GOWEST AMALGAMATED RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED JANUARY 31, 2011

This management discussion and analysis (“MD&A”) of results of operations and financial condition of Gowest Amalgamated Resources Ltd. ("Gowest" or the "Company") describes the operating and financial results of the Company for the three months ended January 31, 2011. The MD&A supplements, but does not form part of the financial statements of the Company and should be read in conjunction with Gowest’s audited consolidated financial statements for the years ended October 31, 2010 and October 31, 2009. The Company prepares and files its financial statements in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”). All amounts are stated in Canadian dollars unless otherwise noted and gold is measured in fine troy ounces ("ounces").

Forward-looking Statements

Some statements contained in this MD&A are forward-looking, and therefore involve uncertainties or risks that could cause actual results to differ materially. Factors that could cause the Company's actual results, performance or achievements to be materially different from those that may be expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties such as those related to the nature of the mining industry, including risks related to development of mineral deposits, production costs and metal prices, exploration, development and operating risks, environmental and other regulatory requirements, international operations, water supply, new operation, production estimates, mineral reserves and resources, title matters, gold price volatility, competition, additional funding requirements, insurance, currency fluctuations, conflicts of interest, share trading volatility, and financial risks. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.
The Company disclaims any obligation to update forward-looking statements.

Date of MD&A

This MD&A is dated March 28, 2011.

Description of the Business and Going Concern

Gowest, directly and from time to time through joint ventures is in the business of exploring mineral properties that it believes contain mineralization that is, or will, in the future, be economically recoverable. To date, the Company has not earned significant revenues from mineral exploration and is considered to be in the development stage, as defined by CICA Accounting Guideline 11.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from dispositions of such properties. Changes in future conditions could require material write-downs of the carrying amounts of mineral properties.

Although the Company has taken steps to verify title to its mineral property interests, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The accompanying consolidated financial statements have been prepared in accordance with Canadian General Accepted Accounting Principles ("GAAP"), as applicable to a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of a mineral property. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited interim consolidated financial statements.

Outlook and Overall Performance

On December 15, 2010, the Company reported that with one exception, every hole drilled as part of the 2010 drill program within the currently defined mineralized envelope (775m strike at surface by 830m depth), has intersected gold. As a result of the Company`s confidence in the continuity within the deposit, management decided to aggressively expand the shallow drill program in 2011. Additional drill rigs were on site early in 2011, which better facilitated the company's efforts to confirm and expand the mineralized envelope at its Frankfield East deposit. In addition, the added equipment allowed this work to continue in parallel with the exploration of other previously undrilled high priority gold targets south of the Frankfield East deposit.

On December 22, 2010, the Company announced the closing of its brokered private placement through Salman Partners inc. Salman placed a total of 9,379,837 “flow-through” common shares for gross proceeds of $2,579,455. The gross proceeds of the offering will be used to fund exploration on the Frankfield gold project.

On January 26, 2011, the Company announced that its 2011 winter drilling program was underway at the Frankfield gold project. The drilling program includes: shallow drilling to infill the deposit down to about 300m, to upgrade inferred ounces to a measured and indicated category, medium depth drilling (approx. 400-600m) to fill in missing areas for resource expansion, deep drilling down to a depth of approximately 1,000m to define areas for resource expansion, and drilling high priority southern magnetic gold targets where a shallow drill will explore this alteration zone approximately 1km from Frankfield East Deposit

In addition to the drilling program, the Company completed additional metallurgical testing to refine processing alternatives for the Frankfield mineralization; continued working on the environmental baseline study to allow for future bulk sampling and mining, which included community engagement, and evaluation of site locations for a Frankfield processing facility.

For the three months ended January 31, 2011, the Company reported a loss of $366,873 and an accumulated deficit, as at January 31, 2011 of $5,278,573. As at January 31, 2011, the Company had $2,701,045 in cash and cash equivalents to fund exploration and meet contractual obligations.

