GOWEST GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED OCTOBER 31, 2016

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, 2016. 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, 2016 and 2015, 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 17, 2017.

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 10,942-hectare (109 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 and increase the resource through exploration in the NTGP. The Company also remains open to evaluating other potential opportunities to enhance shareholder value.

In addition to its focus on 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.

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.

2016 Highlights

- During the 2016 year, the Company received all the necessary permits to begin the Advanced Exploration at the Bradshaw gold deposit from the Ministry of Northern Development and Mines, the Ministry of Natural Resources and the Ministry of Environment and Climate Change.

- On August 4, 2016, the Company announced that it has signed a non-binding Letter of Intent with Pandion Mine Finance to fund USD $17.6 million for the Company's advanced exploration work at the Bradshaw Gold Deposit ("Bradshaw"). On December 16, 2016, the Company announced that it has entered into a definitive Pre-Paid Forward Gold Purchase Agreement ("the Agreement") with PGB to finance the development of the Bradshaw for a total of USD $17,600,000. The USD $17,600,000 will be received in four tranches over a twelve month period as partial consideration for the purchase of up to an aggregate of 65,805 ounces of gold to be produced from Bradshaw and delivered to PGB. Pursuant to the Agreement, during the 27 month period following payment of the initial tranche PGB may elect to reduce the amount of gold deliverable by the Company by up to 10,000 ounces in exchange for up to 43,054,838 common shares of the Company having an aggregate value equal to USD $5,000,000. The funding is subject to completion of a due diligence process and the negotiation and execution of a Prepaid Forward Gold Purchase Agreement and related security documentation. Upon completion of the agreement, the funds are expected to be received in a number of tranches.

- The Company announced on January 23, 2017, that it has entered into a non-binding letter of intent with respect to the creation of a joint-venture corporation that will own and operate the Redstone Mill. Upon the completion of the proposed transaction, each of the parties will hold a 50% interest in the joint-venture company. The Redstone Mill is well situated to satisfy the Company's anticipated future ore processing requirements.

- The Company completed its earn in option with Transition Metals ("TMC") for a 60% interest certain claims in the Porcupine mining district in Ontario ("the Pipestone Property") on April 26, 2016. Upon earning the 60% interest, as applicable, a joint venture automatically 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.

- The Company completed a deep looking, Induced Polarization survey along the Pipestone structure, which has provided a defined geophysical fingerprint to help identify future exploration targets on the Company's NTGP.

Subsequent Events

On November 9, 2016, the Company announced that it closed a non-brokered private placement of 12,225,000 flow-through common shares of the Company and 325,000 non-flow-through common shares of the Company at a price of $0.20 per share for gross proceeds of $2,510,000. Subscriptions by related parties totaled 475,000 shares for gross proceeds of $95,000.

On December 2 and 6, 2016, a total of 75,000 warrants to acquire common shares at a price of $0.25 per option expired.

On December 16, 2016, the Company announced that it has entered into a definitive Pre-Paid Forward Gold Purchase Agreement ("the Agreement") with PGB Timmins Holdings LP ("PGB") to finance the development of the Company's 100% owned Bradshaw Gold Deposit ("Bradshaw") for a total of USD $17,600,000. The USD $17,600,000 will be received in four tranches over a twelve month period as partial consideration for the purchase of up to an aggregate of 65,805 ounces of gold to be produced from Bradshaw and delivered to PGB. Pursuant to the Agreement, during the 27 month period following payment of the initial tranche, PGB may elect to reduce the amount of gold deliverable by the Company of up to 10,000 ounces in exchange for up to 43,054,838 common shares of the Company having an aggregate value equal to USD $5,000,000.

On December 19, 2016, 650,000 options to purchase common shares at a price of $0.25 per warrant expired.

On February 1, 2017, PGB funded the initial tranche of USD $5,600,000 pursuant to the previously announced Agreement entered into between PGB and Gowest on December 16, 2016.

