss of \$6.2 million or (\$0.04) per share. The adjusted net income for Q4 2023 remained the same as net income of \$2.4 million or 0.02 per share.
- For a reconciliation of adjusted net income (loss) to net income (loss) as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.
- In Q4 2023, Wesdome generated \$102.1 million in gold sales revenue from the sale of 37,620 ounces of gold at an average realized price of \$2,715 (US\$1,994) per ounce as compared to the sale of 31,500 ounces of gold at \$2,380 (US\$1,753) per ounce for gold sales revenue of \$75.0 million in Q4 2022. The 36% increase in revenue is primarily due to the higher realized gold price and higher ounces sold.

In FY 2023, Wesdome generated \$332.9 million in gold sales revenue from the sale of 126,620 ounces of gold at an average realized price of \$2,629 (US\$1,948) per ounce; as compared to the sale of 113,000 ounces of gold at \$2,347 (US\$1,804) per ounce for gold sales revenue of \$265.2 million in FY 2022. The 25% increase in revenue is primarily due to the higher realized gold price and higher ounces being sold.

- Cost of sales in Q4 2023 and FY 2023 was 27% and 38% higher than the corresponding periods in 2022 due to an increase in non-cash depletion and depreciation resulting from a larger depreciable asset base; increased ore development metres, waste movement, general maintenance improvements, improvements made to strengthen the technical and mine management team at Eagle River site; increase in throughput, and increased staffing levels required to support commercial production, which was declared on December 1, 2022 at Kiena.
- Cash balance increased to \$41.4 million as at December 31, 2023 compared to \$31.2 million as at December 31, 2022. Revolver balance decreased to \$39.0 million compared to \$55.0 million as at December 31, 2022. Cash net of revolver increased by \$24.2 million in 2023.

Development, Exploration and Other Highlights

Eagle River Complex

- Ongoing exploration drilling within the mine diorite, continues to extend the 300 East Zone to the 1,600 m-level and remains open down plunge.
 - The Company announced the discovery of a second zone within the volcanic rocks west of the mine diorite. This new zone, namely the Falcon 311 zone, has been delineated to extend at least 200 meters along plunge and nearly 100 meters along strike, with potential to expand to surface almost 900 metres along plunge, similar to the neighbouring Falcon 7 Zone. Initial drilling 269.6 g/t Au over 2.3 m core length (26.7 g/t Au capped, 1.5 m true width).
 - Additionally, gold mineralization was identified along the eastern margin of the mine diorite with limited drilling near the historic 6 zone. Initial drill results include 122.5 g/t Au over 1.7 m core length (93.5 g/t Au capped, 1.5 m true width).

Kiena Complex

- Underground delineation drilling has been focused on better delineating Kiena Deep A zones in advance of the 2024 production.
- Underground exploration has been completed to extend and better define the deeper portion of the Kiena Deep zones and Footwall zones. This drilling will be increased in the future once more optimal drill platforms are established.
- Recent surface drilling at the Presqu'île zone has confirmed not only the continuity of the gold mineralization and the validity of the geologic model, but also the potential for down plunge extensions towards the east. Highlights of recent in-fill drilling include 32.5 g/t over 3.0 m core length.
- The excavation of an exploration ramp from surface to access the near-surface Presqu'île Zone is underway that the necessary permits have been secured.

Updated Mineral Reserve and Resources for Year-End 2023

- At December 31, 2023, Wesdome's combined proven and probable mineral reserves totaled 1.1 million ounces (2.8 million tonnes grading 12.7 grams per tonne ("g/t") gold); combined measured and indicated mineral resources (exclusive of reserves) were 327 thousand ounces (1.3 million tonnes grading 7.8 g/t gold); and combined inferred mineral resources were 808 thousand ounces (3.8 million tonnes grading 6.7 g/t gold).
- Cutoff grade calculations for resources reflect an increase in the gold price assumption to US\$1,700 per ounce (from US\$1,500 previously) and a slightly weaker Canadian dollar assumption of 1.32 (from 1.30 previously). The gold price assumption used for reserve calculations remains unchanged at US\$1,400 per ounce. Changes to the mineral resources and reserves methodology included applying more conservative estimation parameters and optimized interpolation techniques at both Eagle and Kiena.

- Reserves and Resource estimates at both sites reflect reduced exploration spend in 2023. Drilling was therefore focused on improving geometric understanding of orebodies and conversion of resources to Measured and Indicated categories at both operations.
- The drilling program in 2024 has been doubled compared to 2023 to approximately \$30 million, or 185,000m across underground delineation and exploration, as well as surface drilling. The program will aim to increase reserves and resources adjacent to mine infrastructure and to test conceptual targets.

The Company's gold mineral reserves effective December 31, 2023 are set out in the table below, and are compared with the gold mineral reserves for the prior corresponding period.

	2023 Reserves			2022 Reserves		
	Tonnes (000)	Grade (g/t Au)	Ounces (000)	Tonnes (000)	Grade (g/t Au)	Ounces (000)
Eagle River						
Proven	247	20.43	162	139	14.10	63
Probable	452	15.94	232	614	16.70	331
Stockpile & Inventory	17	11.27	6	9	22.20	6
Total	716	17.38	400	762	16.33	400
Kiena						
Proven	62	9.57	19	53	8.49	14
Probable	1,995	11.08	711	1,605	11.47	592
Stockpile & Inventory	4	6.94	1	-	-	-
Total	2,061	11.03	731	1,658	11.38	606
Wesdome						
Proven	309	18.25	182	192	12.59	78
Probable	2,447	11.98	943	2,219	12.93	923
Stockpile & Inventory	21	10.41	7	9	22.23	6
Total	2,778	12.67	1,131	2,412	12.98	1,007

Notes:

1. Mineral Reserves are reported above 4.01 g/t cut-off grade for Kiena Deep, 3.35g/t cut-off grade for Presqu'île and 6.58 g/t for Eagle River.
2. Mineral Reserves demonstrated economic viability with the following parameters:
 - A gold price of \$1,848 (US\$1,400) per ounce for the Reserves, with a USD:CAD exchange rate of 1.32.
 - The minimum mining width used at Kiena is 2.1m and Eagle River is 1.5m.
 - External dilution at Kiena varied from 0.25m to 2.0m for stope walls depending on the host rock type. At Eagle River, an additional 0.5m to 0.75m is external to the footwall and hanging wall stopes.
 - A dilution grade is used outside the vein only at Eagle River at 0.16g/t.
 - A mining recovery factor 90% is applied at Kiena and 95% at Eagle River.
 - The total cost per tonne at Kiena is \$234/t and \$370/t at Eagle River.
 - 97% Mill recovery for Martin Zone is 97% and 98.3% for the Kiena Deep Zones. At Eagle River, mill recovery is 97.0%.
 - A bulk density factor of 2.8 tonnes per cubic m (t/m³) at Kiena and 2.7 (t/m³) at Eagle River.
3. The Kiena Deep Zone incorporates, A, A1, A2, H1ZA, BZA1, BZA2 and Sneak lenses.
4. At Kiena, stopes including 50% or more of Measured Resources were classified as a Proven Reserves. At Eagle River, Proven and Probable reserves are based on the block model classification.
5. Mineral Reserves are classified and have been estimated in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (the "CIM Definition Standards", adopted by CIM Council on May 10, 2014).
6. Mineral Reserves have been depleted for mining as of December 31, 2023.
7. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade, and metal content.

The Company's gold mineral resources effective December 31, 2023 are set out in the table below, and are compared with the gold mineral resources for the prior corresponding period.

	2023 Resources			2022 Resources		
	Tonnes (000)	Grade (g/t Au)	Ounces (000)	Tonnes (000)	Grade (g/t Au)	Ounces (000)
Eagle River						
Measured	201	10.8	70	176	14.2	80
Indicated	570	9.6	176	290	11.3	106
Total M&I	771	9.9	246	466	12.4	186
Inferred	2,858	3.8	349	2,883	4.4	402
Kiena						
Measured	52	7.0	12	45	7.8	11
Indicated	472	4.6	70	926	5.1	153
Total M&I	525	4.8	81	971	5.3	164
Inferred	3,213	5.6	579	3,498	5.9	668
Wesdome						
Measured	253	10.1	82	221	12.8	91
Indicated	1,042	7.3	246	1,216	6.6	259
Total M&I	1,296	7.8	327	1,437	7.6	350
Inferred	6,071	6.7	928	6,381	5.2	1,070

Note:

1. Mineral resources are reported exclusive of mineral reserves; mineral resources that are not mineral reserves do not have demonstrated economic viability.
2. Mineral resources at Kiena and Eagle River Mine are considered for underground extraction and include ore grade and waste material within potentially mineable volumes. Kiena's mineral resource is reported below the 100m crown pillar.
3. Eagle River Inferred Resources include a Mishí open pit inventory of 120koz at 1.6 g/t constrained within a conceptual pit design.
4. A bulk density factor of 2.8 tonnes per cubic m (t/m³) was applied at Kiena and 2.7 tonnes per cubic m (t/m³) at Eagle River and Mishí.
5. Resources at Kiena Mine are reported using a 2.97 g/t Au cut-off grade for Kiena Deep, S50, Zone B and K109 zones; at Presqu'île, Dubuisson, Martin and Wish Zones, a cut-off grade of 2.42g/t was applied with Northwest, South, VC and Wesdome zones being reported at a cut-off grade of 3.2g/t.
6. The cut-off grade for resources reported at Eagle River mine was 4.38g/t and 0.52g/t at Mishí.
7. Economic parameters for the determination of the resource cut-off grade for Kiena include:
 - Gold price of \$2,244 (US\$1,700) per ounce, a USD/CAD exchange rate of 1.32.
 - Cost per tonne of \$172/t milled for Presqu'île and \$211/t milled for all other zones at Kiena.
 - 98.5% mill recovery.
8. Economic parameters for the determination of the cut-off grade for Eagle River include:
 - Gold price of \$2,244 (US\$1,700) per ounce, a USD/CAD exchange rate of 1.32.
 - Cost per tonne of \$299/t milled.
 - 97% mill recovery.
 - Royalty of 2%.
 - Mishí resources remain unchanged from December 31, 2022.
9. Mineral resources are classified and have been estimated in accordance with CIM Definition Standards.
10. As required by reporting guidelines, rounding may result in apparent summation differences between tonnes, grade, and metal content.

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 2023, Wesdome realized an average gold price of \$2,629 (US\$1,948) per ounce as compared to \$2,347 (US\$1,804) per ounce realized in 2022. The market price for gold in 2023 averaged US\$1,941 per ounce (Canadian dollar equivalent of \$2,599 per ounce (2022 - US\$1,800 or \$2,341 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 foreign exchange rate contracts in place during 2023 and as at December 31, 2023. This position will be reviewed from time to time as market conditions warrant. Please see note 29 of the Company's financial statements for an analysis of Wesdome's exposure to the Canadian and US dollar exchange rate.