As a result of continued positive drill results on the Frankfield East deposit, the Company decided to set a cut-off date of early March 2011 for incorporating these results into the new 43-101 resource update. The update is currently underway and scheduled for completion during the next fiscal quarter. In addition, the Company is engaged in preliminary economic assessment activities aimed at releasing the results mid 2011. The current drill program is focused on the completion of between 10,000 – 15,000 metres in the first half of 2011. Once completed the Company will update its exploration plans aimed at further expanding the mineralized envelope at the Frankfield East deposit and to explore other prospective gold targets within Gowest's growing claim area.

Involvement in Mineral Properties

On a quarterly basis, the management of the Company reviews exploration costs to ensure that deferred expenditures include only costs and projects that are eligible for capitalization.

For a description of the mineral properties owned by the Company, refer to Note 7 of the audited consolidated financial statements as at October 31, 2010. Specific changes to mineral properties that occurred from November 1, 2010 to January 31, 2011 are as follows:

(1) On December 1, 2010, the Company announced the completion of its acquisition of a 100% interest in the Dowe property in Tully Township adjacent to the Company's 100% owned Frankfield Gold Project. To complete the transaction, the Company paid $16,000 in cash, issued 70,000 common shares (valued at $18,200) of the Company and negotiated a 0.50% royalty at gold prices of less than US$950 per ounce or 0.75% royalty at gold prices equal to or greater than US$950 per ounce. The Company maintains an NSR buyout option valued at $125,000 for each 0.25% of the desired NSR.

(2) On January 6, 2011, the option agreement the Company entered into with Crown Minerals on November 20, 2009 to acquire 100% interest in 5 patented claims in Whitney Township was terminated and the ownership reverted back to the Company.

Private Placements and Shares Issued

On December 22, 2010, the Company completed a brokered private placement (the "Offering") for aggregate gross proceeds of $2,579,455. Pursuant to the Offering, the Company issued and sold 9,379,837 flow-through common shares of the Company. Share issue costs for the Offering amounted to $242,146.

On December 1, 2010, the Company issued 70,000 common shares of the Company for its acquisition of a 100% interest in the Dowe property in Tully Township.

All of the securities issued in connection with the private placement were subject to a four month hold period in accordance with applicable securities laws.

Stock Options

On November 3, 2010, the Company issued incentive stock options to consultants of the Company, totalling 250,000 options exercisable at $0.24 per common share, to expire on November 3, 2015. The fair value of the options was estimated to be $56,000 calculated using the Black Scholes valuation model using the following assumptions:

Risk-free interest rate	2.34%
Expected life of options	5 years
Annualised volatility	161.21%
Dividend rate	0.00%

On November 22, 2010, the Company issued incentive stock options to an investor relations consultant of the Company, totalling 100,000 options exercisable at $0.50 per common share to expire on November 22, 2013. The fair value of the options was estimated to be $20,000 calculated using the Black Scholes valuation model using the following assumptions:

Risk-free interest rate	1.57%
Expected life of options	3 years
Annualised volatility	179.35%
Dividend rate	0.00%

Warrants

During the three month period ended January 31, 2011, warrants of 2,530,357 with an average exercise price of $0.16 were exercised for proceeds of $399,429.

During the three month period ended January 31, 2011, 75,000 warrants expired unexercised.

Subsequent Events

On February 25, 2011, the Company granted a total of 2,575,000 options to purchase common shares of the Company to directors, officers and consultants at an exercise price of $0.325 per share, expiring on February 25, 2016.

In February 2011, a total of 133,181 warrants offset to expire December 17, 2011, were exercised for cash proceeds of $39,954.

In December 2010, the Company issued and sold a total of 9,379,837 flow-through common shares of the Company. Pursuant to the issuance of these shares the Company renounced $2,579,455 of qualified exploration expenditures with an effective date of December 31, 2010 in February 2011.

