GOWEST GOLD LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED JULY 31, 2011

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

Forward-looking Statements

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

Date of MD&A

This MD&A is dated September 29, 2011.

Description of the Business and Going Concern

Gowest is an exploration and development stage mining company engaged in the exploration, development and acquisition of precious metals mineral properties, with a focus on the exploration and development of its Frankfield East gold deposit. The Company’s main asset is the North Timmins Gold Project which includes its 100% interest in the Frankfield East deposit which is located near Timmins, Ontario. The Timmins Gold Camp has been a substantial producer of gold since its discovery in the early 1900s.

The Company’s primary objective is to advance its Frankfield East deposit to production. It also intends to continue to explore areas surrounding the Frankfield property for additional resource opportunities.

In June, 2011, the Company announced a significant increase in estimated resources at its Frankfield East gold deposit from its previous resource of 510,000 inferred ounces (2,400,000 tonnes at a grade of 6.5 g/t Au). The updated resource estimate contains approximately 348,000 ounces of gold in the indicated category (1,621,000 tonnes at a grade of 6.68 g/t Au) and approximately 838,900 ounces of gold in the inferred category (4,342,000 tonnes at a grade of 6.01 g/t Au). The resource estimate was completed by ACA Howe International Limited and reported in accordance with National Instrument 43-101 –*Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and CIM (Canadian Institute of Mining, Metallurgy and Petroleum) Standards for Mineral Resources and Reserves.

In addition to its focus on the exploration and development of its Frankfield East deposit, the Company is also exploring additional gold targets on the remainder of its 6,000 hectare 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 20 kilometres along the Pipestone Fault from the

Frankfield East deposit southeast towards the Clavos deposit. The Company regularly evaluates potential acquisition targets in the vicinity of the Pipestone Fault, among other acquisition opportunities.

On April 4, 2011, the name of the Company was changed from Gowest Amalgamated Resources Ltd. to Gowest Gold Ltd. On March 29, 2011, the shareholders of the Company approved the name change at the annual and special meeting of the shareholders.

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

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

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

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

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

Third Quarter Highlights and Outlook

On June 1, 2011, the Company announced a significant increase in resources at its Frankfield East Gold Deposit from its previous resource of 510,000 inferred ounces (2,400,000 tonnes at a grade of 6.5 g/t Au). The updated resource contains approximately 348,000 ounces of gold in the Indicated category (1,621,000 tonnes at a grade of 6.68 g/t Au) and 838,900 ounces of gold in the inferred category (4,342,000 tonnes at a grade of 6.01 g/t Au). The resource estimate has been completed by ACA Howe International Limited ("ACA Howe") and reported in accordance with Canadian Securities Administration National Instrument 43-101 ("NI 43-101") requirements and CIM Standards on Mineral Resources and Reserves.

Frankfield East Gold Deposit – Resources

Category	Tonnes	Gold Grade (g/tonne)	Contained Gold Ounces
Indicated	1,621,000	6.68	348,000
Inferred	4,342,000	6.01	838,900

Resource estimate completed based on a cut-off grade of 3.0 g/t, and a minimum true thickness of 2.0 metres

The Frankfield East mineralization is contained within a series of parallel zones that extend into the host rock away from the main zone located adjacent to the geological contact structure. These parallel zones generally become less contiguous as the distance from the contact is increased. All of the indicated resource ounces and more than 85% of the total resource ounces are presently contained within the main zone area and the first two parallel structures.

A comprehensive geophysical and geochemical survey program is underway over the Company's extensive and growing land position that now extends for more than 60 square kilometres. This work is aimed at identifying additional Frankfield East style gold targets for exploration in the 2011/12 winter drilling season.

The Company is in the process of completing its preliminary economic assessment activities with the view towards releasing a Preliminary Economic Assessment in the fall of 2011. The Company completed the drilling of 14,000 metres in the first half of 2011 and expects to complete its plan on drilling a further 10,000 metres in the second half of 2011 to further expand the mineralized envelope at the Frankfield East deposit. To a lesser degree, the Company will continue to explore other undrilled high priority gold targets west and east of the Frankfield East deposit.

Selected quarterly information

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

	Third Quarter July 31, 2011	**Second Quarter April 30, 2011**	**First Quarter January 31, 2011**	**Fourth Quarter October 31, 2010**
	$	$	$	$
Expenses	451,669	1,161,504	366,873	292,969
Net (loss) from operations	(451,669)	(1,161,504)	(366,873)	(292,969)
Interest income	1,655	5,799	-	5,126
Other income / (expense)	-	-	-	-
Future income taxes recovered	-	-	-	(1,008,850)
Net (loss)	(450,014)	(1,155,705)	(366,873)	(1,296,693)
Net (loss) per share, basic	(0.00)	(0.01)	(0.00)	(0.02)
Comprehensive (loss)	(466,514)	(1,189,455)	(393,873)	(1,241,193)
Cash flow (used in) operations	(711,647)	(77,484)	(425,654)	(354,974)
Cash & cash equivalents, end of period	354,757	1,670,727	2,701,045	2,670,902
Assets	10,389,538	10,637,045	10,298,620	8,531,907
Future tax liabilities	1,295,864	1,295,864	651,000	651,000