OUTLOOK

In the beginning of 2023, the Company set its full year 2023 combined production guidance at 110,000 – 130,000 ounces. The Company's performance for the year 2023 was within the guidance and the head grades at Kiena exceeded guidance. For 2024, the Company's guidance is currently 160,000 – 180,000 ounces. The following table shows the tracking of Wesdome's performances to 2023 guidance and the details of the subsequent 2024 guidance:

	2023 Guidance	2023 Performance	2024 Guidance
Gold production			
Eagle River	80,000 – 90,000 ounces	87,799 ounces	80,000 – 90,000 ounces
Kiena	30,000 – 40,000 ounces	35,536 ounces	80,000 – 90,000 ounces
	110,000 – 130,000 ounces	123,335 ounces	160,000 – 180,000 ounces
Head grade (g/t Au)			
Eagle River	11.5 – 12.5	12.4	12.2 – 13.4
Kiena	3.7 – 4.7	5.9	12.0 – 13.5
Cash cost per ounce ¹	\$1,500 - \$1,670 (US\$1,150 – US\$1,290)	\$1,579 (US\$1,170)	\$1,075 - \$1,200 (US\$814 – US\$909)
AISC per ounce ¹	\$2,100 - \$2,340 (US\$1,620 – US\$1,800)	\$2,228 (US\$1,651)	\$1,750 - \$1,950 (US\$1,325 – US\$1,475)

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

2025 Production Guidance

	Eagle River	Kiena	Consolidated
Gold production	90,000 – 105,000 ounces	85,000 – 105,000 ounces	175,000 – 210,000 ounces

Looking ahead in 2024, level development and ramp up production from the 129 level horizon in Kiena Deep A Zone is expected to result in increased grades translating into higher production levels starting in Q2. At Eagle River, increased development spend (such as development towards the 300 Zone at depth) is expected to position the mine for increased levels of production in 2025 and beyond.

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Financial results								
Revenue ³	102,221	69,696	84,555	76,701	75,035	61,823	61,931	66,694
Cash margin ¹	47,576	22,233	28,722	34,408	26,466	16,993	21,873	30,342
Net income (loss)	2,420	(3,248)	(5,014)	(345)	(3,527)	(3,899)	(14,331)	7,051
Adjusted net income (loss) ¹	2,420	(2,573)	(5,014)	3,257	(3,527)	(3,899)	(5,481)	7,051
Earnings before interest, taxes, depreciation and amortization ¹	38,256	12,933	22,020	26,124	21,309	4,814	8,844	20,650
Operating cash flow	37,176	45,076	13,979	5,120	10,267	12,945	12,101	29,893
Free cash flow ¹	7,799	10,672	(5,279)	(19,597)	(31,609)	(23,193)	(28,576)	(6,796)
Per share information:								
Net income (loss)	0.02	(0.02)	(0.03)	0.00	(0.02)	(0.03)	(0.10)	0.05
Adjusted net income (loss) ¹	0.02	(0.02)	(0.03)	0.02	(0.02)	(0.03)	(0.04)	0.05
Operating cash flow	0.25	0.30	0.09	0.04	0.07	0.09	0.08	0.21
Free cash flow ¹	0.05	0.07	(0.04)	(0.14)	(0.22)	(0.16)	(0.20)	(0.05)
Selected Financial Statement data:								
Cash and cash equivalents	41,371	31,582	22,067	25,060	33,185	24,741	23,516	52,472
Working capital	(6,894)	(18,839)	(2,914)	(14,712)	(38,044)	(35,457)	(4,535)	26,855
Total assets	618,956	605,364	601,320	618,724	619,127	578,762	553,621	574,471
Total non-current liabilities	102,541	93,404	100,172	104,492	105,017	96,809	101,269	104,588
Operational results								
Milling (tonnes)								
Eagle River	54,669	55,153	64,672	48,133	58,306	52,247	59,964	53,217
Mishi	-	-	-	6,150	-	3,595	7,685	11,873
Kiena	49,649	47,351	51,824	42,324	51,419	16,112	26,478	21,162
Throughput	104,318	102,504	116,496	96,607	109,725	71,954	94,127	86,252
Head grades (g/t Au)								
Eagle River	14.1	11.9	11.4	13.5	14.0	10.7	9.6	11.6
Mishi	-	-	-	2.3	-	2.8	2.8	3.6
Kiena	7.7	4.9	5.0	5.9	5.9	10.2	10.6	7.7
Recovery (%)								
Eagle River	97.0	96.7	96.5	96.9	97.4	96.6	95.6	97.4
Mishi	-	-	-	72.5	-	83.0	81.2	84.8
Kiena	98.5	98.4	97.7	97.9	98.1	98.5	98.5	98.0
Production (ounces)								
Eagle River	24,072	20,391	22,845	20,159	25,502	17,405	17,756	19,334
Mishi	-	-	-	332	-	270	570	1,165
Kiena	12,144	7,369	8,147	7,877	9,614	5,208	8,914	5,112
Total gold produced	36,216	27,760	30,992	28,368	35,116	22,883	27,240	25,611
Gold sales (ounces)								
Eagle River	25,600	19,600	22,500	23,659	21,609	18,484	19,321	17,815
Mishi	-	-	-	341	41	316	679	985
Kiena	12,020	7,400	9,500	6,000	9,850	8,700	6,000	9,200
Total gold sales	37,620	27,000	32,000	30,000	31,500	27,500	26,000	28,000

In 000s, except per units and per share amounts	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Per ounce of gold sold ¹								
Cost of sales	2,087	2,646	2,627	2,047	1,968	2,047	1,976	1,597
Average realized price ¹	2,715	2,579	2,640	2,554	2,380	2,246	2,380	2,379
Cash costs ¹	1,451	1,755	1,743	1,407	1,540	1,628	1,538	1,295
Cash margin ¹	1,264	824	897	1,147	840	618	842	1,084
AISC ¹	2,082	2,711	2,238	1,977	2,136	2,217	2,020	1,695
Cost of sales/tonne milled	753	697	721	636	565	782	546	518
Production costs/tonne milled ¹	474	457	448	454	444	563	435	433
Average 1 USD → CAD								
exchange rates	1.3619	1.3414	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662
Cost Metrics (in USD)								
Cost of sales	1,532	1,973	1,956	1,514	1,450	1,568	1,548	1,261
Cash costs ¹	1,065	1,308	1,298	1,040	1,134	1,247	1,205	1,023
AISC ¹	1,529	2,021	1,666	1,462	1,573	1,698	1,582	1,339

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.

Operational Review

	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Ore milled (tonnes)								
Eagle River	54,669	58,306	(3,637)	(6)%	222,627	223,734	(1,107)	(0)%
Mishi	-	-	-	-	6,150	23,153	(17,003)	(73)%
Kiena	49,649	51,419	(1,770)	(3)%	191,148	115,171	75,977	66%
Throughput	104,318	109,725	(5,407)	(5)%	419,925	362,058	57,867	16%
Head Grade (g/t Au)								
Eagle River	14.1	14.0	0.1	1%	12.6	11.5	1.1	10%
Mishi	-	-	-	-	2.3	3.2	(0.9)	(28)%
Kiena	7.7	5.9	1.8	31%	5.9	7.9	(2.0)	(25)%
Recoveries (percent)								
Eagle River	97.0	97.4	(0.4)	(0)%	96.9	96.9	0.0	0%
Mishi	-	-	-	-	72.5	83.5	(11.0)	(13)%
Kiena	98.5	98.1	0.4	0%	98.3	98.3	0.0	0%
Gold production (ounces)								
Eagle River	24,072	25,502	(1,430)	(6)%	87,467	79,997	7,470	9%
Mishi	-	-	-	-	332	2,005	(1,673)	(83)%
Kiena	12,144	9,614	2,530	26%	35,537	28,848	6,689	23%
	36,216	35,116	1,100	3%	123,336	110,850	12,486	11%
Gold Sold (ounces)								
Eagle River	25,600	21,609	3,991	18%	91,359	77,229	14,130	18%
Mishi	-	41	(41)	(100)%	341	2,021	(1,680)	(83)%
Kiena	12,020	9,850	2,170	22%	34,920	33,750	1,170	3%
	37,620	31,500	6,120	19%	126,620	113,000	13,620	12%

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

Q4 2023 gold production at Eagle River Complex was 24,072 ounces compared to 25,502 ounces in Q4 2022, which reflects a decrease of 6% due to a 6% decrease in in throughput at Eagle River as the Mishi pit has been fully depleted and all of the ore was sourced from the Eagle River underground subsequent to Q1 2023.

FY 2023 gold production at Eagle River Complex was 87,799 ounces compared to 82,002 ounces in FY 2022, which reflects an increase of 7% due to a 16% increase in head grade. The 2023 Eagle River head grade of 12.4 g/t is in the higher range of guidance due to processing additional high grade ore from the Falcon zone combined with positive reconciliation from the 300 Zones.

Kiena produced 12,144 ounces in Q4 2023 compared to 9,614 ounces in Q4 2022, which reflects a 26% increase primarily due to a 31% increase in head grade.

Kiena produced 35,537 ounces in FY 2023 compared to 28,848 ounces in FY 2022, which reflects a 23% increase primarily due to a 66% increase in throughput; partially offset by a 25% decrease in head grade. The 2023 Kiena head grade of 5.9 g/t, which is above the 2023 Kiena guidance of 3.7 – 4.7 g/t, is due to an overall positive reconciliation of recovered diluted material from previous mining, and a higher proportion of ore sourced from the higher grade Kiena Deep.

Financial Review

In \$000s	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Revenues	102,221	75,035	27,186	36%	333,173	265,483	67,690	25%
Costs and expenses								
Cost of sales	78,506	61,997	16,509	27%	295,422	214,371	81,051	38%
Corporate and general	5,955	2,309	3,646	158%	18,331	11,823	6,508	55%
Stock-based compensation	440	858	(418)	(49)%	4,093	3,311	782	24%
Exploration and evaluation	2,566	1,927	639		7,728	14,369	(6,641)	
Retirement costs	-	-	-		1,190	-	1,190	
Loss on disposal of mining assets	-	241	(241)		312	303	9	
	87,467	67,332	20,135		327,076	244,177	82,899	
Operating income	14,754	7,703	7,051	92%	6,097	21,306	(15,209)	(71)%
Fair value adjustment on share consideration receivable	204	1,005	(801)		(2,383)	(6,386)	4,003	
Share of loss of associate	(162)	(1,264)	1,102		(1,156)	(1,652)	496	
(Loss) gain on investments	(57)	188	(245)		80	(481)	561	
Impairment of investment in associate	-	-	-		(3,600)	(11,800)	8,200	
Interest and other expenses	(1,558)	(1,030)	(528)		(5,407)	(4,178)	(1,229)	
Income (loss) before taxes	13,181	6,602	6,579		(6,369)	(3,191)	(3,178)	
Mining and income tax expense (recovery)	10,761	10,129	632		(182)	11,515	(11,697)	
Net income (loss)	2,420	(3,527)	5,947	169%	(6,187)	(14,706)	8,519	58%
Change in fair value of marketable securities	369	(360)	729		849	900	-	
Total comprehensive income (loss)	2,051	(3,167)	(729)		(7,036)	(15,606)	8,570	
Operating cash flows	37,176	10,267	26,909	262%	101,351	65,206	36,145	55%
Free cash flows ¹	7,799	(31,609)	39,408		(6,405)	(90,174)	83,769	

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

Revenues

In \$000s	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Revenues from operations								
Gold	102,148	74,975	27,173	36%	332,867	265,220	67,647	26%
Silver	73	60	13		306	263	43	
	102,221	75,035	27,186	36%	333,173	265,483	67,690	25%

In Q4 2023, Wesdome generated \$102.1 million in gold sales revenue from the sale of 37,620 ounces of gold at an average realized price of \$2,715 (US\$1,994) per ounce as compared to the sale of 31,500 ounces of gold at \$2,380 (US\$1,753) per ounce for gold sales revenue of \$75.0 million in Q4 2022. The 36% increase in revenue is primarily due to the higher realized gold price and higher ounces sold.

