GOWEST GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2014

This management discussion and analysis ("MD&A") of the financial condition and results of operations of Gowest Gold Ltd. ("Gowest" or the "Company") describes the operating and financial results of the Company for the three months ended January 31, 2014. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. 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 unaudited condensed interim financial statements for the three months ended January 31, 2014 and the audited consolidated financial statements for the years ended October 31, 2013 and 2012, together with the notes thereto. The Company prepares and files its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise noted and gold is measured in fine troy ounces ("ounces").

On November 1, 2011, Gowest adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed interim financial statements for the three months ended January 31, 2014, have been prepared in accordance with International Accounting Standards. Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation.

Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of Gowest's properties to contain economic precious and base metal deposits; the Company's ability to meet its working capital needs for the next twelve-month period, or the foreseeable future; the plans, costs, timing and capital for future exploration and development of Gowest's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for precious and base metals; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Gowest's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, precious and base metal deposits, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to the Company's properties, the possibility that future exploration results will not be consistent with Gowest's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the precious and base metal and development industry, as well as those risk factors listed in the "Risks and Uncertainties" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Gowest's exploration and development activities; operating and exploration costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Gowest's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Date of MD&A

This MD&A is dated March 27, 2014.

Description of the Business and Going Concern

Gowest is an exploration and development stage resource company engaged in the exploration, development and acquisition of precious metals mineral properties. The Company is focused on the exploration and development of the North Timmins Gold Project ("NTGP"), which includes its wholly-owned Bradshaw gold deposit (formerly Frankfield East gold deposit). Gowest's 10,700-hectare (107 square kilometres) NTGP land package is located near Timmins, Ontario, in the Timmins Gold Camp, which, since its discovery in the early 1900's, has produced almost half of all the gold mined in Canada.

The Company's primary objective is to advance its Bradshaw gold deposit to production. It intends to continue to explore other prospective areas in the NTGP, particularly along the Pipestone fault. The Company also remains open to evaluating other potential opportunities to enhance shareholder value.

In addition to its focus on the exploration and development of its Bradshaw gold deposit, which represents approximately 50-hectare (0.5 square kilometre), the Company is exploring additional gold targets on the remainder of its land package. This land package generally surrounds, or is contiguous with, the Frankfield property and includes exploration interests along the largely undeveloped Pipestone Fault area of the Timmins Gold Camp, including a contiguous block of claims extending approximately 18 kilometres along the Pipestone Fault from the Bradshaw gold deposit southeast towards the Clavos deposit. The Company regularly evaluates the potential to increase its holdings in the vicinity of the Pipestone Fault, among other acquisition opportunities.

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 unaudited condensed interim 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.

First Quarter Highlights and Outlook

- On December 13, 2013, the Company reported that it had received the previously announced $750,000 royalty payment from Gold Royalties Corporation ("Gold Royalties") in exchange for (i) a 1.0% gross royalty interest on gold production from the NTGP, including Bradshaw; and (ii) a right-of-first refusal agreement with respect to future gold streams associated with the NTGP. This payment followed the completion of due diligence and a definitive agreement with Gold Royalties. On December 20, 2013, the Company announced that it would not be completing the previously announced second proposed royalty sale transaction.

- On December 20, 2013, Gowest announced that it had received an extension of up to six months with regard to the previously announced non-binding Letter of Intent ("the LOI") the Company had entered into with Kidd Operations, located in Timmins, Ontario. The plan is to refurbish the Division 'D' line of the mill at Kidd Operations to process Gowest's ore into a high-grade (+90 grams per tonne) gold concentrate. The proposed arrangement between the companies significantly reduces the cost and time to commercial production of the Bradshaw deposit. The LOI, which had been scheduled to terminate on or before December 31, 2013, was extended to on or before June 30, 2014. According to the terms of the LOI, as requested by management of the Kidd Operations, Gowest has completed a detailed concept engineering study for the mill refurbishment and is now advancing detailed mine planning, a feasibility study on the planned refurbishment as well as working on an advanced exploration permit application. However, a combination of the amount of technical work required as well as the economic restrictions Gowest – along with the majority of companies in the resource sector – continues to experience, led to this delay.

- On December 31, 2013, the Company completed a private placement for aggregate proceeds of $200,005. Pursuant to the offering, the Company issued and sold; (i) 1,400,000 units, at a price of $0.05 per unit, for gross proceeds of $70,000; and (ii) 2,363,727 flow-through units, at a price of $0.055 per flow-through unit, for gross proceeds of $130,005. Each unit and flow-through unit was comprised of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Corporation at a price of $0.08 to December 31, 2015.