As at January 31, 2011, the Company had expended $210,523 related to these flow through funds and is required to expend the balance of $2,368,932 by December 31, 2011. The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Results of Operations

Three months ended January 31, 2011 compared with three months ended January 31, 2010

Gowest's operations for the three month period ended January 31, 2011 continued to be focused on the Company's drilling program, which was initiated in 2010. The Company reported a net loss of $366,873 for the three month period ended January 31, 2011 compared with a net loss of $39,569 in the prior year three month period ended January 31, 2010 and a net loss of $1,296,693 in the previous three month period ended October 31, 2010. The Company reported a comprehensive loss of $393,873 for the three month period ended January 31, 2011 compared to a comprehensive loss of $32,069 in the prior year three month period ended January 31, 2010 and a comprehensive loss of $1,241,193 in the previous three month period ended October 31, 2010.

The relative change in the comprehensive loss for the year-over-year period of $361,804 was primarily due to: i) higher general and administrative expenses of $303,927 as compared to $176,523 in the prior year period, the increase reflecting the Company's increase in consulting fees and shareholder communications as compared to the prior year period; ii) stock based compensation of $62,946 as compared to $nil in the prior year period; iii) loss on securities available for sale of $27,000 as compared to a gain of $7,500 in the prior year period reflecting the change in value on the investment held, offset by; iv) other income of $nil in the current year period as compared to $132,010 in the prior year period reflecting a write up in the carrying value of the Whitney Township property.

Gowest's cash position as at January 31, 2011 was $2,701,045 compared with $2,670,902 as at October 31, 2010 and $5,795,194 as at January 31, 2010.

Summary of Quarterly Results

The following tables set out financial performance highlights for the last eight quarters and were prepared in accordance with Canadian GAAP:

	First Quarter January 31, 2011	Fourth Quarter October 31, 2010	Third Quarter July 31, 2010	Second Quarter April 30, 2010
	$	$	$	$
Expenses	366,873	292,969	327,123	903,112
Net (loss) from operations	(366,873)	(292,969)	(327,123)	(903,112)
Interest income	-	5,126	7,117	8,978
Other income / (loss)	-	-	(6,300)	16,307
Future income taxes recovered	-	(1,008,850)	-	1,401,743
Net income / (loss)	(366,873)	(1,296,693)	(326,306)	523,916
Net income / (loss) per share, basic	(0.00)	(0.02)	(0.00)	0.01
Comprehensive income / (loss)	(393,873)	(1,241,193)	(411,056)	469,916
Cash flow from (used in) operations	(425,654)	(354,974)	(335,924)	(342,701)
Cash & cash equivalents, end of period	2,701,045	2,670,902	3,220,069	4,492,759
Assets	10,298,620	8,531,907	7,724,774	8,090,157
Future tax liabilities	651000	651,000	-	-

	First Quarter January 31, 2010	Fourth Quarter October 31, 2009	Third Quarter July 31, 2009	Second Quarter April 30, 2009
	$	$	$	$
Expenses	176,523	153,767	365,336	12,520
Net (loss) from operations	(176,523)	(153,767)	(365,336)	(12,520)
Write-down of mineral properties	-	(208,816)	-	-
Interest income	4,944	-	-	-
Other income	132,010	-	-	-
Net (loss)	(39,569)	(362,583)	(365,336)	(12,520)
Net (loss) per share, basic	(0.00)	(0.01)	(0.01)	(0.00)
Comprehensive income / (loss)	(32,069)	-	-	-
Cash flow from (used in) operations	192,065	(149,410)	(172,046)	(12,520)
Cash & cash equivalents, end of period	5,795,194	186,451	445,200	69,702
Assets	8,387,099	2,151,495	2,541,217	2,171,890
Future tax liabilities	1,401,743	-	-	-

Summary of Yearly Results

The following tables were prepared in accordance with Canadian GAAP:

