GOWEST GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 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 and twelve months ended October 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 audited financial statements for the years ended October 31, 2014 and 2013, 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").

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 evaluation 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 exploration and evaluation , 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 evaluation 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 February 20, 2015.

Description of the Business and Going Concern

Gowest is in the business of exploring and evaluating properties that it believes contain mineralization that is, or will, in the future, be economically recoverable. The Company is focused on the exploration and evaluation 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 development. 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 evaluation 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.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in the development of a profitable mine. 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 evaluation, and the subsequent development of a mine 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 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 financial statements.

2014 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 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.

- During the year Gowest announced that it had received six month extension 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 current extension is for a six month period ended June 30, 2015. The plan is to refurbish the Division 'D' line of the mill at Kidd Operations to process Gowest's material from the Bradshaw 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. 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..

- 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.

- The Company is working towards submission of its Mine Closure Plan for Advanced Exploration to remove a bulk sample of up to 30,000 tonnes on the Bradshaw Gold Deposit. The Company's continues its consultation with the various communities in and around the project area.

- Gowest acquired two mining leases, 12 claim units covering 193 hectares, adjacent to the eastern portion of the Company's Bradshaw Gold Deposit on the Frankfield property. The properties were acquired pursuant to the terms and conditions of the purchase agreement with New Texmont in 2009. The additional property has strong geological potential and could enable the Company to extend the Bradshaw Gold Deposit's current 1.3 kilometre gold mineralization

- The Company completed the first tranche of a private placement on June 23, 2014 for aggregate proceeds of $921,000. Pursuant to the offering, the Company issued and sold 11,512,500 units, at a price of $0.08 per unit. Each unit 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 $0.11 to June 23, 2016. As part of the closing of the June 23, 2014 private placement, Fortune Future Holdings Limited ("Fortune") purchased 6,250,000 units representing an investment in the Corporation of $500,000. Fortune has agreed to purchase a further 36,250,000 units, at a price of $0.08 per unit, for additional gross proceeds to the Corporation of $2,900,000 in a second closing. On completion of a second closing Fortune will hold greater than 20% of the issued and outstanding common shares of the Corporation assuming exercise of its warrants.

- The Company completed the second tranche of a private placement on July 11, 2014 for aggregate proceeds of $179,000. Pursuant to the offering, the Company issued and sold 2,237,500 units, at a price of $0.08 per unit. Each unit 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 $0.11 to July 11, 2016.

- On September 30, 2014, the Company completed the second closing of a private placement with Fortune for aggregate proceeds of $2,900,000. Pursuant to the offering, the Company issued 36,250,000 units of the Company, at a price of $0.08 per unit. Each unit comprised of one common share and one common share purchase warrant with each warrant being exercisable to acquire one common share of the Company at a price of $0.11 to September 30, 2016. Shareholder approval was obtained at the special meeting of shareholders of the Company held on August 15, 2014. On completion of the closing Fortune holds 19.9% of the issued and outstanding common shares of the Corporation.

- The Company announced that it has engaged Stantec Consulting Ltd. to conduct a Pre-Feasibility Study and complete a National Instrument 43-101-compliant report for the development of the Corporation's Bradshaw Gold Project near Timmins, Ontario.

Subsequent Events

Subsequent to October 31, 2014, 310,000 options expired.

On November 7, 2014, the Company granted 400,000 options to purchase common shares at a price of $0.085 to a newly appointed director with an expiry date of November 7, 2019.

On December 19, 2014, 12,906,127 warrants with an exercise price of $0.14 expired.

On December 19, 2014, 1,730,575 warrants with an exercise price of $0.11 expired.

Selected quarterly information

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

	Fourth Quarter October 31, 2014	**Third Quarter July 31, 2014**	**Second Quarter April 30, 2014**	**First Quarter January 31, 2014**
	$	$	$	$
Net (loss) from operations	(495,189)	(193,369)	(437,677)	(205,999)

Interest income/(expense)	1,145	-	178	528
Deferred income tax recovery	227,000	-	-	-
Net income / (loss)	(268,895)	(193,369)	(437,499)	(205,471)
Net (loss) per share, basic	(0.01)	(0.01)	(0.00)	(0.00)
Comprehensive gain / (loss)	(163,895)	(194,119)	(437,499)	(205,471)
Cash flow (used in) operations	(90,709)	(493,538)	80,470	(317,487)
Cash & cash equivalents, end of period	2,538,587	361,084	114,710	589,091
Assets	19,988,797	17,196,959	16,655,985	16,546,671
Deferred tax liabilities	1,608,000	1,794,000	1,794,000	1,794,000

	Fourth Quarter October 31, 2013	**Third Quarter July 31, 2013**	**Second Quarter April 30, 2013**	**First Quarter January 31, 2013**
	$	$	$	$
Net (loss) from operations	(382,576)	(209,619)	(390,999)	(317,266)
Sale of royalty interests	300,000	-	-	-
Interest income (expense)	1,116	723	4,885	119
Deferred income tax expense	(181,296)	-	-	-
Net (loss)	(262,756)	(208,896)	(386,114)	(317,147)
Net (loss) per share, basic	(0.00)	(0.01)	(0.00)	(0.00)
Comprehensive (loss)	(262,756)	(216,396)	(389,864)	(320,897)
Cash flow (used in) operations	47,931	(90,017)	(619,402)	(75,832)
Cash & cash equivalents, end of period	146,185	698,449	1,387,610	2,583,687
Assets	16,769,369	16,690,659	16,817,342	17,381,319
Deferred tax liabilities	1,794,000	1,505,240	1,505,240	1,505,240

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

	2014	**2013**	**2012**
	$	$	$
Revenues	-	-	13,580
Expenses	1,222,710	1,300,460	1,319,348
Interest, other income/(expense)	(109,524)	306,843	(68,991)
Net loss from operations	(1,332,234)	(993,617)	(1,374,759)
Other	-	-	-
Future income taxes (expense) recovered	227,000	(181,296)	(607,110)
Net loss	(1,105,234)	(1,174,913)	(1,981,869)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.02)
Comprehensive loss	(1,000,984)	(1,189,913)	(1,895,619)
Cash flow from (used in) operations	(821,264)	(737,320)	(1,217,435)
Cash & cash equivalents, end of period	2,538,587	146,185	676,538
Assets	1,988,797	16,769,369	14,756,349
Deferred tax liabilities	1,608,000	1,794,000	1,505,240

Results of Operations

The Company's operations during the three and twelve month period ended October 31, 2014, produced a net loss of ($268,895) and ($1,105,234) respectively, as compared to a net loss of ($262,756) and ($1,174,913) respectively for the comparable prior year period. The Company reported a comprehensive loss of ($163,895) and ($1,000,984) for the three and twelve month period ended October 31, 2014, respectively as compared to a comprehensive loss of ($262,756) and ($1,189,913), respectively for the comparable prior year period.