- On January 20, 2014, the Company announced that it had signed a Memorandum of Understanding (MOU) with United Commodities AG (UC), which contemplates a potential strategic partnership that would enable Gowest to have future gold concentrate from Bradshaw refined at UC's processing facility in North Cobalt, Ontario. Gowest had agreed to provide UC's Yukon Refinery with gold concentrate test samples from Bradshaw. This would provide the primary basis for a decision to move forward, in which event, UC would install a new refinery on its North Cobalt facility, at its own cost, to refine Gowest's concentrate into gold doré. Gowest would also be invited to become a co-owner of this refinery. Also, under the terms of this MOU, UC would have the opportunity to invest in Gowest's mining operations. In addition, as previously announced Gowest had purchased the pressure autoclave and associated equipment that had been operating at Miramar Northern Mining Ltd.'s Con Mine near Yellowknife, Northwest Territories. This unit may make up part of Gowest's investment participation with UC.

- Gowest announced the amendment of its Option and Joint Venture Agreement with Transition Metals Corp. ("TMC") dated April 25, 2011. According to that agreement, Gowest can earn an initial 60% interest and up to a 75% interest in approximately 3,400 hectares (34 square kilometres) in the Porcupine mining district (the "Pipestone Property"). Specifically, TMC had agreed to extend the period during which Gowest can earn its initial 60% interest in the Pipestone Property by one year, in exchange for the issuance and payment to TMC of 100,000 common shares of Gowest. Gowest will now have until April 25, 2015 to satisfy its obligations to earn its initial interest in the Pipestone Property. (Note: See Subsequent Events)

- On February 4, 2014, the Company reported that 30 holes and 4,601 metres were completed during the 2013 drill program on the Bradshaw gold deposit. Infill drilling results provided the Company with greater confidence in the current mine development planning with spacing of 15-20 metres in select areas.

- The Company's application for its Advanced exploration permit is progressing well with the completion of a geo-environmental field investigation at the Bradshaw deposit.

Subsequent Events

On February 24, 2014, the Company issued 400,000 common shares to Transition Metals Corp. in respect of the Option and Joint-Venture Agreement and the amendment extending the terms of the earn-in period to April 25, 2015

On February 28, 2014, the Company granted 3,275,000 options to purchase common shares to directors, officers and consultants at an exercise price of $0.08 per share, expiring on February 28, 2019.

The Company issued 250,000 common shares to non-management directors of the Company as compensation. The aggregate deemed value of the shares were $12,500.

Selected quarterly information

The following tables set out certain financial performance highlights for the last eight quarters:

	First Quarter January 31, 2014	**Fourth Quarter October 31, 2013**	**Third Quarter July 31, 2013**	**Second Quarter April 30, 2013**
	$	$	$	$
Net (loss) from operations	(205,999)	(382,576)	(209,619)	(390,999)
Sale of royalty interests	-	300,000	-	-
Interest income/(expense)	528	1,116	723	4,885
Deferred income tax expense	-	(181,296)	-	-
Net income / (loss)	(205,471)	(262,756)	(208,896)	(386,114)
Net (loss) per share, basic	(0.00)	(0.00)	(0.01)	(0.00)
Comprehensive gain / (loss)	(205,471)	(262,756)	(216,396)	(389,864)
Cash flow (used in) operations	(317,487)	47,931	(90,017)	(619,402)
Cash & cash equivalents, end of period	589,091	146,185	698,449	1,387,610
Assets	16,546,671	16,769,369	16,690,659	16,817,342
Deferred tax liabilities	1,794,000	1,794,000	1,505,240	1,505,240

	First Quarter January 31, 2013	Fourth Quarter October 31, 2012	Third Quarter July 31, 2012	Second Quarter April 30, 2012
	$	$	$	$
Net (loss) from operations	(317,266)	(122,445)	(352,836)	(359,553)
Interest income (expense)	119	(3,803)	(2,175)	3,037
Other income (expense)	-	(1,108,106)	-	500,996
Net (loss)	(317,147)	(1,204,354)	(355,011)	144,480
Net (loss) per share, basic	(0.00)	(0.02)	0.00	0.00
Comprehensive (loss)	(320,897)	(1,211,854)	(347,511)	136,980
Cash flow (used in) operations	(75,832)	(221)	(453,321)	(763,893)
Cash & cash equivalents, end of period	2,583,687	676,538	1,106,674	1,210,205
Assets	17,381,319	14,756,349	14,646,715	14,414,253
Future tax liabilities	1,505,240	1,505,240	480,000	480,000

The following is a summary of selected audited financial information for the fiscal years of:

	2013	2012	(1) 2011
	$	$	$
Revenues	-	13,580	8,766
Expenses	1,300,460	1,319,348	2,334,718
Interest and other income/(expense)	306,843	(68,991)	-
Net loss from operations	(993,617)	(1,374,759)	(2,325,952)
Other	-	-	-
Future income taxes (expense) recovered	(181,296)	(607,110)	42,000
Net loss	(1,174,913)	(1,981,869)	(2,283,952)
Net loss per share, basic and diluted	(0.01)	(0.02)	(0.02)
Comprehensive loss	(1,189,913)	(1,895,619)	(2,383,702)
Cash flow from (used in) operations	(737,320)	(1,217,435)	(1,391,503)
Cash & cash equivalents, end of period	146,185	676,538	1,838,799
Assets	16,769,369	14,756,349	12,825,850
Future tax liabilities	1,794,000	1,505,240	480,000

(1) Adjusted to Reflect adoption of IFRS as of November 1, 2011.

Results of Operations

The Company's operations during the three month period ended January 31, 2014, produced a net and comprehensive loss of $205,471, as compared to a net loss and comprehensive loss of $317,147 and $320,897 respectively, for the comparable prior year period.

For the three months ended January 31, 2014, the Company's decrease in its comprehensive loss as compared to the prior year period was primarily due to: i) a decrease in overall general and administrative expenses, professional fees and investor relations expenses of $187,348 as compared to $269,345 in the prior year period reflecting lower legal, audit and consulting fees in the current year period, a reflection of the Company's cost reduction efforts; and ii) stock based compensation expense of $Nil in the current period as compared to $19,480 in the prior year period due to not issuing stock options in the current period.

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, 2014, and October 31, 2013, the Company reported a cash and cash equivalent position of $589,091 and $146,185, respectively and working capital of $429,028 and ($131,224) respectively.

The Company’s use of cash in operations activities was $317,487 and cash provided by investing activities was $577,085 for the three month period ended January 31, 2014, reflecting exploration and evaluation expenditures and the sale of the1% royalty.

The Company’s cash provided by financing activities was $183,308 for the three month period ended January 31, 2014, reflecting the net proceeds from the private placement of December 31, 2013.

Exploration and Evaluation Properties

According to Gowest’s Exploration and Evaluation Properties as at January 31, 2014, 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	Option Payments Received	**January 31, 2014 Net book value**	October 31, 2013 Net book value
	$	$	$	$	$
Frankfield Property	1,263,575	12,712,790	-	**113,942,165**	14,530,272
Pipestone Property	134,000	909,590	-	**1,043,590**	1,033,711
Tully Property	69,458	772,599	-	**842,057**	840,914
Whitney Property	16,800	60,768	(77,568)	**-**	-
	1,483,833	14,455,748	(77,568)	**15,827,813**	16,404,897

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 9 of the unaudited condensed interim financial statements as at January 31, 2014.

Commitments and Contingencies

On December 31, 2013, the Company issued a total of $130,005 in flow through common shares. As at January 31, 2013, the Company had expended approximately $45,000 related to these flow-through funds and is required to expend the balance of $85,005 by December 31, 2014. 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.

The Company is party to a management and a consulting contract. The contract contains clauses requiring additional payments of up to $396,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

The Company is committed to minimum amounts under an operating lease agreement, which expires July 31, 2018. Minimum commitments remaining under this lease are approximately $243,000, of which $40,500 are due within one year.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Related party transactions conducted in the normal course of operations are measured at the exchange value. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

During the three month period ended January 31, 2014, officers and directors of the Company subscribed for 2,272,727 units in the private placements for proceeds of $120,000 (January 31, 2013 – 1,100,000 units for proceeds of $121,000).

The amounts due to related parties are unsecured, non-interest bearing and due on demand.

The remuneration of directors and key management of the Company for the three month periods ended January 31:

	2014	2013
Aggregate cash compensation	$ 84,000	$ 81,000

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. (Refer to Note 2(m) of the audited financial statements). The following accounting estimates are critical:

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits.

Impairment of exploration and evaluation properties

While assessing whether any indications of impairment exist for exploration and evaluation properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation properties. Internal sources of information include the manner in which exploration and evaluation properties are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's exploration and evaluation properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation properties.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Flow-through shares

The Company periodically finances a portion of its exploration and evaluation activities through the issue of flow through shares, which transfers the tax deductibility of exploration expenditures to the investor (referred to as renunciation). Proceeds received on the issuance of such shares up to the value of similar non-flow through shares are credited to share capital and any difference between that amount and the issue price is recognized as a flow through share premium and recognized as a liability in the statement of financial position. Upon renunciation to the investor of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the liability previously recorded is reversed with any difference being recorded as a deferred tax recovery (expense). To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a recovery on the statement of loss. The related exploration costs are charged to exploration and evaluation properties.