In FY 2023, Wesdome generated \$332.9 million in gold sales revenue from the sale of 126,620 ounces of gold at an average realized price of \$2,629 (US\$1,948) per ounce; as compared to the sale of 113,000 ounces of gold at \$2,347 (US\$1,804) per ounce for gold sales revenue of \$265.2 million in FY 2022. The 25% increase in revenue is primarily due to the higher realized gold price and higher ounces being sold.

Cost of Sales

In \$000s	Q4 2023	Q4 2022	Change	FY 2023	FY 2022	Change
Cost of Sales						
Mining and processing costs						
Mining	28,598	27,148	1,450	107,266	93,126	14,140
Processing	9,089	6,643	2,446	32,187	24,497	7,690
Site administration and camp costs	14,604	14,734	(130)	56,296	49,429	6,867
Change in inventories ¹	1,087	(1,128)	2,215	20	(906)	926
	53,378	47,397	5,981	195,769	166,146	29,623
Royalties	1,267	1,172	95	4,465	3,663	802
Depletion and depreciation	23,861	13,428	10,433	95,188	44,562	50,626
	78,506	61,997	16,509	295,422	214,371	81,051
			27%			38%

¹ See Note 24 of the Company's financial statements for a breakdown of stockpile and in-circuit inventory adjustments for the years ended December 31, 2023 and 2022.

Cost of sales in Q4 2023 and FY 2023 was 27% and 38% higher than the corresponding periods in 2022 due to an increase in non-cash depletion and depreciation resulting from a larger depreciable asset base; increased ore development metres, waste movement, general maintenance improvements, improvements made to strengthen the technical and mine management team at Eagle River site; increase in throughput, and increased staffing levels required to support commercial production, which was declared on December 1, 2022 at Kienna.

Corporate and General

Corporate and general expenditures in Q4 2023 of \$6.0 million and \$18.3 million in FY 2023 was 158% and 55% higher than the corresponding periods in 2022 primarily due to increased corporate activities, increase in technical staff at the corporate level and the payment of termination benefits. The corporate and general expenditure is expected to be between \$4.2 and \$5.5 million on a quarterly basis in 2024.

Stock-based payments

During Q1 2023, the Company granted 770,498 stock options, 95,429 Restricted Share Units (“**RSUs**”) and 190,862 Performance Share Units (“**PSUs**”) to its employees and officers under its 2020 Omnibus Equity Plan. All of the stock options and RSUs have a three-year vesting term, with the first tranche vesting on the first anniversary date of the issue. The PSUs have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

On March 14, 2023, the Company granted 14,684 Deferred Share Units (“**DSUs**”) to its newly appointed non-executive director (“**Participant**”) under the Plan valued at approximately \$0.1 million. Under the Plan, as approved by the Company's shareholders on June 2, 2020, 75% of the directors' annual retainers are to be paid in share-based awards. Each DSU has the same value as one Wesdome common share. The DSUs may not be redeemed until the Participant has ceased to hold all offices, employment and directorships with Wesdome and all its affiliates.

On May 15, 2023, the Company granted 44,516 RSUs to one of its officers under its 2020 Omnibus Plan and 10,706 DSUs to its non-management board members (“**Participants**”). The RSUs have a three-year vesting term, with the first tranche vesting on May 14, 2024. All of the DSUs are fully vested at the grant date and become payable upon retirement of the directors.

On May 24, 2023, the Company granted 85,056 DSUs to its Participants under the 2020 Omnibus Plan. All of the DSUs are fully vested at the grant date and become payable upon retirement of the directors.

On June 30, 2023, the Company granted 98,837 stock options, 37,834 RSUs and 75,668 PSUs to one of its officers under its 2020 Omnibus Plan. The stock options and RSUs have a three-year vesting term, with the first tranche vesting on June 29, 2024. The PSUs have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

For the quarter and year ended December 31, 2023, the compensation expense recognized under the plans was \$0.4 million and \$4.1 million, respectively.

Exploration and evaluation

All expenditures relating to exploration and evaluation activities are expensed until technical feasibility and commercial viability have been determined by the Company. In Q4 2023, Wesdome spent \$2.6 million on its exploration program, which includes \$1.1 million at Eagle River and \$1.5 million at Kiena. In FY 2023, Wesdome spent \$7.7 million on its exploration program, which includes \$3.0 million at Eagle River and \$4.7 million at Kiena.

Tax Expense

In \$000s								
	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Mining and income tax expense (recovery)								
Current	2,168	999	1,169		1,506	5,600	(4,094)	
Deferred	8,593	9,130	(537)		(1,688)	5,915	(7,603)	
	<u>10,761</u>	<u>10,129</u>	<u>632</u>	6%	<u>(182)</u>	<u>11,515</u>	<u>(11,697)</u>	(102)%

Wesdome is currently subject to federal income tax, and mining tax for any resource profits earned in Ontario. As at December 31, 2023, the Company recorded a current mining and income tax payable of \$4.7 million.

The Company's EBITDA for Q4 2023 was \$38.3 million and FY 2023 was \$99.3 million compared to \$21.3 million and \$55.6 million during comparative periods in 2022. Net income before tax (including a deferred tax adjustment of \$8.6 million) for Q4 2023 was \$13.2 million compared to \$6.6 million for Q4 2022.

OPERATING SEGMENTS PERFORMANCE

EAGLE RIVER COMPLEX

The Eagle River Complex, located 50 kilometres due west of Wawa, Ontario, consists of the Eagle River Underground Mine (producing since 1995) and a mineral processing facility, located adjacent to the former Mishi Open Pit, permitted at 1,200 tonnes per day. The Mishi Open Pit Mine, which began operations in 2002, was mined out in Q4 2020 and the remaining stockpile has now been fully depleted.

Operational Results

	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Operating Results								
Eagle River								
Tonnes milled	54,669	58,306	(3,637)	(6)%	222,627	223,734	(1,107)	(0)%
Head grade (g/t Au)	14.1	14.0	0.1	1%	12.6	11.5	1.1	10%
Average mill recovery (%)	97.0	97.4	(0.4)	(0)%	96.9	96.9	0.0	0%
Gold produced (ounces)	24,072	25,502	(1,430)	(6)%	87,467	79,997	7,470	9%
Gold sold (ounces)	25,600	21,609	3,991	18%	91,359	77,229	14,130	18%
Mishi								
Tonnes milled	-	-	-	-	6,150	23,153	(17,003)	(73)%
Head grade (g/t Au)	-	-	-	-	2.3	3.2	(0.9)	(28)%
Average mill recovery (%)	-	-	-	-	72.5	83.5	(11.0)	(13)%
Gold produced (ounces)	-	-	-	-	332	2,005	(1,673)	(83)%
Gold sold (ounces)	-	41	(41)	(100)%	341	2,021	(1,680)	(83)%
Eagle River Complex								
Tonnes milled	54,669	58,306	(3,637)	(6)%	228,777	246,887	(18,110)	(7)%
Head grade (g/t Au)	14.1	14.0	0.1	1%	12.4	10.7	1.7	16%
Average mill recovery (%)	97.0	97.4	(0.4)	(0)%	96.7	96.5	0.2	0%
Mill availability (%)	71.9	93.2	(21.3)	(23)%	83.6	87.7	(4.1)	(5)%
Gold produced (ounces)	24,072	25,502	(1,430)	(6)%	87,799	82,002	5,797	7%
Gold sold (ounces)	25,600	21,650	3,950	18%	91,700	79,250	12,450	16%

During Q4 2023, the Eagle River Complex produced 24,072 ounces of gold as compared to 25,502 ounces in Q4 2022 primarily due to a 6% decrease in throughput. In Q4 2023, the mill processed 54,669 t, throughput from the underground mine as compared to 58,306 t, in Q4 2022. The Eagle River Complex grade was comparable to Q4 2022 at 14.1 g/t and 14.0 g/t, respectively. The overall recovery decreased to 97.0% from 97.4%.

In FY 2023, the Eagle River Complex produced 87,799 ounces of gold as compared to 82,002 ounces in FY 2022 primarily due to a 16% increase in head grade. In FY 2023, the mill processed 228,777 t, throughput from the underground mine as a standalone source of ore, as compared to 246,887 t, in FY 2022 (including 23,153 t from Mishihai). The Eagle River Complex grade increased to 12.4 in FY 2023 from 10.7 in FY 2022 due to a better grade performance from the 300 zone and processing only ore from the Eagle River underground. The overall recovery increased to 96.7% from 96.5%.

Financial Results

In 000s, except per units and per share amounts	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Financial Results								
Gold revenue from mining operation	69,709	51,623	18,086	35%	240,349	186,553	53,796	29%
Cost of sales								
Mining	14,554	14,325	229	2%	56,905	53,297	3,608	7%
Processing	5,650	4,456	1,194	27%	19,319	16,975	2,344	14%
Site administration and camp costs	10,640	11,153	(513)	(5)%	41,210	36,742	4,468	12%
Change in inventories	230	(2,882)	3,112	(108)%	1,791	(3,009)	4,800	(160)%
Royalties	1,267	1,172	95	8%	4,465	3,663	802	22%
Depreciation and depletion expense	13,250	9,347	3,903	42%	48,279	36,659	11,620	32%
	45,591	37,571	8,020	21%	171,969	144,327	27,642	19%
Depreciation expense	(13,250)	(9,347)	(3,903)	42%	(48,279)	(36,659)	(11,620)	32%
Silver revenue	(52)	(38)	(14)	37%	(214)	(177)	(37)	21%
Total cash costs	32,289	28,186	4,103	15%	123,476	107,491	15,985	15%
Cost of sales per ounce of gold sold (CDN dollars)	1,781	1,735	46	3%	1,875	1,821	54	3%
Cash cost per ounce of gold sold (CDN dollars) ¹	1,261	1,302	(41)	(3)%	1,347	1,356	(10)	(1)%
Cash margin ¹	37,420	23,437	13,983	60%	116,873	79,062	37,811	48%
All-in sustaining costs ¹								
Sustaining mine exploration and development	5,666	5,497	169	3%	23,699	21,183	2,516	12%
Sustaining mine capital equipment	6,779	5,586	1,193	21%	21,936	9,883	12,053	122%
Tailings management facility	342	1,597	(1,255)	(79)%	371	5,494	(5,123)	(93)%
Corporate and general	2,840	1,118	1,722	154%	8,827	5,763	3,064	53%
Payment of lease liabilities	780	2,167	(1,387)	(64)%	5,182	8,898	(3,716)	(42)%
	48,696	44,151	4,545	10%	183,491	158,712	24,779	16%
All-in sustaining costs per ounce of gold (CDN dollars) ¹	1,902	2,039	(137)	(7)%	2,001	2,003	(2)	(0)%
Cost of sales/tonne milled	834	644	190	29%	752	585	167	29%
Production costs per tonne milled ¹	526	515	11	2%	502	436	66	15%
Capital expenditures	12,787	12,680	107	1%	46,006	37,059	8,947	24%

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

Revenue

In Q4 2023, the Eagle River Complex generated \$69.7 million in gold sales revenue from the sale of 25,600 ounces as compared to \$51.6 million from the sale of 21,650 ounces in Q4 2022. Sales revenue increased by 35% compared to Q4 2022 due to the higher Canadian dollar realized price and higher ounces sold.