For the three months ended October 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 realized loss on securities available for sale of $104,250.

For the twelve months ended October 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 realized loss on securities available for sale of $104,250, offset by ii) a decrease in general administrative expenses and professional fees of $82,582 reflecting lower legal, audit and consulting fees in the current year period, a reflection of the Company's cost reduction efforts, offset by an increase in stock based compensation reflecting the valuation of non-cash stock based compensation related to stock options issued during the year, and a non-cash write-down of long term investments of ($111,375).

Liquidity and Capital Resources

The activities of the Company, which are primarily the acquisition, exploration and evaluation 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 October 31, 2014, and October 31, 2013, the Company reported a cash and cash equivalent position of $2,538,587 and $146,185, respectively and working capital of $2,126,815 and ($131,224) respectively.

The Company's use of cash in operations activities was ($821,264) and cash used in investing activities was ($850,796) for the twelve month period ended October 31, 2014, reflecting exploration and evaluation expenditures offset by the sale of the1% royalty.

The Company's cash provided by financing activities was $4,064,462 for the twelve month period ended October 31, 2014, reflecting the net proceeds from the private placements during the twelve month period.

Exploration and Evaluation Properties

According to Gowest's Exploration and Evaluation Properties as at October 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	**October 31, 2014 Net book value**	October 31, 2013 Net book value
	$	$	$	$	$
Frankfield Property	1,263,575	14,104,102	-	**15,367,677**	14,530,272
Pipestone Property	164,000	873,330	-	**1,037,330**	1,033,711
Tully Property	69,458	816,504	-	**885,962**	840,914
Whitney Property	16,800	60,768	(77,568)	**-**	-
	1,513,833	15,854,704	(77,568)	**17,290,969**	16,404,897

As the Company is an entity engaged in and focused on exploration and development objectives, the following summary of deferred exploration expenditures provides expanded details about its performance:

	Twelve Months Ended October 31, 2014	Twelve Months Ended October 31, 2013
Acquisition and holding costs	30,000	20,369
Office, Camp, Engineering and support costs	1,209,519	1,292,291
Drilling	361,277	1,193,686
Royalty Sale	(750,000)	-

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 audited financial statements as at October 31, 2014.

Commitments and Contingencies

On December 31, 2013, the Company issued a total of $130,005 in flow through common shares. As at October 31, 2014, the Company had expended to a total of $130,005 related to these flow-through funds. 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 $456,000 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 two operating lease agreement, which expires July 31, 2018 and November 30, 2018. Minimum commitments remaining under this lease are approximately $557,831, of which $110,914 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.

The remuneration of directors and key management of the Company for the twelve month periods ended October 31:

		2014		2013
Aggregate cash compensation	**$**	**339,000**	$	368,000
Share based compensation	**$**	**210,900**	$	128,250

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 year ended October 31, 2014, officers and directors of the Company subscribed for 4,560,227 units in the private placements for proceeds of $291,000 (October 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.

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 evaluation 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

New accounting standards and interpretations adopted in the current year
The Company has adopted the following new standards, along with consequential amendments, effective November 1, 2013. These changes were made in accordance with the applicable transitional provisions.

(a) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011 and replaces 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. Adoption of this standard had no impact on the company's financial statements.

(b) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011 and replaced 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. Adoption of this standard had no impact on the company's financial statements.

(c) 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. Adoption of this standard had no impact on the company's financial statements.

(d) 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. Adoption of this standard had no impact on the company's financial statements.

(e) 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. Adoption of this standard had no impact on the company's financial statements.

New accounting standards and interpretations effective in future period

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after November 1, 2014 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 is being evaluated to determine the impact on the Company.

(i) IFRS 2 – Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

(ii) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 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.

(iv) IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

(v) IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

(vi) IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

(vii) IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

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 evaluation 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 years ended October 31, 2014. The Company is not 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 evaluation 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 October 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 twelve month period:

(i) The Company's cash equivalents are subject to floating interest rates. As at October 31, 2014, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended October 31, 2014 would not have been significantly impacted. Management believes interest rate risk is minimal.

(ii) The Company's available-for-sale investment in the common shares of Crown is subject to fair value fluctuations. As at October 31, 2014, if the bid price of the common shares of Crown had changed by 10% with all other variables held constant, the other comprehensive income for the year ended October 31, 2014, before tax would have been approximately $275 higher/lower and reported shareholders' equity would have been approximately $275 higher/lower.

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 October 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 an unlimited number of common shares and 2,000,000 special shares, redeemable, voting and non-participating. The Company has 212,844,818 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 53,863,727 common share purchase warrants outstanding with a weighted average exercise price of $0.11 expiring between December 2015 and December 2016.

Stock Options:

As of the date hereof, the Company has 11,990,000 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 2015 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.

GOWEST GOLD LTD.

Financial Statements

Years ended October 31, 2014 and 2013

Expressed in Canadian Dollars

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Gowest Gold Ltd.

