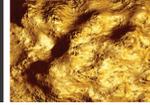


**Gowest**



**GOWEST GOLD LTD.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**for**  
**Directors, Officers, Employees and Consultants**

**February, 2012**

## **GOWEST GOLD LTD.**

### **CODE OF BUSINESS CONDUCT AND ETHICS**

All directors, officers, employees and consultants (unless the context otherwise requires, collectively referred to herein as “Employees”) of Gowest Gold Ltd. (the “Company”), are required to conduct business activities and operations in an ethical manner and in compliance with applicable laws, rules, regulations, Company policies, and the standards set forth in this Code of Business Conduct and Ethics (the “Code”).

It is the responsibility of each supervisor to ensure that the Employees under his or her supervision understand the laws and policies (including this Code) that apply to such Employees, to apply such policies fairly and consistently, and to respond appropriately to any inquiries or reports of suspected violations. It is the responsibility of all Employees to comply with this Code and all related policies.

Below, we discuss situations that require application of our fundamental principles and promotion of our objectives. If there is a conflict between this Code and a specific procedure, you should consult the CFO for guidance.

#### **Accounting Policies**

The Company will make and keep books, records and accounts, which in reasonable detail, accurately and fairly present the transactions and disposition of the assets of our Company. Accounting procedures and controls are prescribed by Company policies. Within these policies, the senior officers of the Company have the primary responsibility for establishing and monitoring adequate systems of internal accounting and controls, and all Employees. The Company’s management and auditors monitor and document compliance with these internal controls. Employees shall cooperate completely and forthrightly with the Company’s internal and independent auditors.

#### **Conflicts of Interest**

Employees, other than consultants, have a primary business responsibility to the Company and must avoid any activity that may interfere, or have the appearance of interfering or conflicting, with the performance of this responsibility. Business decisions must be based solely on the best interests of the Company, without regard to personal, family or other extraneous considerations.

Similarly, a consultant has an obligation to put the Company’s interests first while engaged in contracted projects. The consultant must use his position and access to the Company’s

information, assets and resources to primarily advance the Company's interests, without regard to incremental considerations.

Conflicts of interest can arise when an Employee's position or responsibilities with the Company present an opportunity for gain apart from the normal rewards of employment or engagement, as applicable. They can also arise when an Employee's personal or family interests are, or may be viewed as being, inconsistent with those of the Company and therefore as creating conflicting loyalties. Such conflicting loyalties can cause an Employee to give preference to personal interests, either internal or external, in situations where Company responsibilities come first.

No Employee may personally benefit from his or her employment with the Company except through compensation or other approved benefits (including Company securities) received directly from the Company. This prohibition does not apply to discounts offered by merchants that are generally available to all Employees of the Company.

The appearance of a conflict of interest can be as damaging to the Company as an actual conflict. Employees should conduct themselves at all times so as to avoid apparent conflicts. Any Employee who believes he or she may have a conflict of interest should disclose it immediately to, and seek guidance from their immediate supervisor, the CFO or the Company's outside Legal Counsel.

### **Corporate Opportunities**

No Employee may take personal advantage or obtain personal gain from an opportunity learned of or discovered during the course and scope of his or her employment or engagement, as applicable, when that opportunity or discovery could be of benefit or interest to the Company. Likewise, no Employee may use Company property, information or position for personal gain.

### **Confidentiality**

In the normal course of business, there will be instances in which Employees may be entrusted with confidential or privileged information. That information most often will involve facts, plans or other aspects of the Company's business that are not in the public domain and will, on occasion, involve information that has been entrusted to the Company by others with whom the Company has a relationship. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, if disclosed. Each of us should do our best to ensure that proprietary information is protected from unauthorized disclosure or inappropriate use.

### **Fair Dealing**

It is our policy that each Employee will endeavor to deal fairly with domestic or foreign public officials, suppliers, competitors and others. No one should take unfair advantage of another through improper manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other deceptive practice.

## **Protection and Proper Use of Company Assets**

Employees must protect the Company's assets and ensure their efficient use for legitimate business purposes. Each Employee is personally accountable for Company funds and property over which he or she has control, and for applying such funds and property to business (not personal) uses. No Company funds or other property shall be used for any unlawful purpose, such as to secure special privileges or benefits through the payment of bribes or other illegal payments.