In FY 2023, the Eagle River Complex generated \$240.3 million in gold sales revenue from the sale of 91,700 ounces as compared to \$186.6 million from the sale of 79,250 ounces in FY 2022. Sales revenue increased by 29% compared to 2022 due to the higher Canadian dollar realized price and higher ounces sold.

Cost of sales

Cost of sales in Q4 2023 and in FY 2023 was 21% and 19% higher than the corresponding periods in 2022 primarily due to increase in non-cash depletion and depreciation resulting from a larger depreciable asset base, increase in the aggregate operating costs due to increased ore development metres, waste movement, improvements made to strengthen the technical and mine management team at site, and general maintenance improvements.

The Q4 2023 cash cost of \$1,261 (US\$926) per ounce of gold sold decreased by 3% or \$41 per ounce of gold sold as compared to \$1,302 (US\$ 959) in Q4 2022 primarily due to increase in ounces sold. FY 2023 cash cost of \$1,347 (US\$998) per ounce of gold sold slightly decreased by \$9 per ounce of gold sold compared to \$1,356 (US\$1,042) in FY 2022 primarily due to increase in ounces sold.

The Q4 2023 AISC of \$1,902 (US\$1,397) per ounce of gold sold decreased by 7% or \$137 per ounce as compared to \$2,039 (US\$1,502) in Q4 2022. The FY 2023 AISC of \$2,001 (US\$1,483) per ounce of gold sold was comparable to \$2,003 (US\$1,539) in FY 2022. This was primarily due to higher operating costs and sustaining capital expenditure offset by higher ounces sold.

Eagle River Underground Mine

Development and Drilling

Ongoing underground drilling of the 300 East Zone has continued to confirm the continuity of the geometry and the consistency of the high-grade mineralization down plunge. The 300 East Zone, previously defined from the 750 m-level to 1,400 m-level, has now been extended to the 1,600 m-level and remains open down plunge. The width of the quartz veining is typically less than 1.5 metres true width; however, recent drilling along the eastern margin of the 300 East Zone has returned wider widths, including 77.6 g/t Au over 9.4 m core length and 42.6 g/t Au over 4.9 m core length. This occurs in an area that is interpreted to be at the intersection of several structures having different orientations and/or folding resulting in wider zones of gold mineralization.

The drilling of the 300 East Zone confirms the continuity of the mineralization at depth, thus suggesting that many other similar zones, such as 808, 811, 818, 711 and 7 East, have this same potential to continue at depth. Meanwhile, underground exploration drilling is ongoing further to the east of the current mining areas, in the east-central area of the mine, to test for parallel zones north of the historic 8 and 6 zones.

Further to the west, the 2019 discovery and recent production of the Falcon 7 zone reaffirms the potential of the surrounding volcanic rocks to host sizeable deposits of gold. In October, the Company announced the discovery of a second zone within the volcanic rocks west of the mine diorite. This new zone, namely the Falcon 311 zone, has been delineated to extend at least 200 meters along plunge and nearly 100 meters along strike, with potential to expand to surface almost 900 metres along plunge, similar to the neighbouring Falcon 7 Zone.

Confirmation of continuity of the Falcon 311 Zone mineralization across mineable widths:

Hole 857-E-24: 269.6 g/t Au over 2.3 m core length (26.7 g/t Au capped, 1.5 m true width)

Including 1,261 g/t Au over 0.5 m

Hole 857-E-16A: 53.0 g/t Au over 2.9 m core length (28.6 g/t Au capped, 1.9 m true width)

Hole 857-E-04: 24.7 g/t Au over 2.0 m core length (24.7 g/t Au capped, 1.5 m true width)

All assays capped at 125 g/t Au. True widths are estimated based on 3D model construction

Falcon 311 remains open in all directions, including up plunge towards surface, and has the potential to provide additional mining horizons and generate strong returns by benefiting from existing mine infrastructure. The exploration along this horizon as well as the definition and expansion of this new discovery will remain a priority for drilling in the coming months.

Additionally, gold mineralization was identified along the eastern margin of the mine diorite with limited drilling near the historic 6 zone, confirming our theory that volcanic rocks along this trend are a host for gold mineralization, particularly in proximity to the diorite contact.

Initial drill results from the East side of the mine diorite, near the historic 6 zone:

Hole 758-E-412: 122.5 g/t Au over 1.7 m core length (93.5 g/t Au capped, 1.5 m true width)

Hole 580-E-93: 32.1 g/t Au over 1.7 m core length (32.1 g/t Au capped, 1.5 m true width)

Hole 580-E-88: 29.2 g/t Au over 1.7 m core length (within 29.2 g/t Au capped over 1.6 m true width)

All assays capped at 125 g/t Au. True widths are estimated based on 3D model construction.

Both of these new volcanic-hosted zones have the potential to extend from surface and down plunge to depths equal to that of the neighbouring 300E Zone that has been tested to 1,500 vertical metres below surface.

Surface Exploration

Surface drilling is ongoing with one drill to test the up plunge extension of the Falcon 311 zone near surface and other zones along this trend further to the west.

Additionally, initial surface drilling within the volcanic rocks 150 metres east and down dip of the previously mined 2 zone intersected altered volcanic rocks with quartz veining and VG. One hole returned 233.0 g/t Au over 0.4 metres.

Plans for 2024

- Total metres budgeted for 2024 are 89,000 m for five underground drills for definition and underground exploration drilling and 22,000 m of surface exploration drilling.
- Definition drilling will be focused at 300E, Falcon zone, and down dip on the 711 and 811 zones.
- Exploration drilling will be completed up plunge of the newly discovered Falcon 311 zone and 6 zone within the volcanic rocks. Additional underground exploration will also be completed further to the east of the current mining areas, in the east-central area of the mine to test for parallel zones north of the historic 8 and 6 zones.

TAILINGS AND WATER MANAGEMENT

As mining operations from the Mishi pit have come to an end, it provides buffer storage to manage the excess water that may come from the surface freshet and reclaim pond, near the Eagle mill as required. The Stage 5 lift that is currently being constructed will provide three years of additional capacity. The engineering design work was completed in Q2 2021 and the construction work began in Q3 2021. The Company has built and commissioned a new water treatment plant using reverse osmosis in 2023 in order to achieve regulated discharge limits. As this plant ramps up to full production, it is expected that water accumulated in Mishi in recent years will be entirely treated and discharged over 2024 and 2025.

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.

Operational Results

	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Operating Results								
Tonnes milled	49,649	51,419	(1,770)	(3)%	191,148	115,171	75,977	66%
Head grade (g/t Au)	7.7	5.9	1.8	31%	5.9	7.9	(2.0)	(25)%
Average mill recovery (%)	98.5	98.1	0.4	0%	98.3	98.3	0.0	0%
Mill availability (%)	85.6	91.3	(5.7)	(6)%	93.0	95.8	(2.8)	(3)%
Gold produced (ounces)	12,144	9,614	2,530	26%	35,537	28,848	6,689	23%
Gold sold (ounces)	12,020	9,850	2,170	22%	34,920	33,750	1,170	3%

During Q4 2023, the Kiena mine produced 12,144 ounces of gold as compared to 9,614 ounces of gold in Q4 2022 primarily due to a 31% increase in head grade. In Q4 2023, the mill processed 49,649 t, throughput as compared to 51,419 t in Q4 of 2022. The Kiena grade increased to 7.7 g/t in Q4 2023 from 5.9 g/t in Q4 2022 due to sourcing ore from the Kiena Deep zone with higher grade. Gold recovery increased to 98.5% compared to 98.1% in the same period in 2022, mainly due to the higher head grade.

During FY 2023, the Kiena mine produced 35,537 ounces of gold as compared to 28,848 ounces of gold in FY 2022 primarily due to a 66% increase in throughput; partially offset by a 25% decrease in head grade. In FY 2023, the mill processed 191,148 t, throughput as compared to 115,171 t in 2022. The Kiena grade decreased to 5.9 g/t in FY 2023 from 7.9 g/t in FY 2022 due to sourcing ore from the lower grade S50 and Martin zones as well as from recovered diluted material from previous mining during most of the year while the ramp to access the Kiena Deep zone was being developed. Gold recovery was 98.3% both in FY 2023 and FY 2022.

Financial Results

In 000s, except per units and per share amounts	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Gold revenue from mining operation	32,439	23,352	9,087	39%	92,518	78,667	13,851	18%
Cost of sales								
Mining	14,044	12,823	1,221	10%	50,361	39,829	10,532	26%
Processing	3,439	2,187	1,252	57%	12,868	7,522	5,346	71%
Site administration and camp costs	3,964	3,581	383	11%	15,086	12,687	2,399	19%
Change in inventories	857	1,754	(897)	(51)%	(1,771)	2,103	(3,874)	(184)%
Depreciation and depletion expense	10,530	4,013	6,517	162%	46,615	7,637	38,978	510%
	32,834	24,358	8,476	35%	123,159	69,778	53,381	77%
Depreciation expense	(10,530)	(4,013)	(6,517)	162%	(46,615)	(7,637)	(38,978)	510%
Silver revenue	(21)	(22)	1	(5)%	(92)	(86)	(6)	7%
Total cash costs	22,283	20,323	1,960	10%	76,452	62,055	14,397	23%
Cost of sales per ounce of gold sold (CDN dollars)	2,732	2,473	259	10%	3,527	2,067	1,459	71%
Cash cost per ounce of gold sold (CDN dollars) ¹	1,854	2,063	(209)	(10)%	2,189	1,839	351	19%
Cash margin ¹	10,156	3,029	7,127	235%	16,066	16,612	(546)	(3)%
All-in sustaining costs ¹								
Sustaining mine exploration and development	4,524	1,682	2,842	169%	13,682	1,682	12,000	713%
Corporate and general	2,840	1,118	1,722	154%	8,827	5,764	3,063	53%
	29,647	23,123	6,524	28%	98,961	69,501	29,460	42%
All-in sustaining costs per ounce of gold (CDN dollars) ¹	2,466	2,348	119	5%	2,834	2,059	775	38%
Cost of sales/tonne milled	661	474	188	40%	644	606	38	6%
Production costs per tonne milled ¹	417	352	65	18%	405	518	(113)	(22)%
Capital expenditures	15,810	26,510	(10,700)	(40)%	54,826	108,904	(54,078)	(50)%

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

Revenue

In Q4 2023, the Kiena Mine generated \$32.4 million in gold sales revenue from the sale of 12,020 ounces as compared to \$23.4 million from the sale of 9,850 ounces in Q4 2022. Sales revenue increased by 39% compared to Q4 2022 due to higher ounces sold and a higher Canadian dollar realized price.