We have audited the accompanying financial statements of Gowest Gold Ltd., which comprise the statements of financial position as at October 31, 2014 and 2013, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gowest Gold Ltd. as at October 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
February 19, 2015

GOWEST GOLD LTD.
Statements of Financial Position
In Canadian dollars

ASSETS		October 31, 2014		October 31, 2013
Current assets				
Cash and cash equivalents	$	**2,538,587**	$	146,185
Amounts receivable and other assets (Note 6)		**112,322**		144,635
Total current assets		**2,650,909**		290,820
Long term investments (Note 8)		**4,125**		11,250
Equipment (Note 7)		**42,794**		62,402
Exploration and evaluation properties (Note 9)		**17,290,969**		16,404,897
Total assets	$	**19,988,797**	$	16,769,369
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**524,094**	$	422,044
Total current liabilities		**524,094**		422,044
Deferred income taxes (Note 14)		**1,608,000**		1,794,000
Total liabilities		**2,132,094**		2,216,044
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		**21,122,150**		18,295,459
Reserves		**3,810,232**		2,964,561
		24,932,382		21,260,020
Accumulated deficit		**(7,075,679)**		(6,602,445)
Accumulated other comprehensive loss (Note 8)		**-**		(104,250)
		(7,075,679)		(6,706,695)
Total shareholders' equity		**17,856,703**		14,553,325
Total liabilities and shareholders' equity	$	**19,988,797**	$	16,769,369

Nature of operations and going concern (Note 1)
Commitments and Contingencies (Note 9 and 13)

APPROVED ON BEHALF OF THE BOARD

"Peter Quintiliani" Director

"C. Fraser Elliott" Director

The accompanying notes are an integral part of these financial statements.

GOWEST GOLD LTD.
Statements of Loss and Comprehensive Loss
For the years ended October 31, 2014 and 2013
In Canadian dollars

		2014		2013
Operating Expenses				
General and administrative (Note 11)	$	**(1,222,710)**	$	(1,300,460)
Sale of royalty interests (Note 9)		**-**		300,000
Writedown of long term investments (Note 8)		**(111,375)**		-
Interest and other income		**1,851**		6,843
Net loss before income taxes		**(1,332,234)**		(993,617)
Deferred income tax recovery (expense) (Note 14)		**227,000**		(181,296)
Net loss for the year		**(1,105,234)**		(1,174,913)
Unrealized loss on securities available for sale		**-**		(15,000)
Impairment of securities available for sale (Note 8)		**104,250**		-
Net comprehensive loss for the year	$	**(1,000,984)**	$	(1,189,913)
Basic and diluted (loss) per share	$	**(0.01)**	$	(0.01)
Weighted average number of common shares outstanding		**169,871,086**		154,505,092

The accompanying notes are an integral part of these financial statements

GOWEST GOLD LTD.

Statements of Changes in Equity

In Canadian dollars

Equity attributable to shareholders	**Share Capital**	**Reserves: Warrants**	**Reserves: Stock options**	**Accumulated other comprehensive**	**Accumulated deficit**	**Total equity**
Balance at October 31, 2013	**$ 18,295,459**	**$ 1,165,048**	**$ 1,799,513**	**$ (104,250)**	**$ (6,602,445)**	**$ 14,553,325**
Issued on private placements	**4,200,005**	**-**	**-**	**-**	**-**	**4,200,005**
Fair value of warrants issued	**(1,314,271)**	**1,314,271**	**-**	**-**	**-**	**-**
Share issue costs	**(135,543)**	**-**	**-**	**-**	**-**	**(135,543)**
Shares issued for compensation	**12,500**	**-**	**-**	**-**	**-**	**12,500**
Shares issued for exploration and evaluation property	**30,000**	**-**	**-**	**-**	**-**	**30,000**
Tax effect of share issue costs	**34,000**					**34,000**
Share-based payment	**-**	**-**	**238,400**	**-**	**-**	**238,400**
Expiration of warrants	**-**	**(569,460)**	**-**	**-**	**569,460**	**-**
Fair value of stock options expired	**-**	**-**	**(137,540)**	**-**	**137,540**	**-**
Tax effect of expiration of warrants					**(75,000)**	**(75,000)**
Net loss and comprehensive loss for the year	**-**	**-**	**-**	**104,250**	**(1,105,234)**	**(1,000,984)**
Balance at October 31, 2014	**$ 21,122,150**	**$ 1,909,859**	**$ 1,900,373**	**$ -**	**$ (7,075,679)**	**$ 17,856,703**
Balance at October 31, 2012	$ 16,207,611	$ 708,526	$ 1,927,662	$ (89,250)	$ (5,870,264)	$ 12,884,285
Issued on private placements	3,000,695	-	-	-	-	3,000,695
Issued for compensation on private placement	28,073	-	-	-	-	28,073
Premium on flow-through shares	(189,420)	-	-	-	-	(189,420)
Fair value of warrants issued	(505,448)	505,448	-	-	-	-
Fair value of compensation warrants issued	(79,264)	79,264	-	-	-	-
Fair value of warrants issued for exploration and evaluation		2,625	-	-	-	2,625
Share issue costs	(285,898)	-	-	-	-	(285,898)
Shares issued for compensation share issued	(28,073)	-	-	-	-	(28,073)
Fair value of stock options expired	-	-	(328,269)	-	328,269	-
Shares issued for compensation	45,000	-	-	-	-	45,000
Shares issued for exploration and evaluation properties	3,875	-	-	-	-	3,875
Tax effect of share issue costs	98,308	-	-	-	-	98,308
Share-based payment		-	200,120	-	-	200,120
Expiration of warrants		(130,815)	-	-	130,815	-
Tax effect of expiration of warrants	-	-	-	-	(16,352)	(16,352)
Net loss and comprehensive loss for the year	-	-	-	(15,000)	(1,174,913)	(1,189,913)
Balance at October 31, 2013	$ 18,295,459	$ 1,165,048	$ 1,799,513	$ (104,250)	$ (6,602,445)	$ 14,553,325

The accompanying notes are an integral part of these financial statements.