	Third Quarter July 31, 2010	**Second Quarter April 30, 2010**	**First Quarter January 31, 2010**	**Fourth Quarter October 31, 2009**
	$	$	$	$
Expenses	327,123	903,112	176,523	153,767
Net (loss) from operations	(327,123)	(903,112)	(176,523)	(153,767)
Write-down of mineral properties		8,978	-	(208,816)
Interest income	7,117	16,307	4,944	-
Other income / (expense)	(6,300)	-	132,010	-
Future income taxes recovered	-	1,401,743	-	-
Net (loss)	(326,306)	523,916	(39,569)	(362,583)
Net (loss) per share, basic	(0.00)	0.01	(0.00)	(0.01)
Comprehensive income / (loss)	(411,056)	469,916	(32,069)	-
Cash flow from (used in) operations	(335,924)	(342,701)	192,065	(149,410)

Cash & cash equivalents, end of period	3,220,069	4,492,759	5,795,194	186,451
Assets	7,724,774	8,090,157	8,387,099	2,151,495
Future tax liabilities	-	-	1,401,743	-

Selected Annual Information

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

	2010	2009	2008
	$	$	$
Revenues	26,165	-	18,540
Expenses	1,699,727	628,931	416,502
Net loss from operations	(1,673,562)	(628,931)	(397,962)
Write-down of mineral properties	-	(208,816)	(1,111,146)
Other income	142,017	-	69,141
Future income taxes recovered	(392,893)	-	254,861
Net income / (loss)	(1,138,652)	(837,747)	(1,185,106)
Net income (loss) per share, basic and diluted	(0.01)	(0.02)	(0.05)
Cash flow from (used in) operations	(841,534)	(431,284)	(377,441)
Cash & cash equivalents, end of period	2,670,902	186,451	363,357
Assets	8,531,907	2,151,495	1,376,765
Long term liabilities	-	-	-
Future tax liabilities	651,000	-	-

Results of Operations

The Company's operations during the three and nine month period ended July 31, 2011 produced a net loss of $450,014 and $1,972,592, respectively as compared to a net loss of $326,306 and net income of $158,041, respectively for the comparable prior year period. The Company reported a comprehensive loss of $466,514 and $2,049,842 for the three and nine month periods ended July 31, 2011 compared with a comprehensive loss of $411,056 and comprehensive earnings of $26,791 in the prior year three and nine month periods ended July 31, 2010.

The Company's increase in its comprehensive loss for the three month period ended July 31, 2011 as compared to $55,458 for the same period last year was primarily due to: i) higher professional fees of $68,152 compared to $32,378 in the prior year period, reflecting the costs associated with the development of the Company's Frankfield deposit; ii) higher stock based compensation of $143,707 as compared to $Nil in the prior year period, reflecting the fair value of stock options vesting during the period; offset by iii) flow-through interest expense of $Nil in the current period as compared to $48,592 in the prior year period and; iv) unrealized loss on securities available-for-sale of $16,500 as compared to $84,750 in the prior year period reflecting the Company's adjustment to the carrying value of its long-term investment

The Company's increase in its comprehensive loss for the nine month period ending July 31, 2011 as compared to comprehensive earnings for the comparable prior year period of $2,076,633 was primarily due to; i) future income tax recovery of $nil in the current year period as compared to the recognizing of $1,401,743 in future income taxes recovered due to the foregone tax benefit upon the renouncement of the flow through share agreements in the prior year period; ii) general and administrative expenses of $671,423 in the current period as compared to $473,882 and professional fees in the prior year period and professional fees of $142,276 in the current period as compared to $63,234 in the prior year period, the increase reflects the costs associated with the development of the Company's Frankfield deposit; iii) $1,015,696 in stock based compensation expenses in the current year period as compared to $708,079 in the prior year period; offset by iv) other income of $Nil in the current year period as compared to $142,017 in the prior year period; and v) unrealized loss on securities available-for-sale of $77,250 as compared to $131,250 in the prior year period reflecting an adjustment to the carrying value of its long-term investment.

Liquidity and Capital Resources

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

As at July 31, 2011 and 2010, the Company reported a cash position of $354,757 and $2,670,902 and had working capital of $288,381 and $1,965,307.

The Company’s use of cash in operating activities was $1,214,785 and cash used in investing activities was $4,535,561 for the nine month period ended July 31, 2011 reflecting the mineral exploration and development expenditures.

The Company’s cash provided by financing activities was $3,434,201 for the nine month period ended July 31, 2011 reflecting the net proceeds from the private placement and the exercise of warrants.