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

Impact of Adopting IFRS on the Company's Accounting Policies

Effective the first quarter of 2012, the Company began preparing its financial statements in accordance with IFRS. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows are provided in Note 14, "Conversion to IFRS" of the audited consolidated financial statements. The Company has changed certain accounting policies to be consistent with IFRS. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(a) 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 have been changed to reflect these differences. There was no impact on the audited consolidated financial statements as there were no impairment indicators on the Transition Date.

(b) Decommissioning liabilities (asset retirement obligations)

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 have been changed to reflect these differences. There is no impact on the audited consolidated financial statements as there was no legal or constructive obligation on the Transition Date.

(c) Flow-through shares

On transition to IFRS, the Company has adopted a policy whereby proceeds from flow-through issuance are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A premium on flow through share liability is recognized for this difference. Upon renunciation to the investor of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the premium on flow through shares liability is reversed with any difference being recorded as a deferred tax recovery (expense). To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery. Previously, the Company's Canadian GAAP policy was to follow the recommendations of Emerging Issues Committee ("EIC") 146 with respect to the accounting for flow-through shares. This resulted in the Company reducing the net proceeds of the flow-through share issuance by the future tax liability of the Company resulting from the renunciation of the exploration expenditures in favour of the flow-through share subscribers.

(d) Expired stock options and warrants

Under Canadian GAAP, the Company's policy was to leave the value recorded for expired unexercised stock options and warrants in contributed surplus. On transition to IFRS, the Company elected to change its accounting policy for the treatment of expired stock options and warrants whereby amounts recorded for expired unexercised stock options and warrants are transferred to deficits.

(e) Share issue costs

Under IFRS, current and deferred taxes that arise from an item recorded directly in equity should also be recorded through equity, and not through net income (loss). Any remeasurement of an item recorded directly in equity that originally triggered the recognition of the current or deferred taxes is also recorded through the equity account and not through net income (loss); this concept is referred to as "backward tracing". Canadian GAAP does not allow backwards tracing on items recorded directly in equity. As a result of the difference between Canadian GAAP and IFRS related to backward tracing, a transitional adjustment is required to move future tax recoveries recorded on share issuance costs prior to the Transition Date from deficit to the capital stock account.

Subsequent Disclosures

New accounting standards and interpretations

Certain pronouncements were issued by the IASB ("International Accounting Standards Board") or the IFRIC ("International Financial Reporting Interpretation Committee") that are mandatory for accounting periods after November 1, 2012 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(a) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(b) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011 and will replace IAS 27 Consolidated and Separate Financial Statement and SIC 12 Consolidation – Special Purpose Entities. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

(c) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: joint operations and joint ventures. A joint operation exists when the parties have rights to the assets and obligations for the liabilities of a joint arrangement. A joint venture exists when the parties have rights to the net assets of a joint arrangement. Assets, liabilities, revenues and expenses in a joint operation are accounted for in accordance with the arrangement. Joint ventures are accounted for using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(d) IFRS 12 – Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(e) IFRS 13 – Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRS. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. It also establishes disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

(f) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20") was issued by the IASB in October 2011. This interpretation requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted.

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, 2014. 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:

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. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

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.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash and cash equivalents consist of cash, high interest savings accounts and certificates of deposit at select Canadian financial institutions, from which management believes the risk of loss to be remote. 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.

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, 2014, 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 floating interest rates. As at January 31, 2014, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the three month period ended January 31, 2014 would not have been significantly impacted. Management believes interest rate risk is minimal.

(ii) The Company's long-term investments amounting to $11,250 are subject to fair value fluctuations. As at January 31, 2014, if the fair value of the Company's long-term investments had decreased/increased by 10% with all other variables held constant, comprehensive loss for the three month period ended January 31, 2014 would have been approximately $1,100 higher/lower. Similarly, as at January 31, 2014, reported shareholders' equity would have been approximately $1,100 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 any 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.

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, 2014, 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 IFRS.

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.

Outstanding Share Data

Common Shares:

The Company has authorized and unlimited number of common shares and 1,500,000 special shares, redeemable, voting and non-participating. The Company has 162,844,818 shares issued and outstanding as of the date hereof.

Gowest shares are traded on the TSX Venture Exchange under the symbol GWA.

Share Purchase Warrants:

As of the date hereof, the Company has 18,500,429 common share purchase warrants outstanding with a weighted average exercise price of $0.13 expiring between December 22, 2013 and December 9, 2016.

Stock Options:

As of the date hereof, the Company has 12,995,000 options outstanding under the Company's stock option plan for employees, directors, officers and directors with a weighted average exercise price of $0.19 expiring from 2014 to 2019.

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.