GOWEST GOLD LTD.
Statements of Cash Flows
In Canadian dollars

	October 31, 2014	October 31, 2013
Operating activities		
Net loss for the year	**$ (1,105,234)**	$ (1,174,913)
Items not affecting cash:		
Amortization	**19,608**	27,827
Writedown of long term investments	**111,375**	-
Share-based payment	**238,400**	200,120
Common shares issued for services	**12,500**	45,000
Deferred income taxes	**(227,000)**	181,296
	(950,351)	(720,670)
Changes in non-cash working capital items	**129,087**	(16,649)
Cash flows from operating activities	**(821,264)**	(737,319)
Investing activities		
Exploration and evaluation expenditures	**(1,600,796)**	(2,506,346)
Purchase of equipment	**-**	(1,485)
Sale of royalty	**750,000**	-
Cash flows from investing activities	**(850,796)**	(2,507,831)
Financing activities		
Proceeds from issue of capital stock and warrants	**4,200,005**	3,000,695
Transaction costs	**(135,543)**	(285,898)
Cash flows from financing activities	**4,064,462**	2,714,797
Increase (decrease) in cash and cash equivalents during the year	**2,392,402**	(530,353)
Cash and cash equivalents, beginning of year	**146,185**	676,538
Cash and cash equivalents, end of year	**$ 2,538,587**	$ 146,185
CASH AND CASH EQUIVALENTS ARE COMPOSED OF:		
Cash	**$ 2,436,530**	$ 75,509
Cash equivalents	**$ 10,207**	$ 70,676
SUPPLEMENTAL INFORMATION		
Change in non-cash working capital related to exploration and evaluation expenditures	**$ 5,276**	$ 31,923
Common shares issued for exploration and evaluation expenditures	**$ 30,000**	$ 3,875
Warrants issued for exploration and evaluation expenditures	**$ -**	$ 2,625
Units issued for share issue costs	$ -	$ 28,073

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Gowest Gold Ltd. ("Gowest" or the "Company") is in the business of exploring and evaluating 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 its activities. The address and registered office of the Company is 80 Richmond Street West, Suite 1400, Toronto, Ontario, Canada, M5H 2A4.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The recoverability of the amounts capitalized for exploration and evaluation 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 exploration and evaluation properties.

Although the Company has taken steps to verify title to its property interests, in accordance with industry standards for the current stage of exploration of such properties, 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 financial statements have been prepared on the going concern assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Due to continuing operating losses, the Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of property.

Accordingly, readers are cautioned that these financial statements do not reflect adjustments that would be necessary if the "going concern" basis were not appropriate. Changes in future conditions could require material write downs of the carrying value of certain assets.

These financial statements of the Company were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 19, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation

The functional currency of Gowest is the Canadian dollar. For the purpose of the financial statements, the results and financial position are expressed in Canadian dollars.

Transactions in currencies, other than the functional currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in the statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Financial instruments

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash	Loans and receivables
Cash equivalents	Fair value through profit or loss ("FVTPL")
Long-term investments	Available for sale

Financial liabilities:	**Classification:**
Amounts payable and accrued liabilities	Other financial liabilities

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

FVTPL

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss.

Available for sale

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classed in any other categories. Available-for-sale investments are carried at fair value at initial recognition. Changes to the fair value of available-for-sale investments are recognized in other comprehensive income. When available-for-sale investments are sold or impaired, the accumulated fair value adjustments recognized in accumulated other comprehensive income are included in the statement of loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of October 31, 2014 and October 31, 2013, other than cash equivalents and the available-for-sale investment, none of the Company's financial instruments are recorded at fair value on the statement of financial position based on their classification.

(d) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Exploration and evaluation expenditures

The Company is in the exploration and evaluation stage with respect to its investment in exploration and evaluation properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and evaluation of its interest in these properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned exploration and evaluation properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to an exploration and evaluation property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for interest in exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in profit and loss, costs recovered on exploration and evaluation properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration and evaluation expenditures are not expected to be recovered, it is charged to profit and loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

(f) Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks, and guaranteed investment certificates with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates that are available on demand by the Company for its programs. The Company does not invest in any asset-backed deposits/investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Vehicle	30%	Declining balance
Furniture and fixtures	20%	Straight line
Computer equipment	30%	Declining balance
Software	30%	Declining balance

An asset's residual value, useful life, and depreciation method are reviewed and adjusted, if appropriate, on an annual basis.

(h) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(i) Share based payment transactions

The fair value of share based payments to employees and non-employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of employee share based payments is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on an estimate of the forfeiture rate.

Share-based payments granted to non-employees are measured at the fair value of goods received unless that cannot be reasonably estimated in which case the fair value of the share-based payments are used. The measurement date is generally the date the goods or services are received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current. Deferred tax assets and liabilities are offset when there is a legally enforceable right to do so, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(k) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration and evaluation of a property interest. Such costs are discounted to their net present value using a risk-free rate and are provided for and expensed as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no material restoration, rehabilitation and environmental obligations as at October 31, 2014 and October 31, 2013, as the disturbance, to date, is minimal.

(l) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

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 may 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 behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Significant accounting judgments and estimates (continued)

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.

Contingencies – Refer to Note 13

(n) 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.

(o) New accounting standards and interpretations adopted in current year

The Company has adopted the following new standard, along with any consequential amendments, effective November 1, 2013. These changes were made in accordance with the applicable transitional provisions.

(i) IFRS 10 – Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011 and replaces 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. Adoption of this standard had no impact on the company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New accounting standards and interpretations adopted in current year (continued)

(ii) IFRS 11 – Joint arrangements ("IFRS 11") was issued by the IASB in May 2011 and replaces 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. Adoption of this standard had no impact on the company's financial statements.

(iii) 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. Adoption of this standard had no impact on the company's financial statements.

(iv) 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. Adoption of this standard had no impact on the company's financial statements.

(v) 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. Adoption of this standard had no impact on the company's financial statements.

(p) New accounting standards and interpretations effective in future period

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after November 1, 2014 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 has not yet been adopted and is being evaluated to determine the impact on the Company.

(i) IFRS 2 – Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) New accounting standards and interpretations effective in future period (continued)

(ii) IFRS 9 – Financial instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 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.

(iv) IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

(v) IAS 24 – Related Party Disclosures (“IAS 24”) was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

(vi) IAS 32 – Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

(vii) IAS 36 – Impairments of Assets (“IAS 36”) was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

3. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and evaluation of its properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be shareholders' equity, which comprises share capital, reserves, accumulated deficit and accumulated other comprehensive loss, which at October 31, 2014, totalled $17,856,704 (October 31, 2013 - $14,553,325).

The properties in which the Company currently has an interest are in the exploration and evaluation stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) minimizing discretionary disbursements;
(ii) reducing or eliminating exploration expenditures that are of limited strategic value; and
(iii) exploring alternative sources of liquidity.