No Employee may engage in any act that involves theft, fraud, embezzlement, misappropriation or wrongful conversion of any property, including Company property, regardless of whether or not such act could result in a criminal proceeding. This prohibition includes unauthorized use of the Company's communications equipment, computers and related facilities or other Company assets. The Company reserves the right to monitor the use of computers and the internet, phones, vehicles, copiers and printers, data sets, or any other proprietary or non-proprietary Company asset to ensure compliance with this policy.

While on Company business, Employees must also adhere to the Company travel policy, including all policies and procedures relating to expense reporting and reimbursement.

Employees working outside Canada must comply with all applicable tax and currency control laws of the principal country in which they work. No such Employee residing abroad shall be paid any commission or any other part of his or her compensation elsewhere than in his or her country of residence if the Company has knowledge that such payment would violate any local income tax or exchange control laws. The same goes for any payments to third parties for goods and services; no such payments should be made to a third party in a country other than that in which the party resides, maintains a place of business or has rendered the services for which payment is made if the company has knowledge that such a payment method would violate any local income tax or exchange laws.

## **Compliance with Laws, Rules and Regulations**

All Employees must comply with all applicable laws and regulations, and with the provisions of this Code. Ultimately, our conduct is our own responsibility. We should never commit dishonest, destructive, or illegal acts even if directed to do so by a supervisor or co-worker, nor should we direct others to act improperly.

In all our business relationships, we must comply with the domestic and foreign laws and regulations affecting our business. These laws include, but are not limited to, federal and provincial securities and business laws (including those of the applicable securities commissions in Canada), competition laws, export control and import laws, human rights laws, and environment, health & safety laws. It would be impossible to summarize here all the laws, rules and regulations with which the Company and its employees must comply. This Code refers to only a few of them but includes all of them.

Any Employee with questions about his or her obligations under applicable laws in Canada or any other country in which the Company conducts business should seek advice from his or her supervisor, the CFO or the outside Legal Counsel.

### **Securities and Insider Trading**

The Company is committed to complying with all federal and provincial securities laws and regulations. These laws, along with the rules of the TSX Venture Exchange, impose certain obligations on publicly held corporations and the persons associated with them. It is important that Employees in no way compromise the position of the Company with the disclosure (“leaking” or “tipping”) of non-public information to outsiders or to other Employees who do not require the information in the performance of their duties. No Employee with knowledge of non-public (“inside”) information should use the information for his or her own benefit. This means that no Employee may disclose non-public information to outsiders nor may they trade in Company securities when he or she has knowledge of material inside information except for regular purchases under the Company’s employee benefit plans.

“Material” information, generally speaking, is any information that an investor might consider important in deciding whether to buy, sell or hold securities. Examples of some types of material information are financial results, financial forecasts, possible mergers, acquisitions, joint ventures, other purchases or sales of or investments in companies, obtaining or losing important contracts, significant new or amended geological information, major litigation developments and major changes in business direction.

Information is considered to be “non-public” unless it has been adequately disclosed to the public. Examples of effective disclosure include public filings with securities regulatory authorities and issuance of press releases. The information must not only be disclosed; there must also be adequate time for the market as a whole to digest the information.

### **Disclosure and Public Communications**

The Company will apply standards of full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with or submitted to the applicable securities commissions in Canada and other government agencies.

External statements to the general public by the Company should be clear and consistent to ensure that the general public is accurately informed of the Company’s business positions. Therefore, all statements to the general public should be coordinated by the CEO and/or CFO. Similarly, all communications with investors or financial analysts should be coordinated through the CEO and/or CFO.

### **Community Support and Political Activities**

We believe in contributing to the well being of local and regional communities. Participation in community activities outside of business hours is respected and the Company encourages participation in programs to facilitate community volunteer work by Employees. However,

when participating in community activities that are not specifically sponsored by the Company, Employees are participating in their individual capacity and not as representatives of the Company, and should not give the impression that they are acting for the Company.

The Company complies fully with all federal, provincial, local and foreign laws governing the contribution of funds or assets to candidates for political office or to political parties.