Mineral Properties

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

	Acquisition cost	Deferred exploration	Option Payments Received	**July 31, 2011 Net book value**	October 31, 2010 Net book value
	$	$	**$**	**$**	**$**
Frankfield Joint Venture, Ontario	1,225,000	8,265,928	-	**9,490,928**	5,409,792
Whitney Township, Ontario	16,800	60,768	(77,568)	**-**	-
Dowe Property, Ontario	34,200	-		**34,200**	-
Pipestone Property, Ontario	84,000	-		**84,000**	-
Tully Property, Ontario	19,458	-		**36,118**	-
	1,379,458	8,326,696	(77,568)	**9,628,586**	5,409,792

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

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

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

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

On April 26, 2011, the Company announced that it has 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 3400 hectares in Porcupine mining district (the "Pipestone Property"). The Company can earn an initial 60% interest in and to the Pipestone Property by expending $1,000,000 on the property over a period of three years. The Company is also required to pay $100,000 cash ($50,000 immediately and $50,000 within 12 months) and to issue 400,000 common shares (100,000 immediately and 300,000 within three years) 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% Net Smelter Royalty. In accordance to the terms of the Option Agreement, the Company paid $50,000 in cash and issued 100,000 common shares (valued at $34,000) of the Company during the quarter ended April 30, 2011.

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

Subsequent Events

(i) On August 12, 2011, the Company closed its previously announced private placement (the "Offering"). Pursuant to the Offering, the Company issued and sold: (i) 7,022,930 flow-through common shares of the Company, at a price of $0.285 per share, for aggregate gross proceeds of $2,001,535; and (ii) 3,600,000 units ("Units") of the Company, at a price of $0.25 per Unit, for aggregate gross proceeds of $900,000. Each Unit is comprised of one common share and one-half of one common share purchase warrant of the Company, with each whole common share purchase warrant being exercisable to acquire one additional common share of the Company at a price of $0.35 any time on or prior to 5:00 p.m. (Toronto time) on August 12, 2013. Upon completion of the Offering, the agent received $152,000 cash commission in respect of the Offering.
The securities issued in connection with the Offering have a hold period expiring December 13, 2011.

(ii) On September 7, 2011, 200,000 stock options with an exercise price of $0.50 per option expired unexercised.

Commitments and Contingencies

Flow-through common shares require the Company to pay an amount equivalent to the proceeds of the issue on prescribed resource expenditures. If the Company does not incur the committed resource expenditures, it will be required to indemnify the holders of the shares for any tax and other costs payable by them as a result of the Company not making the required resource expenditures. As at July 31, 2011, the Company had expended all of the $2.5 million related to flow-through funds raised in December 2010 and has no expenditure commitment outstanding 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 committed to minimum amounts under an operating lease agreement, which expires September 29, 2013. Minimum commitments remaining under this lease were approximately $42,000 including $18,000 due within one year.

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

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the three and nine months ended July 31, 2011, the Company paid an officer for consulting services in the amount of $24,000 and $68,000 respectively (three and nine months ended July 31, 2010 - $18,000 and $34,000).

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

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

Proposed Transactions

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

Critical Accounting Estimates

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

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

Change in Accounting Policy

Future accounting changes

International Financial Reporting Standards ("IFRS")

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

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

IFRS Transition Plan

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

Initial analysis of key areas for which changes to accounting policies may be required	Complete

Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives	Complete
Assessment of first-time adoption (IFRS 1) requirements and alternatives	Complete
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	In progress, completion expected during Q4 2011
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	In progress, completion expected during Q4 2011
Management and employee education and training	Throughout the transition process
Quantification of the Financial Statement impact of changes in accounting policies	Throughout fiscal 2011

First-time adoption of IFRS

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

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

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

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

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

Impact of Adopting IFRS on the Company's Financial Statements

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

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

1) *Exploration and Evaluation Expenditures*

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

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

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

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

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

3) *Share-based Payments*

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

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

4) *Asset Retirement Obligations (Decommissioning Liabilities)*

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

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

5) *Property and Equipment*

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

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

6) *Income Taxes*

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

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

Subsequent Disclosures

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

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

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

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

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

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

Capital Management

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

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

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

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

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

RISK CONSIDERATIONS

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

Financial Risk Factors

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

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

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

Market risk

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

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

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

(c) Price risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as it relates to gold, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. The Company's investment in Crown Minerals Inc. ("Crown Minerals") is subject to fair value fluctuations arising from changes in the equity and commodity markets.

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

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

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

(ii) The Company's long-term investments amounting to $53,250 are subject to fair value fluctuations. As at July 31, 2011, if the fair value of the Company's long-term investments had decreased/increased by 10% with all other variables held constant, comprehensive loss for the nine months ended July 31, 2011 would have been approximately $5,325 higher/lower. Similarly, as at July 31, 2011, reported shareholders' equity would have been approximately $5,325 lower/higher as a result of the 10% decrease/increase in the fair value of the Company's long-term investments.

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

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

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

Internal Control Over Financial Reporting

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

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

Outstanding Share Data

Common Shares:

The Company has authorized and unlimited number of common shares and 1,500,000 special shares, redeemable, voting and non-participating. The Company has 98,972,420 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 21,924,497 common share purchase warrants outstanding with a weighted average exercise price of $0.30 expiring December 17, 2011.

Stock Options:

As of the date hereof, the Company has 8,785,000 options outstanding under the Company's stock option plan for employees, directors, officers and directors with a weighted average exercise price of $0.26 expiring from 2012 to 2016.

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.

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