In light of the above, the Company will attempt to explore and evaluate its properties, assess new properties and seek to acquire an interest in additional properties if the Company believes there is sufficient 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 appropriate. There were no changes in the Company's approach to capital management during the years ended October 31, 2014 and 2013. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Financial risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors.

(i) Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. 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. Management believes that the credit risk concentration with respect to the financial instruments included in cash and cash equivalents is remote.

4. FINANCIAL RISK FACTORS (CONTINUED)

(ii) 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 its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As of October 31, 2014, the Company had cash, cash equivalents and amounts receivable of $2,650,909 (October 31, 2013 - $290,820) to settle accounts payable and accrued liabilities of $524,094 (October 31, 2013 - $422,044). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in Note 1, the Company's ability to continually meet its obligations and carry out its planned exploration and evaluation activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) 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

The Company has cash and cash equivalents and no interest-bearing debt. The Company's current policy is to invest excess cash in high interest savings accounts and investment-grade certificates of deposit issued by its Canadian financial institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its Canadian financial institutions. Currently, the Company does not hedge against interest rate risk.

(b) Foreign currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. 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 minimal.

(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 they relate to gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. As the Company's mineral properties are in the exploration stage, the Company does not hedge against commodity price risk. The Company's long-term investment in Crown Mining Corp. (formerly Crown Gold Corporation) ("Crown") is subject to fair value fluctuations arising from changes in the equity and commodity markets.

4. FINANCIAL RISK FACTORS (CONTINUED)

Sensitivity analysis

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

(i) Cash equivalents are subject to floating interest rates. As at October 31, 2014, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended October 31, 2014 would have not had been significantly impacted.

(ii) The Company's available-for-sale investment in the common shares of Crown is subject to fair value fluctuations. As at October 31, 2014, if the bid price of the common shares of Crown had changed by 10% with all other variables held constant, the other comprehensive income for the year ended October 31, 2014, before tax would have been approximately $275 higher/lower and reported shareholders' equity would have been approximately $275 higher/lower.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at October 31, 2014 and October 31, 2013:

October 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	**$ -**	**$ 10,207**	**$ -**	**$ 10,207**
Long-term investments:				
- Investment in a public company	**4,125**	**-**	**-**	**4,125**
	$ 4,125	**$ 10,207**	**$ -**	**$ 14,332**

October 31, 2013	Level 1	Level 2	Level 3	Total
Cash equivalents	$ -	$ 70,676	$ -	$ 70,676
Long-term investments:				
- Investment in a public company	11,250	-	-	11,250
	$ 11,250	$ 70,676	$ -	$ 81,926

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	As at October 31, 2014	As at October 31, 2013
Financial assets:		
FVTPL		
Cash equivalents	**$ 10,207**	$ 70,676
Loans and receivables		
Cash	**2,528,380**	75,509
Available for sale financial asset	**4,125**	11,250
Financial liabilities:		
Other financial liabilities		
Amounts payable and accrued liabilities	**$ 524,094**	$ 422,044

As at October 31, 2014, and October 31, 2013, the fair value of the Company's loans and receivables and other financial liabilities approximate their estimated carrying values, due to their short-term nature.

6. AMOUNTS RECEIVABLE AND OTHER ASSETS

		As at October 31, 2014		As at October 31, 2013
Amounts receivable	**$**	**94,829**	$	91,855
Prepaid expenses		**17,493**		52,780
	$	**112,322**	$	144,635

7. EQUIPMENT

Cost	**Computer Equipment**	**Furniture**	**Vehicles**	**Software**	**Total**
Balance, October 31, 2012	6,536	26,441	96,491	61,689	191,157
Additions	-	-	-	1,485	1,485
Balance, October 31, 2013	6,536	26,441	96,491	63,174	192,642
Additions	**-**	**-**	**-**	**-**	**-**
Balance, October 31, 2014	**6,536**	**26,441**	**96,491**	**63,174**	**192,642**

Accumulated amortization	Computer Equipment	Furniture	Vehicles	Software	Total
Balance, October 31, 2012	3,871	12,199	54,731	31,612	102,413
Additions	709	5,288	12,149	9,681	27,827
Balance, October 31, 2013	4,580	17,487	66,880	41,293	130,240
Additions	**524**	**5,289**	**7,933**	**5,862**	**19,608**
Balance, October 31, 2014	**5,104**	**22,776**	**74,813**	**47,155**	**149,848**

Carrying value	Computer Equipment	Furniture	Vehicles	Software	Total
Balance, October 31, 2012	2,665	14,242	41,760	30,077	88,744
Balance, October 31, 2013	1,956	8,954	29,611	21,881	62,402
Balance, October 31, 2014	**1,432**	**3,665**	**21,678**	**16,019**	**42,794**

8. LONG-TERM INVESTMENTS

Long term Investment	Cost	Write-down	Accumulated Other comprehensive income adjustment	**October 31, 2014 estimated fair value**	October 31, 2013 estimated fair value
Crown Mining Corp - common shares [1]	$ 115,500	$ (111,375)	$ -	**$ 4,125**	$ 11,250

[1] 75,000 common shares of Crown. Crown consolidated its common shares on a basis of 10 pre-consolidated shares for each post-consolidation share on May 29, 2014. At October 31, 2014, it was determined that the Company's investment in the shares of Crown were impaired, and the unrealized losses in accumulated other comprehensive income, along with the loss for 2014, were reallocated to the statement of loss.