The Company supports Employees' participation in the political process. However, Employees are prohibited from using their positions with the Company, or the Company's assets, to try to influence the personal decisions of others to contribute to, or otherwise support, political parties or candidates.

## **Safety and Health**

Workplace safety and health are paramount concerns and are conditions of employment or engagement, as applicable, at the Company. Employees must adhere to applicable health and safety laws and regulations and all related Company policies designed to ensure safe working conditions.

Employees are responsible for working safely and are expected to participate actively in training and in identifying and alerting management to potential hazards and unsafe practices.

The senior management of each operating location is responsible for adopting appropriate policies and procedures to ensure workplace safety in accordance with all applicable national and local laws, and for ensuring compliance with Company-wide policies regarding health and safety.

## **Employee Relations**

It is the Company's policy and practice not to discriminate against any individual because of race, color, religion, national origin, sex, sexual orientation, age, or physical or other disability. The Company desires to create a challenging and supportive environment where individual contributions and teamwork are highly valued. In order to establish such an environment, all individuals are responsible for supporting the Company's equal employment opportunity policies. Within each jurisdiction where the Company operates, it shall adhere to all applicable laws, including applicable employment laws.

## **Environmental**

The Company is committed to full compliance with national, provincial and local environmental laws and regulations at all operating facilities in Canada [and worldwide]. The Company's environmental obligations include, but are not limited to, obtaining and maintaining all environmental permits and approvals required for the conduct of the Company's operations, the proper handling, storage and disposal of regulated materials and timely and accurate submission of required reports to the proper government agencies.

Employees are expected to understand and act in accordance with their obligations under environmental laws, including any new or modified obligations as they are established. Employees must report suspected violations of those laws to their supervisors. It shall be the obligation of all supervisors to investigate any reported violation and to ensure that timely and effective remedial action is taken where appropriate.

### **Amendments and Modification of this Code**

There shall be no amendment or modification to this Code except by a vote of the Board of Directors or a designated board committee that will ascertain whether an amendment or modification is appropriate.

### **Compliance and Reporting (Whistleblowing Provision)**

The Company has appointed a committee (the “Corporate Governance Committee”) to ensure that this Code and the Company’s related policies will govern the business activities of all Company Employees. Any Employee who has questions about this Code or how it applies in particular circumstances is encouraged to seek guidance from his or her supervisor, the CFO or any member of the Corporate Governance Committee (or of the Audit Committee for matters related to Accounting, Controls, or Financial Disclosure).

Employees should report any suspected noncompliance with these policies to their supervisor, the CFO or any member of the Corporate Governance Committee (or of the Audit Committee for matters related to Accounting, Controls, or Financial Disclosure). The Company will promptly undertake an investigation into any report that it receives. The investigation will be sufficient in size and scope to address the report, and will be handled discreetly and with due sensitivity to all persons involved in the investigation. If requested, and to the extent possible, the Company will keep the identity of the reporting Employee and all disclosures made in accordance with this Code confidential. No Employee will be subject to any disciplinary or retaliatory action for reasonably and in good faith reporting any suspected violation.

If an employee or consultant believes that a supervisor to whom a suspected violation has been reported has not taken appropriate action, the employee or consultant should report their concerns or complaints in writing directly to:

Chief Financial Officer  
Gowest Gold Ltd.  
80 Richmond Street West, Suite 1400  
Toronto, Ontario, CANADA M5H 2A4  
(416) 363-1210

and/or to any member of the Corporate Governance Committee (or of the Audit Committee for matters related to Accounting, Controls, or Financial Disclosure). A list of the Company’s standing committees may be obtained by contacting the office. You may address your written complaint to any member of the Corporate Governance Committee (or of the Audit Committee

for matters related to Accounting, Controls, or Financial Disclosure) and send it to the following address:

Larry Phillips  
Corporate Governance Committee  
c/o Corporate Secretary  
80 Richmond Street West, Suite 1400  
Toronto, Ontario, CANADA M5H 2A4

Fraser Elliott  
Audit Committee  
c/o Corporate Secretary  
80 Richmond Street West, Suite 1400  
Toronto, Ontario, CANADA M5H 2A4

The complaint should be in writing so as to assure a clear understanding of the violation. The complaint should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment. The complaint describing an alleged violation of the Code should be candid and set forth all of the information that you know regarding the allegation or concern.