In FY 2023, the Kiena Mine generated \$92.5 million in gold sales revenue from the sale of 34,920 ounces as compared to \$78.7 million from the sale of 33,750 ounces in 2022. Sales revenue increased by 18% compared to 2022 due to higher ounces sold and a higher Canadian dollar realized price.

Cost of sales

Cost of sales in Q4 2023 and FY 2023 was 35% and 77% higher than the corresponding periods in 2022 primarily due to increase in non-cash depletion and depreciation resulting from a larger depreciable asset base, increase in the aggregate operating costs due to a 66% increase in FY 2023 throughput and increased staffing levels required to support commercial production, which was declared on December 1, 2022.

The Q4 2023 cash cost of \$1,854 (US\$1,361) per ounce of gold sold decreased by 10% or \$209 per ounce of gold sold as compared to \$2,063 (US\$1,519) in Q4 2022 primarily due to increase in ounces sold. FY 2023 cash cost of \$2,189 (US\$1,622) per ounce of gold sold increased by 19% or \$350 per ounce of gold sold compared to \$1,839 (US\$1,413) in FY 2022 primarily due to increased throughput and higher operating costs.

The Q4 2023 AISC of \$2,466 (US\$1,811) per ounce of gold sold increased by 5% or \$118 per ounce as compared to \$2,348 (US\$1,729) in Q4 2022. The FY 2023 AISC of \$2,834 (US\$2,100) per ounce of gold sold increased by \$775 per ounce compared to \$2,059 (US\$1,582). This was primarily due to increased throughput, higher operating costs and the inclusion of sustaining mining exploration and development costs in 2023.

EXPLORATION DRILLING AND DEVELOPMENT

Since the completion of the PFS in 2021 and subsequent preproduction activities, underground drilling has been focused on exploration to test sectors proximal to the Kiena Deep A Zones, which now extends continuously from 1,100 m to approximately 2,000 m below surface and remains open at depth. As part of this exploration focus, early success discovered the Footwall Zones. Then in 2022, exploration confirmed the presence of the South limb in the folded Kiena Deep A Zone at depth, and also intersected two new zones in the hanging wall basalt. These new basalt zones all occur below an observed bend or steepening in the plunge of the Kiena Deep A Zone.

The discovery of the Footwall zones, South Limb Zone and New Basalt zones have the potential to increase the number of ounces per vertical metre and to provide additional working faces during mining of the same infrastructure. The discovery of these zones highlights the potential to add ounces within the basalt, where the rock quality is significantly better than in the footwall of the A Zone allowing for increased development rates. Recent underground drilling has been focused on definition/delineation drilling in advance of the planned mining to better define local geometry and grades. Deeper drilling will be the focus once more optimal drill platforms are established.

Additionally, underground drills on 33 level continue to test historic zones and anomalous drill results further to the east along strike from the Kiena mine.

Surface Exploration Drilling

Since the completion of the PFS for the Kiena Mine in 2021, both surface and underground drilling has been more focused on exploration targets proximal to the Kiena Mine. Initially this drilling has been completed along strike from Kiena within the prospective Jacola Formation to provide additional feed for the Kiena mill. Most recently surface drilling has focused on the Presqu'île zone located 2 kilometres west of the Kiena Mine.

Recent surface drilling at the Presqu'île zone has confirmed not only the continuity of the gold mineralization and the validity of the geologic model, but also the potential for down plunge extensions towards the east. Highlights of recent in-fill drilling include 32.5 g/t over 3.0 m core length. The drilling has been used to convert resources into reserves at year end. The excavation of an exploration ramp from surface to access the near-surface Presqu'île Zone will be underway in Q4 2023 now that the necessary permits have been secured. This ramp can also be integrated with Kiena's existing underground ramp network, providing access to surface for the existing operation and ventilation benefits. This could represent a significant milestone on the Company's journey to unlock the full potential of Kiena, as it would provide a second access for conveyance of material and personnel, freeing time for additional ore hoisting via the shaft. Other gains, such as reduced ventilation costs and savings from added operational flexibility are also expected.

The Presqu'île Zone is just one of several zones having the potential to offer a supplementary source of mill feed near-surface or in the upper mine area for the underutilized Kiena mill. Previous drilling results from the Shawkey and Dubuisson Zones, both adjacent to the existing 33-level track drift development that extends over three kilometres east of the Kiena mine shaft, further reinforces the potential of this area.

Plans for 2024

- Total metres budgeted for 2024 is 33,000 m, including 33,000 m of underground exploration drilling, 15,000 m of delineation drilling and 20,000 m of surface exploration drilling.

- Underground delineation and grade control drilling into the A zone from locations within the ramp as it drives down to 129 level.
- Underground exploration drilling will be completed down plunge at the Kiena Deep A zones and Footwall zones, as well as the recently discovered South limb zones and New Basalt zones.
- Surface drilling is planned adjacent to the Presqu'ile Zone to identify additional zones of mineralization that could be mined with the Presqu'ile ramp development.
- Drilling to better define the Dubuisson zone from surface barge drilling.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, Wesdome had a working capital deficiency of \$6.9 million compared to \$38.0 million at December 31, 2022. Cash at December 31, 2023 was \$41.4 million as compared to \$33.2 million at the beginning of the year. An abbreviated cash flow statement is as follows:

In Millions (Canadian dollar)	Q4 2023	Q4 2022	Change	FY 2023	FY 2022	Change
Eagle River						
Cash Margin ¹	\$37.4	\$23.4	\$14.0	\$116.9	\$79.1	37.8
Sustaining capital and mine exploration	(12.4)	(11.1)	(1.4)	(45.6)	(31.1)	(14.6)
Tailings management facility	(0.3)	(1.6)	1.3	(0.4)	(5.5)	5.1
Purchase of exploration property	0.0	0.0	0.0	0.2	(0.5)	0.7
Capitalized exploration	0.0	0.0	0.0	0.0	0.0	0.0
Lease payments	(0.8)	(2.2)	1.4	(5.2)	(8.9)	3.7
	<u>23.9</u>	<u>8.6</u>	<u>15.3</u>	<u>65.9</u>	<u>33.1</u>	<u>32.7</u>
Kiena						
Cash Margin ¹	10.2	3.0	7.1	16.1	16.6	(0.5)
Sustaining capital and mine exploration	(4.5)	0.0	(4.5)	(13.7)	(1.7)	(12.0)
Ramp development - Kiena Deep	(3.3)	0.0	(3.3)	(16.1)	(0.9)	(15.2)
Mining equipment and infrastructure upgrades	(7.1)	0.0	(7.1)	(24.2)	(5.7)	(18.5)
Investment in development, exploration & evaluation	(0.9)	(26.5)	25.7	(0.9)	(100.6)	99.7
	<u>(5.7)</u>	<u>(23.5)</u>	<u>17.9</u>	<u>(38.8)</u>	<u>(92.3)</u>	<u>53.5</u>
Corporate	(6.0)	(2.3)	(3.6)	(18.3)	(11.8)	(6.5)
Exploration	(2.6)	(1.9)	(0.6)	(7.7)	(14.4)	6.6
Stock options exercised	0.1	0.0	0.1	0.8	3.0	(2.2)
Mining and income tax refund (paid)	0.2	(2.8)	3.0	9.7	(17.6)	27.3
Proceeds from sale of Goldshore Resources Inc.	3.2	0.0	3.2	3.2	0.0	3.2
Net proceeds from (repayment of) revolving credit facility	0.0	25.9	(25.9)	(16.0)	54.7	(70.7)
Proceeds from ATM equity program	0.0	12.4	(12.4)	30.6	12.4	18.2
Cash collateralized for letter of credit facilities	0.0	0.0	0.0	(1.5)	(0.5)	(1.0)
Net change in working capital and other	(3.3)	(6.7)	3.4	(19.6)	9.8	(29.4)
Net increase in cash	<u>\$9.8</u>	<u>\$9.7</u>	<u>\$0.4</u>	<u>\$8.2</u>	<u>(\$23.6)</u>	<u>\$31.7</u>
Cash, beginning of year	\$31.6	\$23.5		\$33.2	\$56.8	
Cash, end of year	<u>\$41.4</u>	<u>\$33.2</u>		<u>\$41.4</u>	<u>\$33.2</u>	

¹ Cash margin is a non-IFRS performance measure. Please refer to the disclosures of non-IFRS measures in this MD&A.

While the FY 2023 cash margin¹ at Kiena remained consistent with FY 2022, the cash margin¹ at Eagle River increased by 48% for the same period due to the increase in the number of ounces of gold sold combined with a higher Canadian dollar realized gold price.

The following table identifies the significant movements in operating cash flow for the three months and the years ended December 31, 2023 and 2022 as follows:

In \$000s	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Operating cash flow, previous period	45,076	12,945	32,131	248%	65,206	130,958	(65,752)	(50)%
Increase (decrease) in cash margin from mine operations	24,149	9,473	14,676		36,071	(49,680)	85,751	
(Increase) decrease in other operating expenditures	(568)	3,957	(4,525)		444	(15,106)	15,550	
Mining and income tax (payments) recovery	(18,668)	(1,539)	(17,129)		31,362	1,555	29,807	
Retirement costs	-	-	-		(1,190)	-	(1,190)	
Net change in working capital balances	(13,274)	(13,934)	660		(32,425)	(2,475)	(29,950)	
Other	461	(635)	1,096		1,883	(46)	1,929	
Net (decrease) increase in operating cash flows	(7,900)	(2,678)	(5,222)	195%	36,145	(65,752)	101,897	(155)%
Operating cash flow, current period	37,176	10,267	26,909	262%	101,351	65,206	36,145	55%

Capital expenditures incurred in FY 2023 totaled \$100.8 million as compared to \$146.0 million in FY 2022. A breakdown of the capital expenditures for the three months and years ended December 31, 2023 and 2022 are as follows:

In \$000s	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
Mining properties and plant and equipment								
Eagle River								
Capitalized exploration costs	1,137	1,202	(65)		4,899	4,883	16	
Sustaining mine development costs	4,528	4,295	233		18,800	16,300	2,500	
Mining equipment and infrastructure upgrades	6,779	5,585	1,194		21,936	9,883	12,053	
Tailings management facility	342	1,597	(1,255)		371	5,494	(5,123)	
	12,786	12,679	107		46,006	37,059	8,947	
Kiena								
Capitalized exploration costs	1,347	236	1,111		4,451	236	4,215	
Sustaining mine development costs	3,177	1,446	1,731		9,231	1,446	7,785	
Ramp development - Kiena Deep	3,293	919	2,374		16,080	919	15,161	
Mining equipment and infrastructure upgrades	7,132	5,668	1,464		24,203	5,668	18,535	
Additions to Mining properties	27,735	20,948	6,787	32%	99,971	45,328	54,643	121%
Mines under development and plant and equipment								
Capitalized mine development costs	654	4,284	(3,630)		654	25,928	(25,274)	
Mining equipment and infrastructure upgrades	207	13,958	(13,751)		207	74,707	(74,500)	
Additions to Mines under development	861	18,242	(17,381)	(95)%	861	100,635	(99,774)	(99)%
Total capital investments	28,596	39,190	(10,594)	(27)%	100,832	145,963	(45,131)	(31)%

Free cash outflow was \$6.4 million in FY 2023 compared to a free cash outflow of \$90.2 million in FY 2022. The decrease in free cash outflow was mainly due to the higher cash margin generated at the Eagle River Complex and lower capital expenditure. Free cash flow and cash margin are 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

On August 31, 2022, Wesdome executed an amended and restated credit agreement that upsizes its senior secured revolving credit facility ("**NBF Facility**"), led by National Bank Financial Inc. ("**NBF**") to \$150.0 million including an accordion feature to \$200.0 million. The NBF Facility also extends the term to August 25, 2025 from March 29, 2024. During the year ended December 31, 2023, 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 1.75% to 2.75% over NBF's Prime Rate or Base Rate, as applicable, (ii) Canadian dollar Bankers' Acceptances at acceptance fees ranging from 2.75% to 3.75%, and (iii) U.S. dollar Secured Overnight Financing Rate ("**SOFR**"), with interest rates ranging from 2.75% to 3.75% over SOFR. The actual spread or rate will be determined based on the Company's net leverage ratio. The Facility is also available for letters of credit. As of March 12, 2024, \$39.0 million is drawn owing under the NBF facility, bearing an interest rate of 8.2% per annum, which is a reduction of CDN\$16.0 million from December 31, 2022.