9. EXPLORATION AND EVALUATION PROPERTIES

October 31, 2014	**Acquisition Cost**	**Exploration and Evaluation**	**Option Payments Received**	**Net Book Value**
Frankfield Property [a] [c] [g]	**$ 1,263,575**	**$ 14,104,102**	**$ -**	**$ 15,367,677**
Pipestone Property[d]	**164,000**	**873,330**	**-**	**1,037,330**
Tully Property [e][f]	**69,458**	**816,504**	**-**	**885,962**
Whitney Property [b]	**16,800**	**60,768**	**(77,568)**	**-**
	$ 1,513,833	**$ 15,854,704**	**$ (77,568)**	**$ 17,290,969**

October 31, 2013	Acquisition Cost	Exploration and Evaluation	Option Payments Received	Net Book Value
Frankfield Property [a] [c]	$ 1,263,575	$ 13,266,697	$ -	$ 14,530,272
Pipestone Property[d]	134,000	899,711	-	1,033,711
Tully Property [e] [f]	69,458	771,456	-	840,914
Whitney Property [b]	16,800	60,768	(77,568)	-
	$ 1,483,833	$ 14,998,632	$ (77,568)	$ 16,404,897

The Company held a 1% NSR on three claims previously sold by Gowest in 2006 to Trade Winds Ventures Inc., which was subsequently sold to Detour Gold Corporation in 2011. Detour Gold Corporation has the right to purchase 50% of the 1% NSR for payment of $750,000 for a period of up to one year after declaration of commercial production. During the year ended October 31, 2013, the Company sold this 1% NSR for $300,000 in cash consideration.

On December 13, 2013, the Company received a $750,000 cash payment on the sale of a 1% gross royalty interest on future gold production from the Company's North Timmins gold project which is comprised of the Frankfield, Pipestone and Tully Properties.

9. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

(a) On March 6, 2009, Gowest acquired a 100% interest in the Frankfield project in Ontario. In consideration for New Texmont Exploration Ltd's ("New Texmont") 50% interest in the Frankfield project, the Company issued 15,000,000 common shares to New Texmont and also granted New Texmont a sliding scale Net Smelter Royalty (the "NSR") equal to 1% at gold prices less than US$950 per ounce and 1.5% at gold prices equal to or greater than US$950 per ounce. The Company may purchase the NSR at any time upon payment of $1,000,000 for each half percent (0.5%) of the NSR and will have a right of first refusal on any offer to purchase the NSR made by a third party. The Company will also make a one-time payment to New Texmont equal to the greater of $500,000 or 2,500,000 common shares of the Company upon a positive decision by the Company to place a mine into production and subject to satisfactory financing being committed to fully fund such mine development. In March 2014, the Company finalized an agreement to acquire two additional mining leases and claim units adjacent to the Bradshaw Gold Deposit, pursuant to the terms and conditions of the original purchase agreement from New Texmont.

On December 23, 2009, the Company announced it had entered into a definitive agreement with Goldcorp Canada Ltd. and Goldcorp Inc. (collectively "Goldcorp"), for the purchase of Goldcorp's properties in Tully Township adjacent to the Company's 100% owned Frankfield Project. Consideration for this acquisition included a 2% NSR derived from future production specifically from the Goldcorp leased claims, a 1% NSR derived from future production specifically from the Goldcorp unpatented claims and $100,000 in cash (paid). The Company will maintain an NSR buyout option for both the Goldcorp leased claims and Goldcorp unpatented claims valued at $500,000 for each 0.5% of the desired NSR. Goldcorp may elect not to sell the final 0.5% portion of its NSR. The transaction with Goldcorp was completed on February 12, 2010.

(b) On November 25, 2009, Crown entered into an option agreement with the Company to acquire 100% interest in 5 patented claims in Whitney Township, Ontario.

In consideration for the claims, Crown paid $20,000 in cash and issued 750,000 shares of Crown (valued at $115,500) and 750,000 warrants of Crown (valued at $90,750) to the Company. Each warrant will entitle the Company to purchase one common share of Crown for $0.15 within the first six months after date of issue, for $0.20 within the second six months after date of issue, and $0.25 in the second year after date of issue. The Company will retain a 2% net smelter returns royalty when the gold price is US$950 per ounce or less, and 3% when the gold price is greater than US$950 per ounce. Crown has the right to purchase 1% of the 3% of this royalty by paying Gowest $1,000,000 and then a further right to reduce the royalty to a 1% net smelter returns royalty regardless of the price of gold by paying the Company another $1,000,000.

The carrying value of Whitney Township was reduced by option proceeds received, net of costs. On January 6, 2011, this option agreement was terminated and ownership has reverted back to the Company.

(c) On December 1, 2010, the Company announced that it had completed its acquisition of a 100% interest in the Dowe property in Tully Township, Ontario adjacent to the Company's 100% owned Frankfield Gold Property. In consideration for this acquisition, the Company paid $16,000 in cash, issued 70,000 common shares (valued at $18,200) of the Company and agreed to a 0.5% NSR at gold prices of less than US$950 per ounce or 0.75% NSR 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 NSR.

9. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

(d) On April 26, 2011, the Company announced that it entered into an option and joint venture agreement (the "Option Agreement") with Transition Metals Corp. ("TMC") to explore and earn an interest in an additional 3,400 hectares in the Porcupine mining district in Ontario (the "Pipestone Property"). The Company can earn an initial 60% interest in the Pipestone Property by expending $1,000,000 on the property over a period of three years (subsequently amended on Feb 3, 2014 to a period of four years as noted below). The Company paid $100,000 cash and agreed to issue 400,000 common shares (100,000 issued and 300,000 to be issued on or before April 25, 2014) to TMC in order to acquire the initial interest. Upon earning an initial 60% interest in the Pipestone Property, Gowest may elect to earn an additional 15% interest in the Pipestone Property (bringing the total interest to 75%) by issuing to TMC an additional 150,000 common shares and expending an additional $2,000,000 on the Pipestone Property over a period of two years. Upon earning either a 60% or 75% interest, as applicable, a joint venture will automatically be formed between Gowest and TMC, pursuant to which the companies will continue to explore and develop the Pipestone Property as warranted. Should either party's joint venture interest be diluted below 10%, its interest will be converted to a 2% NSR.

On February 3, 2014, the Company and TMC amended the Option Agreement to provide a one year extension for the Company to meet the expenditure requirement as noted above for consideration of an additional 100,000 common shares of the Company.

In accordance with the terms of the amended Option Agreement, the Company has paid $100,000 in cash and issued 500,000 common shares (valued at $64,000) of the Company.

(e) On April 15, 2011, the Company purchased a property in the Township of Tully, Ontario (the "Tully Property") for $10,333 and issued 25,000 common shares (valued at $9,125) of the Company.

(f) On July 27, 2012, the Company acquired the Tully East Guidoccio Property in the Township of Tully, Ontario by issuing 200,000 common shares (valued at $25,000) of the Company.