Any director who learns of or suspects violations of this Code, or other improper behaviour, will promptly advise the Chairman of the Corporate Governance Committee (or of the Audit Committee for matters related to Accounting, Controls, or Financial Disclosure) of the Board, who will conduct or direct an appropriate investigation. A report of the investigation will be provided to the Board of Directors and action will be taken, as appropriate.

The Board of Directors (and not the Corporate Governance Committee or the Audit Committee) is the only body authorized to waive compliance with this Code as it relates to any executive officer or director of the Company. With respect to the Company's Chief Executive Officer and Chief Financial Officer, the Board of Directors also has the authority to investigate (or supervise the investigation of) alleged violations of this Code and to determine the appropriate consequences for violations by such individuals.

### **Anonymous Reporting**

If you wish to report a suspected violation of this Code anonymously, you may contact do so. The Company will not disclose the identity of any Employee who reports a violation of this Code without his or her permission, unless disclosure is unavoidable during an investigation.

### **Compliance with this Code**

All Employees must follow the procedures outlined in this Code and cooperate with any investigation initiated pursuant to this Code. Adhering to this Code is a condition of employment or engagement, as applicable. The Company must have the opportunity to

investigate and remedy any alleged violations or concerns raised by Employees, and each Employee must ensure that the Company has an opportunity to undertake such an investigation.

This Code does not constitute a contractual commitment of the Company. This Code should not be construed as preventing, limiting, or delaying the Company from taking disciplinary action against any individual, up to and including termination, in circumstances (such as, but not limited to, those involving problems of performance, conduct, attitude, or demeanor) where the Company deems disciplinary action appropriate.

This Code in no way alters an employee's at-will employment status with the Company. Either the Company or an employee can terminate the employment relationship at the Company at any time, for any reason or no reason, with or without cause, warning, or notice.

## **GOWEST GOLD LTD.**

### **Insider Trading and Blackout Policy**

This memorandum sets forth the Corporation's policy on insider trading and trading blackouts in order to ensure the strict compliance by all insiders with the prohibition against insider trading.

#### **General Rule**

All those with access to material confidential information are prohibited from using such information in trading in the Corporation's securities until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated. In general, the Corporation has stipulated that a minimum of two clear trading days be allowed after the release of all such disclosures, including after the release of financial statements as well as certain black-out periods noted below.

This prohibition applies not only to trading in the Corporation's securities, but also to trading in other securities whose value may be affected by changes in the price of the Corporation's securities.

If an employee becomes aware of undisclosed material information about another public Corporation, the employee may not trade in securities of that other Corporation.

Insider trading is strictly regulated by the corporate and securities laws in Canada, as well as the TSX Venture Exchange.

#### **Insiders**

All directors, seniors officers and major shareholders (over 10%) of the Corporation are insiders and must file an initial report with the applicable securities commissions and with all other securities regulatory authorities in Canada upon acquiring any securities in the Corporation or upon becoming an insider (whichever last occurs) and to report all trades made in the securities of the Corporation within ten days of the day any trade is made. Trades include a change in nature of the ownership of the securities (e.g. a disposition to a company controlled by the insider or a determination that the securities are to be held in trust for another person). A "senior officer" is defined as:

- (a) a chair or vice-chair of the board of directors, the president, a vice-president, the secretary, the treasurer or the general manager of a company or any other individual who performs functions for an issuer similar to those normally performed by an individual occupying such office; and

- (b) each of the five highest paid employees of an issuer, including any individual referred to in clause (a).

Each person that is obligated to file a report is responsible for filing his or her own report.

### **“Special Relationship”**

Any person or company that is in a “special relationship” with the Corporation is prohibited from trading on the basis of undisclosed material information concerning the affairs of the Corporation. A person or company considered to be in a “special relationship” includes the following:

- (a) insiders;
- (b) affiliates or associates of the Corporation which include, for example, the Corporation’s subsidiaries and all employees, their spouses and other relatives that live with the employee;
- (c) a person or company proposing to make a take-over bid of the Corporation or to become a party to a reorganization, amalgamation or merger with the Corporation; and
- (d) a person involved in the provision of business or professional services for the Corporation, including employees.