Leasing Facility

The Company currently has a leasing facility ("**C\$ Leasing Facility**") with a chartered Canadian bank and a leasing facility ("**US\$ Leasing Facility**") with a U.S. based leasing company. As at December 31, 2023, \$2.6 million and US\$0.2 million was owing under the C\$ Leasing Facility and US\$ Leasing Facility, respectively.

Reclamation Bonds

The Company has an agreement with a financial institution whereby the financial institution has issued unsecured surety bonds to the extent of \$9.6 million to satisfy the Company's financial assurance requirements for the Eagle River Complex, and \$7.0 million to satisfy the Kiena Complex requirements. As at December 31, 2023, the total reclamation bonds issued to government environmental agencies amounted to \$16.6 million (December 31, 2022 - \$16.6 million).

The Closure Plans for Eagle River Complex were amended and submitted in 2019 to the Ontario Ministry of Northern Development, Mines, Natural Resources & Forestry ("**NDMNRF**" now the Ministry of Mines). An additional Closure Plan amendment for the Eagle River Mill was submitted in 2021 and was approved that same year. The Closure Plan amendment for the Eagle River Mine submitted in 2019 remains under review, and in December 2021, the Company submitted an updated draft of the consolidated Mishi Pit/Magnacon Plan for review, replacing the previous (2019) amendment. The Company has obtained financial commitment from the financial institution to amend the surety bonds for the anticipated increases in financial assurance to be provided to the government for the estimate of the financial assurance requirements.

In support of the restart decision of operations, the Company submitted an updated closure plan to the Ministère de l'Énergie et des Ressources Naturelles ("**MERN**") for the Kiena Complex in Q2 2021, with additional information provided in early 2023. The plan is currently under review by MERN and is expected to be filed in 2024.

SUMMARY OF SHARES ISSUED

As of March 12, 2024, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	149,174
Common share purchase options	1,341
Deferred Share Units	540
Performance Share Units	389
Restricted Share Units	206

At-the-Market Equity Program

On December 2, 2022, Wesdome established an at-the-market equity program (the “ATM Program”) allowing Wesdome to issue and sell up to \$100.0 million of common shares from treasury (the “Common Shares”) to the public from time to time at the Company’s sole discretion and at the prevailing market price. Shares cannot be issued under the ATM Program while the Company is in a blackout period. Sales of the Common Shares under the ATM Program will be made pursuant to the terms of an equity distribution agreement (the “Distribution Agreement”) dated December 2, 2022 entered into among the Company and a syndicate of agents including National Bank Financial, BMO Capital Markets and Desjardins Capital Markets (collectively, the “Agents”). The volume and timing of distributions under the ATM Program will be determined at the Company’s sole discretion, subject to applicable regulatory limitations.

All Common Shares sold pursuant to the ATM Program were sold through the Toronto Stock Exchange (the “TSX”) or on any other “marketplace” within the meaning of National Instrument 21-101 – Marketplace Operation upon which the Common Shares are listed or quoted or where the Common Shares are traded in Canada, at prices related to prevailing market price at the time of sale. Since the Common Shares were distributed at the prevailing market prices at the time of the sale or certain other prices, prices may vary among purchasers and during the period of distribution. The TSX has approved the listing of the Common Shares that may be sold under the ATM Program.

The Company currently intends to use the net proceeds from the ATM Program to repay indebtedness, for working capital, and general corporate purposes. The ATM Program will provide Wesdome with a flexible tool to efficiently access the capital markets, opportunistically as needed, in order to continue executing on its growth strategy. Management of the Company has discretion with respect to the actual use of the net proceeds of the ATM Program. In August 2023, based on the review of near-term operating and financial projections, the Company’s management decided not to use the ATM program to support normal course operations.

During the year ended December 31, 2023, the Company issued 4,413,476 (2022 – 1,593,900) common shares under the ATM Program for gross proceeds of \$32.0 million (2022 - \$13.1 million) with aggregate costs of \$1.0 million (2022 - \$0.5 million), net of deferred taxes of \$0.3 million (2022 - \$0.2 million).

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at December 31, 2023:

In \$000s	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	42,786	\$42,786	-	-	-
Income and mining tax payable	4,696	4,696	-	-	-
Borrowings	38,738	38,738	-	-	-
Lease liabilities	3,897	3,034	708	155	-
Purchase commitments	24,951	24,951	-	-	-
Decommissioning provisions	27,007	-	-	16,754	10,253
	\$142,075	\$114,205	\$708	\$16,909	\$10,253

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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Revenues per financial statements	102,221	69,696	84,555	76,701	75,035	61,823	61,931	66,694	333,173	265,483
Silver revenue from mining operations	(73)	(77)	(70)	(86)	(60)	(54)	(61)	(88)	(306)	(263)
Gold revenue from mining operations (a)	102,148	69,619	84,485	76,615	74,975	61,769	61,870	66,606	332,867	265,220
Ounces of gold sold (b)	37,620	27,000	32,000	30,000	31,500	27,500	26,000	28,000	126,620	113,000
Average realized price gold sold CAD (c) = (a) ÷ (b)	2,715	2,579	2,640	2,554	2,380	2,246	2,380	2,379	2,629	2,347
Average 1 USD → CAD exchange rate (d)	1.3619	1.3414	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662	1.3495	1.3013
Average realized price gold sold USD (c) ÷ (d)	1,994	1,923	1,966	1,888	1,753	1,720	1,864	1,879	1,948	1,804

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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Cost of sales per financial statements	78,506	71,450	84,048	61,418	61,997	56,294	51,374	44,706	295,422	214,371
Depletion and depreciation	(23,861)	(23,987)	(28,215)	(19,125)	(13,428)	(11,464)	(11,316)	(8,354)	(95,188)	(44,562)
Silver revenue from mining operations	(73)	(77)	(70)	(86)	(60)	(54)	(61)	(88)	(306)	(263)
Cash costs (a)	54,572	47,386	55,763	42,207	48,509	44,776	39,997	36,264	199,928	169,546
Ounces of gold sold (b)	37,620	27,000	32,000	30,000	31,500	27,500	26,000	28,000	126,620	113,000
Cash costs per ounce of gold sold (c) = (a) ÷ (b)	1,451	1,755	1,743	1,407	1,540	1,628	1,538	1,295	1,579	1,500
Average 1 USD → CAD exchange rate (d)	1.3619	1.3414	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662	1.3495	1.3013
Cash costs per ounce of gold sold USD (c) ÷ (d)	1,065	1,308	1,298	1,040	1,134	1,247	1,205	1,023	1,170	1,153

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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Cost of sales per financial statements	78,506	71,450	84,048	61,418	61,997	56,294	51,374	44,706	295,422	214,371
Depletion and depreciation	(23,861)	(23,987)	(28,215)	(19,125)	(13,428)	(11,464)	(11,316)	(8,354)	(95,188)	(44,562)
Royalties	(1,267)	(1,029)	(1,172)	(998)	(1,172)	(766)	(822)	(903)	(4,466)	(3,663)
Bullion and in-circuit inventory adjustments	(3,908)	384	(2,526)	2,524	1,288	(3,518)	1,697	1,856	(3,526)	1,323
Mining and processing costs, before inventory adjustments (a)	49,470	46,818	52,135	43,819	48,685	40,546	40,933	37,305	192,242	167,469
Ore milled (tonnes) (b)	104,318	102,505	116,496	96,607	109,725	71,954	94,127	86,252	419,926	362,058
Production costs per tonne milled (a) ÷ (b)	474	457	448	454	444	563	435	433	458	463

Cash margin

Cash margin 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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Gold revenue from mining operations (per above)	102,148	69,619	84,485	76,615	74,975	61,769	61,870	66,606	332,867	265,220
Cash costs (per above)	54,572	47,386	55,763	42,207	48,509	44,776	39,997	36,264	199,928	169,546
Cash margin	47,576	22,233	28,722	34,408	26,466	16,993	21,873	30,342	132,939	95,674
Per ounce of gold sold (Canadian dollar):										
Average realized price (a)	2,715	2,579	2,640	2,554	2,380	2,246	2,380	2,379	2,629	2,347
Cash costs (b)	1,451	1,755	1,743	1,407	1,540	1,628	1,538	1,295	1,579	1,500
Cash margin (a) – (b)	1,264	824	897	1,147	840	618	842	1,084	1,050	847

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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Cost of sales, per financial statements	78,506	71,450	84,048	61,418	61,997	56,294	51,374	44,706	295,422	214,371
Depletion and depreciation	(23,861)	(23,987)	(28,215)	(19,125)	(13,428)	(11,464)	(11,316)	(8,354)	(95,188)	(44,562)
Silver revenue from mining operations	(73)	(77)	(70)	(86)	(60)	(54)	(61)	(88)	(306)	(263)
Cash costs	54,572	47,386	55,763	42,207	48,509	44,776	39,997	36,264	199,928	169,546
Sustaining mine exploration and development	10,190	9,683	9,024	8,484	7,179	5,134	5,297	5,255	37,381	22,865
Sustaining mine capital equipment	6,779	10,360	1,598	3,200	5,585	2,232	1,556	510	21,937	9,883
Tailings management facility	342	15	12	2	1,597	3,692	122	83	371	5,494
Corporate and general	5,955	4,707	4,007	3,662	2,309	2,918	3,221	3,375	18,331	11,823
Less: Corporate development	(276)	(161)	(210)	(31)	(72)	(87)	(31)	(106)	(678)	(296)
Payment of lease liabilities	780	1,208	1,410	1,784	2,167	2,300	2,345	2,086	5,182	8,898
All-in Sustaining costs (AISC) (a)	78,342	73,198	71,604	59,308	67,274	60,965	52,507	47,467	282,452	228,213
Ounces of gold sold (b)	37,620	27,000	32,000	30,000	31,500	27,500	26,000	28,000	126,620	113,000
AISC (c) = (a) ÷ (b)	2,082	2,711	2,238	1,977	2,136	2,217	2,020	1,695	2,231	2,020
Average 1 USD → CAD exchange rate (d)	1.3619	1.3414	1.3428	1.3525	1.3578	1.3056	1.2768	1.2662	1.3495	1.3013
AISC USD (c) ÷ (d)	1,529	2,021	1,666	1,462	1,573	1,698	1,582	1,339	1,653	1,552