(g) On June 26, 2014, the Company completed the acquisition of an autoclave pressure vessel for a cash consideration of $204,967.

10. SHARE CAPITAL

(a) Authorized capital

The number of authorized common shares is unlimited
2,000,000 special shares, redeemable, voting, non-participating

(b) Issued common shares

	No. of Shares	Amount
Balance, October 31, 2012	131,902,179	$ 16, 207,611
Private placement - units issued for cash(ii)	25,557,045	3,000,695
Private placement – agent's compensation units (ii)	255,207	28,073
Premium on flow through shares (ii)	-	(189,420)
Fair value of warrants issued (ii)	-	(505,448)
Fair value of compensation warrants issued (ii)	-	(79,264)
Share issue costs	-	(313,971)
Shares issued for compensation	666,660	45,000
Shares issued for exploration and evaluation properties (i)	50,000	3,875
Tax effect of share issue costs	-	98,308
Balance, October 31, 2013	158,431,091	$ 18,295,459
Private placement (iii) (v) (vi) (vii)	53,763,727	4,200,005
Share issue costs	-	(135,543)
Fair value of warrants issued (iii) (v) (vi) (vii)	-	(1,314,271)
Shares issued for compensation	250,000	12,500
Shares issued for exploration and evaluation properties (iv)	400,000	30,000
Tax effect of share issue costs	-	34,000
Balance, October 31, 2014	212,844,818	$ 21,122,150

(i) On November 30, 2012 and April 15, 2013, the Company issued a total of 50,000 common shares (valued at $3,875) and 50,000 warrants to purchase common shares of the Company at a price of $0.25 to certain First Nations groups pursuant to the agreement entered into in October 2011.

(ii) On December 19, 2012, the Company completed a private placement for aggregate proceeds of $3,000,695. Pursuant to the offering, the Company issued and sold: (i) 6,615,045 units, at a price of $0.11 per unit, for gross proceeds of $727,655; and (ii) 18,942,000 flow-through units, at a price of $0.12, for gross proceeds of $2,273,040. Each unit was comprised of one common share of the Company and one-half of one common share purchase warrant and each flow-through unit was comprised of one flow through common share of the Company and one-half of one warrant. Each warrant is exercisable to acquire one common share of the Corporation at a price of $0.14 to December 19, 2014. Upon closing, the agent and certain selling group members were paid a cash commission of $124,250 and issued 255,207 units for compensation valued at $28,073, based on the private placement unit price. In addition, the Company issued compensation warrants to purchase a total of 1,730,575 common shares of the Company at a price of $0.11 per share for a 24 month period following the closing of the private placement. The flow-through premium for this placement was estimated to be $189,420.

The grant date fair value of $442,338 was assigned to the 12,906,127 warrants issued as part of the offering as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 99%, risk-free rate of return 1.12% and an expected life of 2 years.

The grant date fair value of $74,415 was assigned to the 1,730,575 compensation warrants issued as part of the offering as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 99%, risk-free rate of return 1.12% and an expected life of 2 years.

10. SHARE CAPITAL (CONTINUED)

(b) Issued common shares (continued)

(iii) 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 Company at a price of $0.08 to December 31, 2015.

The grant date fair value of $61,183 was assigned to the 3,763,727 warrants issued as part of the offering as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 122%, risk-free rate of return 1.13% and an expected life of 2 years.

(iv) On February 24, 2014, the Company issued 400,000 common shares (valued at $30,000) to Transition Metals Corp. in respect of the Option Agreement and the amendment extending the terms of the earn-in period to April 25, 2015.

(v) On June 23, 2014, the Company completed a private placement for aggregate proceeds of $921,000. Pursuant to the offering, the Company issued and sold 11,512,500 units, at a price of $0.08 per unit. Each unit comprised of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of $0.11 to June 23, 2016.

The grant date fair value of $310,838 was assigned to the 11,512,500 warrants issued as part of the offering as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 127%; risk-free rate of return 1.10% and an expected life of 2 years.

(vi) On July 11, 2014, the Company completed a private placement for aggregate proceeds of $179,000. Pursuant to the offering, the Company issued and sold 2,237,500 units, at a price of $0.08 per unit. Each unit comprised of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of $0.11 to July 11, 2016.

The grant date fair value of $58,175 was assigned to the 2,237,500 warrants issued as part of the offering as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 126%; risk-free rate of return 1.10% and an expected life of 2 years.

(vii) On September 30, 2014, the Company completed a private placement for aggregate proceeds of $2,900,000. Pursuant to the offering, the Company issued and sold 36,250,000 units, at a price of $0.08 per unit. Each unit comprised of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of $0.11 to September 30, 2016.

The grant date fair value of $952,034 was assigned to the 36,250,000 warrants issued as part of the offering as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 128%; risk-free rate of return 1.13% and an expected life of 2 years.

10. SHARE CAPITAL (CONTINUED)

(c) Stock options

The Company has an incentive stock option plan that allows it to grant options to its employees, directors and consultants. The plan received shareholder re-approval on April 22, 2014. The plan allows the Company to grant options to acquire up to 10% of the issued and outstanding common shares. The plan provides that the exercise price of an option granted under the plan shall not be less than the market price at the time of granting the option. Options have a maximum term of 5 years, vest immediately upon issue, unless otherwise stated and terminate on the 30th day after the optionee ceases to be any of an employee, director or consultant of the Company.

The following table reflects the continuity of options as of October 31, 2014:

	Number of options	Weighted average exercise price ($)
Balance, October 31, 2012	8,685,000	0.26
Granted (1)	2,750,000	0.12
Expired	(1,715,000)	0.22
Balance, October 31, 2013	9,720,000	0.23
Granted (2)(3)	3,675,000	0.08
Expired	(1,495,000)	0.15
Balance, October 31, 2014	11,900,000	0.19

(1) During the year ended October 31, 2013, the Company granted options to purchase 2,750,000 common shares at a price of $0.12 per share for a period of five years, vested immediately. The fair value of the 2,750,000 options was estimated to be $200,120 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 150.89%; risk-free interest rate of 1.30% and an expected life of 5 years.