	2010	2009	2008
Revenues	$26,165	-	18,540
Expenses	1,699,727	628,931	416,502
Net loss from operations	(1,673,562)	(628,931)	(397,962)
Write-down of mineral properties	-	(208,816)	(1,111,146)
Other income	142,017	-	69,141
Future income taxes recovered	(392,893)	-	254,861
Net income / (loss)	(1,138,652)	(837,747)	(1,185,106)
Net income (loss) per share, basic and diluted	(0.01)	(0.02)	(0.05)
Cash flow from (used in) operations	(841,534)	(431,284)	(377,441)
Cash & cash equivalents, end of period	2,670,902	186,451	363,357

Assets	8,531,907	2,151,495	1,376,765
Long term liabilities	-	-	-
Future tax liabilities	651,000	-	-

Liquidity and Capital Resources

The activities of the Company, which are primarily the acquisition, exploration and development of mineral properties that it believes contain mineralization are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that equity capital will be available to the Company in the required amounts, with acceptable terms or at the time required. See “Risk Considerations” below.

As at January 31, 2011, Gowest reported working capital of $2,847,947 ($1,965,307 as at October 31, 2010; $5,540,698 at January 31, 2010).

The Company reported a cash position of $2,701,045 as at October 31, 2010 ($2,670,902 as at October 31, 2010; $5,795,194 as at January 31, 2010).

Cash used in operating activities was $425,654 and cash used in investing activities was $2,294,441 for the three month period ended January 31, 2011, reflecting the mineral exploration and development expenditures.

Cash provided by financing activities was $2,750,238 for the three month period ended January 31, 2011 reflecting the net proceeds from the private placement and the exercise of warrants.

Commitments

Flow-through common shares require the Company to pay an amount equivalent to the proceeds of the issue on prescribed resource expenditures. If the Company does not incur the committed resource expenditures, it will be required to indemnify the holders of the shares for any tax and other costs payable by them as a result of the Company not making the required resource expenditures. As at January 31, 2011, the Company's remaining commitment with respect to unspent resource expenditures under flow-through common share agreements is approximately $2,368,932. The Company intends to fulfill all flow-through commitments and has until December 31, 2011 to spend these funds.

The Company is committed to minimum amounts under an operating lease agreement, which expires September 29, 2013. Minimum commitments remaining under this lease were approximately $52,000 including $18,000 due within one year.

Based on assumptions about future business development, revenues and costs, the Company may require additional equity financing for growth, which it believes it will be able to obtain through a combination of the exercise of existing options and warrants for the purchase of common shares and issue of new equity or debt instruments depending the Company’s requirements and market conditions.

Gowest currently does not have any credit facilities with financial institutions and is not anticipating a profit from operations, therefore it will rely on its ability to obtain equity financing for growth.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the three months ended January 31, 2011, the Company paid an officer for consulting services in the amount of $20,000 (January 31, 2010 - $7,000.)

These related party transactions are in the normal course of operations and are measured at the rate of consideration established and agreed to by the related parties.

Under the Offering that closed on December 22, 2010, a director and two officers of the Company subscribed for a total of 586,000 flow-through common shares.

Proposed Transactions

There are no material decisions by the board of directors of the Company with respect to any imminent or proposed transactions that have not been disclosed.

Critical Accounting Estimates

Critical accounting estimates represent estimates that are highly uncertain and for which changes in those estimates could materially impact the financial statements. The following accounting estimates are critical: the measurement of deferred income tax assets and liabilities and assessment of the need to record valuation allowances against those assets; valuation of options; and capitalized mining costs.

Costs relating to the acquisition, exploration and development of non-producing resource properties are capitalized until such time as either economically recoverable reserves are established or the properties are sold or abandoned. Based on the results at the conclusion of each phase of an exploration program, management re-evaluates properties that are not suitable as prospects to determine if future exploration is warranted, and that carrying values are appropriate. The decision to capitalize exploration expenditures and the timing of the recognition that capitalized exploration is unlikely to have future economic benefits can materially affect the reported earnings of the Company.