Securities laws also prohibit “tipping” which is defined as communicating non-public material information, other than in the necessary course of business, to another person. All employees must ensure that they do not divulge such non-public information to any unauthorized person, whether or not such person may trade on the information. If in doubt about the need to disclose, the matter should be discussed with the President of the Corporation.

### **Speculation In Securities**

In order to ensure that perceptions of improper insider trading do not arise, insiders should not “speculate” in securities of the Corporation. For the purpose of this Policy, the word “speculate” means the purchase or sale of securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities. Speculating in such securities for a short term profit is distinguished from purchasing and selling securities as part of a long term investment program.

Insiders should not at any time sell securities of the Corporation short or buy or sell a call or put option in respect of securities of the Corporation or any of its affiliates.

## **Liability For Insider Trading**

Liability is imposed by the *Securities Act* (Ontario) (the “Act”) on certain persons who, in connection with the purchase or sale of securities, make improper use of material information that has not been publicly disclosed.

The relevant provincial securities legislation provides that persons who are in a special relationship with the Corporation and purchase or sell securities of the Corporation with knowledge of material information which has not been generally disclosed may be liable for damages to the person on the other side of the trade. In addition, any such person who informs or tips a seller or a purchaser of securities of confidential material information may be liable for damages. The purchaser, vendor or informer is also liable to account to the Corporation for his or her gain. Under the Act, a person could also be fined up to the greater of \$1,000,000 and three times any profit made and/or imprisoned for up to two years.

Please note that anyone who learns of material undisclosed information from any person in a special relationship with the Corporation is also considered to be in a special relationship with the Corporation.

## **What Is A Security?**

The definition of “security” includes shares, options, subscriptions or other interests in or to a security and includes puts, calls, or other rights or obligations to purchase or sell securities, the market price of which varies materially with the market price of the securities of the Corporation.

## **Trading Blackouts**

### **2. General**

A trading blackout prohibits trading:

- (a) before a scheduled material announcement is made;
- (b) before an unscheduled material announcement is made; and
- (c) for a specific period of time after a material announcement has been made.

Management will consider pending transactions to determine when to prohibit trading. In some cases, the prohibition on trading may occur as soon as discussions about a transaction begin. During blackout periods, the Corporation must also avoid discussions with analysts, private briefings and interviews to the maximum extent reasonable. An appropriate response (not involving disclosure of material and/or non-public information) should be developed ahead of meetings that cannot be avoided to handle questions about the information which is the subject of the blackout.

### **3. Pre-announcement Trading Blackout**

(a) Scheduled material announcements

All directors, officers and employees are prohibited from trading for a minimum of three trading days before the release of financial statements.

(b) Unscheduled material announcements

The Corporation will impose a blackout period if there is a pending undisclosed material development on all directors, officers and employees where they are prohibited from trading. The blackout period will commence at the time that the Corporation becomes aware of material undisclosed information.

4. **Post-announcement Trading Blackout**

The Corporation must allow the market time to absorb the information before directors, officers and employees can resume trading after the release of material information.

(a) Scheduled material announcements

All directors, officers and employees are prohibited from trading for two trading days after the release of financial statements.

(b) Unscheduled material announcements

All directors, officers and employees are prohibited from trading for two trading days after the announcement has been made.

The corporate disclosure manager of the Corporation will keep a record of the dates of all trading black-out periods and the reason for the black-out period.

5. **Contact Person**

Prior to initiating any trade in securities of the Corporation, a director or officer seeking to make the trade must contact the corporate disclosure manager or the Chief Financial Officer of the Corporation to determine whether or not they may complete the trade. Any such director or officer must state the number/type of securities, description of the proposed trade and the proposed date of trade. The corporate disclosure manager and/or Chief Financial Officer must approve or disapprove the transaction on behalf of the Corporation in accordance with the Insider Trading and Blackout Policy of the Corporation, subject to all applicable laws and the rules and regulations of the TSX Venture Exchange. The corporate disclosure manager shall also be responsible for monitoring and ensuring compliance with this Insider Trading and Blackout Policy.