(2) On February 28, 2014, the Company granted 3,275,000 options to purchase common shares at a price of $0.08 per share for a period of five years, vested immediately. The fair value of the 3,275,000 options was estimated to be $209,600 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 131.42%; risk-free interest rate of 1.62% and an expected life of 5 years.

(3) On September 30, 2014, the Company granted 400,000 options to purchase common shares at a price of $0.085 per share for a period of five years, vested immediately. The fair value of the 400,000 options was estimated to be $28,800 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 111.67%; risk-free interest rate of 1.63% and an expected life of 5 years.

During the year ended October 31, 2014, $238,400 (October 31, 2013 - $200,120) was recorded as share-based payment in the statement of loss and comprehensive loss. The weighted average fair value on grant date, of the options granted during the year ended October 31, 2014 was $0.06 (2013 - $0.07). The weighted average remaining contractual life of the options outstanding at October 31, 2014 was 2.68 years (October 31, 2013 – 2.33 years).

10. SHARE CAPITAL (CONTINUED)

(c) Stock options (continued)

The following table reflects the options issued and outstanding as of October 31, 2014:

Expiry Date	Exercise price ($)	Number of Options Outstanding	Number of Options Exercisable
February 22, 2015	0.32	1,700,000	1,700,000
November 3, 2015	0.24	250,000	250,000
February 25, 2016	0.325	2,075,000	2,075,000
June 6, 2016	0.36	400,000	400,000
December 19, 2016	0.25	650,000	650,000
May 9, 2017	0.19	400,000	400,000
January 14, 2018	0.12	200,000	200,000
March 1, 2018	0.12	2,550,000	550,000
February 28, 2019	0.08	3,275,000	3,275,000
September 30, 2019	0.085	400,000	400,000
		11,900,000	11,900,000

(d) Warrants

The following table reflects the continuity of warrants as of October 31, 2014:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, October 31, 2012	14,647,490	0.24
Issued	14,686,702	0.14
Expired	(1,800,000)	0.35
Balance, October 31, 2013	27,534,192	0.18
Issued	53,763,727	0.11
Expired	(12,797,490)	0.22
Balance, October 31, 2014	68,500,429	0.11

10. SHARE CAPITAL (CONTINUED)

(d) Warrants (continued)

The following table reflects the warrants issued and outstanding as of October 31, 2014:

Number of Warrants	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date
12,906,127	0.14	442,338	December 19, 2014*
1,730,575	0.11	74,415	December 19, 2014*
25,000	0.25	500	October 15, 2016
3,763,727	0.08	61,183	December 31, 2015
25,000	0.25	2,125	December 2, 2016
25,000	0.25	5,250	December 6, 2016
25,000	0.25	3,000	December 6, 2016
11,512,500	0.11	310,838	June 23, 2016
2,237,500	0.11	58,175	July 11, 2016
36,250,000	0.11	952,034	September 30, 2016
68,500,429		1,909,859	

* Expired subsequent to year end.

11. GENERAL AND ADMINISTRATIVE

	Year ended October 31, 2014	Year ended October 31, 2013
Administrative	**$ 661,673**	$ 545,291
Professional fees	**113,803**	312,768
Investor relations	**134,472**	142,580
Shareholder communications	**36,432**	33,670
Share-based payments	**238,400**	200,120
Transfer agent and exchange fees	**18,322**	38,204
Amortization	**19,608**	27,827
	$ 1,222,710	$ 1,300,460

12. RELATED PARTY TRANSACTIONS

The remuneration of directors and key management of the Company for the year ended October 31:

	2014	2013
Aggregate cash compensation	$ 339,000	$ 368,000
Share based compensation	210,900	128,250

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Independent non-executive directors are not remunerated other than the benefits received, if any, from the granting of stock options. 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 year ended October 31, 2014, officers and directors and a former director of the Company subscribed for 4,560,227 units in the private placements for proceeds of $291,000 (October 31, 2013 – 1,100,000 units for proceeds of $121,000).

13. COMMITMENTS AND CONTINGENCIES

On December 31, 2013, the Company issued a total of $130,005 in flow through common shares. As at October 31, 2014, the Company had expended a total of $130,005 related to these flow-through funds, thus meeting its commitment. 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 $456,000 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 two operating lease agreements, which expire on July 31, 2018 and November 30, 2018. Minimum commitments remaining under this lease are approximately $557,831, of which $110,914 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.

14. INCOME TAXES

The following table reflects the major items causing the Company's income tax recovery to differ from the Canadian combined federal and provincial statutory rate of 26.5% (2013 – 26.5%).

	2014 $	2013 $
Loss before income taxes	(1,332,234)	(993,617)
Expected income tax (recovery) at statutory rates	(353,000)	(263,000)
Adjustment to expected income tax benefit:		
Stock-based compensation	63,000	53,000
Non-deductible amounts for tax purposes	1,000	1,000
Flow-through renunciation	102,000	674,000
Other	(40,000)	(283,704)
Deferred income tax (recovery) expense	(227,000)	181,296

The following table reflects deferred income tax assets (liabilities):

	2014 $	2013 $
Non-capital losses	414,000	385,000
Exploration and evaluation properties	(2,215,000)	(2,435,000)
Unclaimed share issue costs	147,000	215,000
Other temporary differences	46,000	41,000
Net deferred income tax (liabilities)	(1,608,000)	(1,794,000)

The Company has approximately $8,430,000 of Canadian development and exploration expenditures as at October 31, 2014, which under certain circumstances can be used to reduce the taxable income of future years. The Company has also incurred non-capital losses for income tax purposes of approximately $1,657,000 at October 31, 2014 which under certain circumstances can be used to reduce the taxable income of future years. These non-capital losses expire as follows:

Year of Expiry	Amount
2027	$ 82,000
2028	196,000
2029	483,000
2030	153,000
2031	310,000
2033	310,000
2034	123,000
	$1,657,000

15. SUBSEQUENT EVENTS

Subsequent to October 31, 2014, 310,000 options expired.

On November 7, 2014, the Company granted 400,000 options to purchase common shares at a price of $0.085 to a newly appointed director with an expiry date of November 7, 2019.

On December 19, 2014, 12,906,127 warrants with an exercise price of $0.14 expired.

On December 19, 2014, 1,730,575 warrants with an exercise price of $0.11 expired.