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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Net cash provided by operating activities per financial statements (c)	37,176	45,076	13,979	5,120	10,267	12,945	12,101	29,893	101,351	65,206
Sustaining mine exploration and development	(10,190)	(9,683)	(9,024)	(8,484)	(7,179)	(5,134)	(5,297)	(5,255)	(37,381)	(22,865)
Sustaining mine capital equipment	(6,779)	(10,360)	(1,598)	(3,200)	(5,585)	(2,232)	(1,556)	(510)	(21,937)	(9,883)
Tailings management facility	(342)	(15)	(12)	(2)	(1,597)	(3,692)	(122)	(83)	(371)	(5,494)
Ventilation project	-	-	-	-	-	-	(157)	(342)	-	(499)
Capitalized development, exploration and evaluation expenditures	-	-	-	-	(4,284)	(5,550)	(8,404)	(7,690)	-	(25,928)
Mines under development capital equipment	-	-	-	-	(13,958)	(17,230)	(22,796)	(20,723)	-	(74,707)
Growth mine exploration and development	(4,154)	(4,111)	(4,316)	(4,360)	(919)	-	-	-	(16,941)	(919)
Growth mine capital equipment	(7,132)	(7,485)	(2,898)	(6,687)	(5,668)	-	-	-	(24,202)	(5,668)
Purchase of mineral properties	-	-	-	(200)	-	-	-	-	(200)	-
Funds held against standby letters of credit	-	(1,542)	-	-	(519)	-	-	-	(1,542)	(519)
Payment of lease liabilities	(780)	(1,208)	(1,410)	(1,784)	(2,167)	(2,300)	(2,345)	(2,086)	(5,182)	(8,898)
Free cash flows (a)	7,799	10,672	(5,279)	(19,597)	(31,609)	(23,193)	(28,576)	(6,796)	(6,405)	(90,174)
Weighted number of shares (000s) (b)	148,965	148,952	148,001	144,463	142,782	142,487	142,478	141,830	147,611	142,391
Per Share data										
Operating cash flow (c) ÷ (b)	0.25	0.30	0.09	0.04	0.07	0.09	0.08	0.21	0.69	0.46
Free cash flow (a) ÷ (b)	0.05	0.07	(0.04)	(0.14)	(0.22)	(0.16)	(0.20)	(0.05)	(0.04)	(0.63)

1

Adjusted net income (loss) and Adjusted net income (loss) per share

Adjusted net income (loss) and adjusted net income (loss) 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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Net income (loss) per financial statements	2,420	(3,248)	(5,014)	(345)	(3,527)	(3,899)	(14,331)	7,051	(6,187)	(14,706)
Adjustments for:										
Impairment of investment in associate	-	900	-	2,700	-	-	11,800	-	3,600	11,800
Retirement costs	-	-	-	2,102	-	-	-	-	2,102	-
Total adjustments	-	900	-	4,802	-	-	11,800	-	5,702	11,800
Related income tax effect	-	(225)	-	(1,200)	-	-	(2,950)	-	(1,425)	(2,950)
	-	675	-	3,602	-	-	8,850	-	4,277	8,850
Adjusted net income (loss) (a)	2,420	(2,573)	(5,014)	3,257	(3,527)	(3,899)	(5,481)	7,051	(1,910)	(5,856)
Weighted number of shares (000s) (b)	148,965	148,952	148,001	144,463	142,782	142,487	142,478	141,830	147,611	142,391
Per Share data										
Adjusted net income (loss) (a) ÷ (b)	0.02	(0.02)	(0.03)	0.02	(0.02)	(0.03)	(0.04)	0.05	(0.01)	(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 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 financial statements to EBITDA:

In 000s	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	FY 2023	FY 2022
Net income (loss) per financial statements	2,420	(3,248)	(5,014)	(345)	(3,527)	(3,899)	(14,331)	7,051	(6,187)	(14,706)
Adjustments for:										
Mining and income tax expense (recovery)	10,761	(9,820)	(2,356)	1,233	10,129	(3,339)	(257)	4,982	(182)	11,515
Depletion and depreciation	23,861	23,987	28,215	19,125	13,428	11,464	11,316	8,354	95,188	44,562
Non-recurring expenses	-	900	-	4,802	-	-	11,800	-	5,702	11,800
Interest expense	1,214	1,114	1,175	1,309	1,279	588	316	263	4,812	2,446
EBITDA	38,256	12,933	22,020	26,124	21,309	4,814	8,844	20,650	99,333	55,617

ACCOUNTING MATTERS

BASIS OF PRESENTATION

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 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 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 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) Commencement of commercial production

Determining when a mine moves into the production phase is highly judgmental. The commencement of commercial production is defined as the date when the mine is capable of operating in the manner intended by management. The Company considers primarily the following factors, among others, when determining the commencement of commercial production:

- All major capital expenditures to achieve a consistent level of production and desired capacity have been incurred;
- A reasonable period of testing of the mine plant and equipment has been completed;
- A predetermined percentage of design capacity of the mine and mill has been reached; and

- Required production levels, grades and recoveries have been achieved.

No single factor is considered more important than another. Each factor is considered in context with the facts and circumstances of the specific project. It involves an assessment as to when the mine is substantially complete and ready for its intended use

(iii) *Depletion*

Mining properties are depleted using the 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.

(iv) *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.

(v) *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.

(vi) 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 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.

(vii) 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.

(viii) 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.

ACCOUNTING PRONOUNCEMENTS

New standards and interpretations

The following new standards and interpretations adopted since the release of the Company's financial statements for the year ended December 31, 2022.

Disclosure of Accounting Policies (Amendments to IAS 1)

The IASB has issued amendments to IAS 1 *Presentation of Financial Statements* which require entities to disclose their "material" accounting policy information rather than their "significant" accounting policies.

The amendments explain that accounting policy information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The adoption of these amendments did not have a significant impact on the Company's Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The IASB has issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction, and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The adoption of these amendments did not have a significant impact on the Company's Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IFRS 1 and IAS 12)

The IASB has issued amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 12 *Income Taxes* which clarify that the initial recognition exemption set out in IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The adoption of these amendments did not have a significant impact on the Company's Financial Statements.

New standards and interpretations not yet adopted

Following are the new standards issued by the IASB which are applicable to the Company's financial statements:

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, 2024. Earlier application is permitted. This is just a clarification and the Company has been consistently following above requirements. The amendment is expected to have no impact on the Company's financial statements on adoption.

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 29 of the Company's financial statements for a discussion of the factors that affects Wesdome.

RELATED PARTY TRANSACTIONS

Key management of the Company are its Board of Directors and members of executive management. Key management personnel remuneration includes the following payments for the three months and the full year ended December 31, 2023 and 2022:

In 000s	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Salaries, director fees and other benefits	\$ 1,243	\$ 961	\$ 5,490	\$ 5,238
Stock-based compensation	426	609	3,436	2,536
Long-term benefits	18	16	89	62
Termination payments	311	-	2,056	-
	<u>\$ 1,998</u>	<u>\$ 1,586</u>	<u>\$ 11,071</u>	<u>\$ 7,836</u>

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high risk nature of its business which is the operation, exploration and development of mineral properties. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from those described in forward-looking information relating to the Company. Investors and prospective investors should give careful consideration to all of the information contained in this MD&A, including the risk factors set forth below. It should be noted that this list is not exhaustive and that other risk factors may apply, including risks described elsewhere herein, risks not currently known to the Company and risks that the Company currently deems immaterial. Any one or more of these risk factors could have a material adverse effect on the Company's business, results of operations, financial condition and the value of its securities.

Nature of Mineral Exploration

Subject to any future expansion or other development, production from existing operations at the Company's mines will typically decline over the life of the mine. As a result, the Company's ability to maintain its current production or increase its annual production and generate revenues therefrom will depend significantly upon the Company's ability to discover or acquire and to successfully bring new mines into production and to expand reserves at existing mines. The exploration for and development of mineral deposits involves significant financial risks which even with a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a site. As a result, the Company cannot provide assurance that its exploration or development efforts will result in any new commercial mining operations or yield new mineral reserves to replace or expand current mineral reserves.

Mineral Resource and Mineral Reserve Estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve estimate is a function of the quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material effect in the future on the Company's financial position and results of operations.

The Company's gold production may fall below estimated levels as a result of mining accidents, adverse ground conditions, or as a result of other operational difficulties. In addition, production may be unexpectedly reduced if, during the course of mining, mineral grades are lower than expected, the physical or metallurgical characteristics of the minerals are less amenable than expected to mining or treatment, or dilution increases.

Safety, Health and Environmental Regulations

Safety, health and environmental legislation affects nearly all aspects of the Company's operations including exploration, mine development, working conditions, waste disposal, emission controls and protection of endangered and protected species. Compliance with safety, health and environmental legislation can require significant expenditures and failure to comply with such safety, health and environmental legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs resulting from contaminated properties, damages and the loss of important permits. Exposure to these liabilities arises not only from the Company's existing operations, but from operations that have been closed. The Company could also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurances that the Company will at all times be in compliance with all safety, health and environmental regulations or that steps to achieve compliance would not materially adversely affect the Company's business.

Safety, health and environmental laws and regulations are evolving in all jurisdictions where the Company has activities. The Company is not able to determine the specific impact that future changes in safety, health and environmental laws and regulations may have on its operations and activities, and its resulting financial position; however, the Company anticipates that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent safety, health and environmental regulation. For example, emissions standards are poised to become increasingly stringent. Further changes in safety, health and environmental laws, new information on existing safety, health and environmental conditions or other events, including legal proceedings based upon such conditions or an inability to obtain necessary permits, may require increased financial reserves or compliance expenditures or otherwise have a material adverse effect on the Company. Environmental and regulatory review is a long and complex process that can delay the opening, modification or expansion of a mine, extend decommissioning at a closed mine, or restrict areas where exploration activities may take place.

In 2018, Wesdome implemented a "**Fit For Duty Policy**" at its properties to better control drug and alcohol abuse. This policy apply to both the Company and the contractors employees.

Economic Conditions

General levels of economic activity and recessionary conditions may have an adverse impact on the Company's business.

Market events and conditions, including the deterioration of global economic conditions due to inflation and high interest rates have caused significant volatility to commodity prices. 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. There is a possibility of a world-wide recession.

Current business disruptions could impact our suppliers which in turn could impact the operating results of the Company. The normal operation and maintenance of the Company's assets may be halted or delayed and negatively impact the business, financial condition and results of operations of the Company.