Change in Accounting Policy

Future accounting changes

International Financial Reporting Standards (“IFRS”)

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ended January 31, 2012.

IFRS Transition Plan

The Company has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Company’s progress and expectations with respect to its IFRS transition plan:

Initial analysis of key areas for which changes to accounting policies may be required	Complete
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives	Complete
Assessment of first-time adoption (IFRS 1) requirements and alternatives	Complete
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	In progress, completion expected during Q3 2011
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	In progress, completion expected during Q3 2011
Management and employee education and training	Throughout the transition process

Quantification of the Financial Statement impact of changes in accounting policies	Throughout fiscal 2011

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* (“IFRS 1”), which provides guidance for an entity’s initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS, effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has identified the following optional exemptions that it expects to apply in its preparation of an opening IFRS statement of financial position as at November 1, 2010, its transition date:

- To apply IFRS 2 *Share-based Payments* only to equity instruments issued after November 7, 2002, and that had not vested by the transition date.
- To apply IFRS 3 *Business Combinations* prospectively from the transition date, therefore not restating business combinations that took place prior to the transition date.
- To apply the transition provisions of IFRIC 4 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the transition date contain a lease based on the circumstances existing at that date.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ending January 31, 2012, the Company may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company’s opening IFRS statement of financial position as at the transition date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company’s Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Company's evaluation to date of potential changes to its accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company’s accounting policies on adoption of IFRS. At the present time, however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

1) Exploration and Evaluation Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties. The Company will make a final determination of its policy in this area during Phase 2.

The application of this policy on the adoption of IFRS would have a significant impact on the Company’s financial statements. On adoption of IFRS, the carrying value of the mineral resource properties would be reduced to zero (as at the transition date), with a corresponding adjustment to accumulated deficit. All subsequent exploration and evaluation costs will then be expensed as incurred until such time as it has been determined that a property has economically recoverable reserves.

2) *Impairment of (Non-financial) Assets*

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact on the carrying value of its assets. The Company will perform impairment assessments in accordance with IFRS at the transition date.

3) *Share-based Payments*

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

4) *Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences. However, the Company does not expect this change will have an immediate impact on the carrying value of its assets.

5) *Property and Equipment*

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

6) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes.

The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

• The Company’s MD&A for the 2011 interim periods and the year ended October 31, 2011, will include updates on the progress of the transition plan, and, to the extent known, further information regarding the impact of adopting IFRS on key line items in the annual financial statements.

• The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending January 31, 2012, which will include notes disclosing transitional

information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending January 31, 2012, will also include 2011 financial statements for the comparative period adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (at November 1, 2010).

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27-Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three month period ended January 31, 2011. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

RISK CONSIDERATIONS

Gowest's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effects on its financial performance, but there is no guarantee that the Company will be profitable in the future, and Gowest common shares should be considered speculative.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable. Financial instruments included in accounts receivable consist of goods and services tax due from the Federal Government of Canada and receivables from joint venture partners. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at January 31, 2011, the Company has cash and cash equivalents of $2,701,045 (January 31, 2010 - $5,795,194) and amounts receivable of $346,164 (January 31, 2010 - $36,160) to settle current liabilities of $225,764 (January 31, 2010 - $318,340). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The Company is also committed to incurring approximately $2,368,932 in Canadian exploration expenditures by December 31, 2011 as a result of its flow-through financings. The Company intends to fulfill all flow-through commitments.

All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company will continue to review its ongoing financial requirements to meet continued exploration and development plans.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk: Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and assets. In the normal course of business, the Company is exposed to prime interest rate fluctuations as a result of cash equivalents being invested in interest-bearing instruments. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is remote as investments have maturities of three months or less and the Company currently does not carry interest bearing debt at floating rates.

(b) Foreign currency risk: The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is remote.

(c) Price risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as it relates to gold, individual equity movements and the stock market to determine the appropriate course of action to be

taken by the Company. The Company's investment in Crown Minerals Inc. ("Crown Minerals") is subject to fair value fluctuations arising from changes in the equity and commodity markets.

Sensitivity analysis

The Company has designated its cash as held-for-trading, which is measured at fair value. Marketable securities are classified as available-for-sale, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at January 31, 2011, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

(i) The Company's cash equivalents are subject to a fixed interest rate at maturity. Management believes interest rate risk is minimal.

(ii) The Company's long-term investments amounting to $103,500 are subject to fair value fluctuations. As at January 31, 2011, if the fair value of the Company's long-term investments had decreased/increased by 100% with all other variables held constant, comprehensive loss for the twelve months ended October 31, 2010 would have been approximately $10,350 higher/lower. Similarly, as at January 31, 2011, reported shareholders' equity would have been approximately $10,350 lower/higher as a result of the 10% decrease/increase in the fair value of the Company's long-term investments.

The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

Commodity price risk is remote since the Company is not a producing entity.

MINERAL PROPERTIES

On a quarterly basis, the management of the Company reviews exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization

For a description of the mineral properties owned by the Company, refer to Note 7 of the audited consolidated financial statements as at October 31, 2010. Specific changes to mineral properties that occurred from November 1, 2010 to January 31, 2011 are as follows:

(1) On December 1, 2010, the Company announced the completion of its acquisition of a 100% interest in the Dowe property in Tully Township adjacent to the Company's 100% owned Frankfield Gold Project. To complete the transaction, the Company paid $16,000 in cash, issued 70,000 common shares (valued at $18,200) of the Company and negotiated a 0.50% royalty at gold prices of less than US$950 per ounce or 0.75% royalty at gold prices equal to or greater than US$950 per ounce. The Company maintains an NSR buyout option valued at $125,000 for each 0.25% of the desired NSR.

(2) On January 6, 2011, the option agreement the Company entered into with Crown Minerals on November 20, 2009 to acquire 100% interest in 5 patented claims in Whitney Township was terminated and the ownership reverted back to the Company.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

As at January 31, 2011, Gowest management, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that material information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Management of the Company is responsible for designing internal control over financial reporting or causing it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Canadian GAAP.

There are inherent weaknesses in the systems of internal control due to the small size of the company and its inability to segregate incompatible functions. The Company plans to remediate this weakness by expanding the number of individuals involved in the accounting function as the company incurs future growth.

Additional Disclosure for Venture Issuers without Significant Revenue

According to Gowest's Consolidated Mineral Properties and Deferred Expenditures as at January 31, 2011, accumulated costs related the Company's interest in mineral properties owned, leased, under consideration to be acquired or under option, were as follows:

	Acquisition cost	Deferred exploration	**January 31, 2011 Net book value**	October 31, 2010 Net book value
Frankfield Joint Venture, Ontario	1,225,000	5,718,076	**6,943,076**	5,409,792
Dowe Property, Ontario	34,200	-	**34,200**	-
	$ 1,259,200	$ 5,718,076	**$ 6,977,276**	$ 5,409,792

(For further detail, refer to Note 7 to the "Consolidated Statement of Mineral Properties" section of the Company's audited consolidated financial statements for the year ended October 31, 2010.)

Disclosure of Outstanding Share Data

Gowest shares are traded on the TSX Venture Exchange under the symbol GWA. As at January 31, 2011, there were: 96,256,105 common shares outstanding, 5,835,000 stock options outstanding with a weighted average exercise price of $0.23, expiring from 2011 to 2015 and 23,942,588 warrants outstanding with a weighted average exercise price of $0.30 expiring from June 2011 to December 2011.

Additional Information

Additional information relating to the Company is available on the Internet at the SEDAR website located at www.sedar.com and at http://www.gowestgold.com/index.html.