The Company is also exposed to liquidity and various counterparty risks, including, but not limited to: (i) financial institutions that hold the Company's cash and cash equivalents; (ii) companies that have payables to the Company; (iii) the Company's insurance providers; (iv) the Company's lenders; (v) the Company's other banking counterparties; and (vi) companies that have received deposits from the Company for the future delivery of equipment and/or other operational inputs. The Company is also exposed to liquidity risks in meeting its capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favorable to the Company. As a result of this uncertainty, the Company's planned growth could either be adversely or positively impacted and the trading price of the Company's securities could either be adversely or positively affected.

Gold Price Volatility

The profitability of the Company's operations may be significantly affected by changes in the market price of gold. The economics of developing gold are affected by many factors, including the cost of operations, variations in the grade of ore mined and the price of gold. Depending on the price of gold, the Company may determine that it is impractical to commence or continue commercial production.

The price of gold fluctuates widely and is affected by numerous industry factors beyond the Company's control, such as the demand for precious metals, forward selling by producers and central bank sales and purchases of gold. Gold price is also affected by macro-economic factors, such as expectations for inflation, interest rates, the world supply of mineral commodities, the stability of currency exchange rates and global or regional political and economic situations. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political systems and developments. The price of gold has fluctuated widely in recent years, and future serious price declines could cause commercial production to be uneconomic.

Any significant drop in the price of gold adversely impacts the Company's revenues, profitability and cash flows. In addition, sustained low gold price may:

- (a) reduce production revenues as a result of cutbacks caused by the cessation of mining operations involving deposits or portions of deposits that have become uneconomic at the prevailing price of gold;
- (b) cause the cessation or deferral of new mining projects;
- (c) decrease the amount of capital available for exploration activities;
- (d) reduce existing reserves by removing ore from reserves that cannot be economically mined at prevailing prices; or
- (e) cause the write-off of an asset whose value is impaired by the low price of gold.

There can be no assurance that the price of gold will remain stable or that such prices will be at a level that will prove feasible to begin development of its properties, or commence or continue commercial production, as applicable.

Currency Fluctuations

Currency fluctuations may affect costs at the Company's operations. Gold is sold throughout the world based principally on the US dollar, however, the Company's reporting and functional currencies are the Canadian dollars. Any appreciation of the Canadian dollar against the US dollar could negatively affect the Company's profitability, cash flows and financial position.

Title Matters

The acquisition of title to mining claims and similar property interests is a detailed and time-consuming process. Title to and the area of mining claims and similar property interests may be disputed. The Company has investigated title to all of its material mineral properties and the Company believes that title to all of its material properties are in good standing; however, the foregoing should not be construed as a guarantee of title to those properties. Title to those properties may be affected by undisclosed and undetected defects. For example, certain properties may have been acquired in error from parties who did not possess transferable title, may be subject to prior unregistered agreements or transfers.

Community

The Company's goal at each of its operations is to hire as much as possible of its workforce, including management teams, directly from the local region in which the operation is located. In 2023, 85% of the Company's mine workforce is hired locally. Wesdome believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company works closely with neighbouring communities to develop alternative employment and business opportunities to help diversify local economies.

Aboriginal Rights and Duty to Consult

The Company operates and does exploration on properties, which are subject to Aboriginal rights or titles. The Company is committed to proactive and timely consultation with the Indigenous groups affected by its activities. Consultation has the potential to cause delays in making decisions or advancing new proposed projects. Further, there is no assurance that Indigenous groups will be supportive of the Company's activities following consultation. In Ontario, the Company is advised by the Provincial government as to the specific Indigenous groups the Company is required to consult with regarding its activities.

With respect to the Eagle River Complex, in 2014, the Company entered into a Memorandum of Understanding ("MOU") with Pic Mobert First Nation and in 2018 an MOU was signed with the Métis Nation of Ontario ("MNO"). In 2021, the MOU with MNO was renewed as a General Relationship Agreement. In 2020, the Company finalized an Exploration Agreement with Batchewana First Nation regarding exploration activities around the Eagle River Complex. On-going dialogue takes place between the Company and affected Indigenous groups.

The Company is advised by the Provincial government as to the specific Indigenous groups the Company is required to consult with regarding its activities.

Mining Risks and Insurance

The business of mining is generally subject to numerous risks and hazards, including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations, cave-ins, flooding and periodic interruptions due to inclement or hazardous weather conditions at its existing locations in Northwestern Ontario and Val d'Or, Quebec. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's insurance will not cover all the potential risks associated with its operations. In addition, although certain risks are insurable, the Company may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance covering the full scope of environmental risks (including potential for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available within the industry on commercially acceptable terms. The Company carries insurance to protect against certain risks in such amounts as it considers adequate. Risks either not insured or for which there is limited insurance would include, but not limited to, environmental pollution, mine flooding or other hazards against which such companies cannot insure or against which they may elect not to insure. Losses from uninsured events may cause the Company to incur significant costs.

The activities of the Company are subject to a number of challenges over which the Company has little or no control, but that may delay production and negatively impact the Company's financial results, including: increases in energy, fuel and/or other production costs; higher insurance premiums; industrial accidents; labour disputes; shortages of skilled labour; contractor availability; unusual or unexpected geological or operating conditions; stope failures; cave-ins of underground workings; and failure of dams. If the Company's total production costs per ounce of gold rise above the market price of gold and remain so for any sustained period, the Company may experience losses and may curtail or suspend some or all its exploration, development and mining activities.

Reclamation and Mine Closure Costs

The Company has obtained approval for its closure plans for the Eagle River Mill, Eagle River Mine, the Mishi-Magnacon Complex (collectively, "**Eagle River Complex**") and the Kiena Mine and surrounding properties and has provided financial security to cover estimated rehabilitation and closure costs. In the event of any future expansion or alteration of a mine on Eagle River Complex property or Kiena, Wesdome would likely be required to amend its closure plans which may require the provision of additional security.

The ultimate timing of, and costs for, future removal and site restoration could differ from current estimates. The Company's estimates for this future liability are subject to change based on amendments to applicable laws and legislation, the nature of ongoing operations and technological innovations.

In addition, regulatory authorities in various jurisdictions require Wesdome to post financial assurances to secure, in whole or in part, future reclamation and restoration obligations in such jurisdictions. Changes to the amounts required, as well as the nature of the collateral to be provided, could significantly increase the Company's costs, making the maintenance and development of existing and new mines less economically feasible, and any capital resources Wesdome utilizes for this purpose will reduce the resources available for its other operations and commitments. Although the Company accrues for future closure costs, it does not necessarily fully reserve cash in respect of these obligations or otherwise fund these obligations in advance. As a result, the Company may have significant cash costs when it is required to close and restore mine sites.

Dilution to Common Shares

As of December 31, 2023, there were stock options outstanding to purchase 1,540,529 common shares in the capital of the Company. The common shares issuable under these options, if fully exercised, would constitute approximately 1% of the Company's resulting share capital. The exercise of such options and the subsequent resale of such shares in the public market could affect the prevailing share market price and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional common shares and the Company may grant additional share purchase warrants and stock options.

The issuance of additional common shares from time to time may have a depressive effect on the price of the common shares of the Company. In addition, as a result of such additional common shares, the voting power of the Company's existing shareholders will be diluted.

Share Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price that would have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Additional Funding Requirements

Further exploration on, and development of, the Company's properties, will require additional capital. In addition, a positive production decision on any of the Company's development projects would require significant capital for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to either generate sufficient funds internally or to obtain financing through the joint venturing of projects, debt financing, equity financing or other means.

The Company does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Company on acceptable terms, or at all, for further exploration or development of its properties or projects, or to fulfill its obligations under any applicable agreements. Failure to obtain such additional funding or financing could result in the delay or indefinite postponement of the exploration and development of the Company's properties, with the possible dilution or loss of such interests.

Long Term Debt

The Company's ability to make scheduled payments on, or refinance its finance lease obligations, depends on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations.

Impairment of Assets

In accordance with IFRS, the Company capitalizes certain expenditures relating to its mineral projects. From time to time, the carrying amounts of mining properties and plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash generating unit level.

Events that could, in some circumstances, lead to an impairment include, but are not limited to, changes to gold price or cost assumptions, changes to Mineral Reserve or Mineral Resource grades or the Company's market capitalization being less than the carrying amounts of its mining properties and plant and equipment.

The assessment requires the use of estimates and assumptions such as, but not limited to, long-term gold prices, foreign exchange rates, discount rates, future capital requirements, Mineral Reserve and Mineral Resource estimates, operating performance as well as the definition of cash generating units. It is possible that the actual fair value could be significantly different from those assumptions, and changes in the assumptions will affect the recoverable amount. In the absence of any mitigating valuation factors, the Company's failure to achieve its valuation assumptions or a decline in the fair value of its cash generating units or other assets may, over time, result in impairment charges.

If the Company determines that an asset is impaired, the Company will charge against earnings any difference between the carrying amount of the assets and the estimated fair value less cost to sell those assets. Any such charges could have a material adverse effect on the Company's results of operations.

Reliance on Management

The Company is heavily reliant on the experience and expertise of its executive officers. If any of these individuals should cease to be available to manage the affairs of the Company, its activities and operations could be adversely affected.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities in its search for, and the acquisition of, mineral properties as well as the recruitment and retention of qualified employees with technical skills and experience in the mining industry. There can be no assurance that the Company will be able to compete successfully with others in acquiring mineral properties, obtaining adequate financing, and continuing to attract and retain skilled and experienced employees. Existing or future competition in the mining industry could materially adversely affect the Company's business and prospects for mineral exploration and success in the future.

Skilled Employees

Many of the projects undertaken by the Company rely on the availability of skilled labour and the capital outlays required to employ such labour. The Company employs full and part time employees, contractors and consultants to assist in executing operations and providing technical guidance. In the event of a skilled labour shortage, various projects of the Company may not become operational due to increased capital outlays associated with labour. Further, a skilled labour shortage could result in operational issues such as production shortfalls and higher mining costs.

Information Systems

Although the Company has not experienced any material losses to date relating to cyberattacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

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 Q4 2023.

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. Management used the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of the Company's internal controls for the year ended December 31, 2023. Based on this evaluation, management concluded that the Company's internal control over financial reporting was designed and operating effectively as at December 31, 2023 to provide reasonable assurance the financial information is recorded, processed, summarized and reported in a timely manner.

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 and year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, Wesdome's internal control over financial reporting.

Limitations of Controls and Procedures

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 Frederic Langevin, Eng, Chief Operating Officer of Wesdome, and Michael Michaud, P.Geol., Senior 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 release 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 - *Standards of Disclosure for Mineral Projects* (“**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.

We have made certain assumptions about the forward-looking statements and information, including assumptions around economic parameters relating to our Mineral Reserves and Mineral Resource estimates described in this MD&A. Even though our management believes that the assumptions made and the expectations represented by such statements or information are reasonable in the circumstances, there can be no assurance that the forward-looking statement or information will prove to be accurate. Many assumptions may be difficult to predict and are beyond the Company’s control.

Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors including those risk factors discussed in the sections titled “Cautionary Note Regarding Forward Looking Information” and “Risks and Uncertainties” in the Company’s most recent Annual Information Form. Readers are urged to carefully review the detailed risk discussion in our most recent Annual Information Form which is available on SEDAR+ and on the Company’s website.

There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management’s estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

RISK FACTORS

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