Selected quarterly information

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

	Fourth Quarter October 31, 2016	**Third Quarter July 31, 2016**	**Second Quarter April 30, 2016**	**First Quarter January 31, 2016**
	$	$	$	$
Expenses	(312,483)	(589,479)	(306,354)	(225,170)
Interest income (expense)	871	1,274	(694)	2,289
Deferred income tax recovery	142,000	-	-	-
Net Comprehensive (loss)	(38,507)	(585,205)	(307,048)	(221,381)
Net (loss) per share, basic	(0.001)	(0.002)	(0.001)	(0.001)
Cash flow (used in) operations	(220,659)	(387,265)	(393,026)	(357,597)
Cash & cash equivalents, end of period	893,806	1,267,381	1,745,774	2,694,149
Assets	22,583,998	22,728,386	22,854,390	23,227,555
Deferred tax liabilities	1,274,000	1,416,000	1,416,000	1,416,000

	Fourth Quarter October 31, 2015	**Third Quarter July 31, 2015**	**Second Quarter April 30, 2015**	**First Quarter January 31, 2015**
	$	$	$	$
Expenses	(333,466)	(385,760)	(256,897)	(264,765)
Interest income (expense)	1,177	866	2,020	6,195
Deferred income tax expense	261,000	-	-	-
Net Comprehensive (loss)	(70,539)	(385,269)	(256,377)	(258,570)
Net (loss) per share, basic	(0.00)	(0.004)	(0.00)	(0.00)
Cash flow (used in) operations	(144,054)	(151,669)	(297,463)	(386,009)
Cash & cash equivalents, end of period	2,391,096	182,258	800,967	1,840,265
Assets	21,815,776	19,142,673	19,345,502	19,585,111
Deferred tax liabilities	1,416,000	1,608,000	1,608,000	1,608,000

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

	2016	**2015**	**2014**
	$	$	$
Expenses	1,433,486	1,240,888	1,222,710
Interest, other income/(expense)	3,740	10,258	(109,524)
Net loss before income taxes	(1,297,141)	(1,230,630)	(1,332,234)
Future income taxes (expense) recovered	142,000	261,000	227,000
Net loss for the year	(1,155,141	(969,630)	(1,105,234)
Net Comprehensive loss for the year	(1,152,141)	(970,755)	(1,000,984)

Net loss per share, basic and diluted	(0.005)	(0.004)	(0.01)
Cash flow from (used in) operations	(1,358,547)	(979,195)	(821,264)
Cash & cash equivalents, end of period	893,806	2,391,096	2,538,587
Assets	22,583,998	21,815,776	1,988,797
Deferred tax liabilities	1,274,000	1,416,000	1,608,000

Results of Operations

The Company's activities during the three and twelve month period ended October 31, 2016, produced a net comprehensive loss of ($585,205) and ($1,297,141), respectively as compared to a net comprehensive loss of ($385,269) and ($9970,755), respectively for the comparable prior year period.

The expenditures listing below is followed by a brief discussion of significant line items in expenses.

Expenses	Three months Ended October 31, 2016	Three Months ended October 31, 2015	Twelve Months ended October 31, 2016	Twelve Months Ended October 31, 2015
	$	$	$	$
General and administrative	255,516	248,420	942,617	748,805
Professional fees	35,288	54,604	74,119	120,064
Investor relations	12,815	12,921	62,899	92,643
Shareholder communications	2,836	16,079	20,278	43,152
Share-based payments	1,164	-	287,383	197,400
Transfer agent and exchange fees	1,392	2,309	31,899	19,640

General and Administrative Expenses – The increase in the three and twelve month period of $255,516 and $942,617, respectively compared to the prior year period of $248,420 and $748,805, respectively reflect the additional costs for services paid to related parties and increased corporate activities.

Professional Fees – The decrease in professional fees during the three and twelve month period reflect a reduction in the legal fees incurred in the current period as compared to the prior year comparative period reflecting the Company's activities during the current year period.

Investor Relations – The decrease in these expenses during the three and twelve month period was reflective of a reduction in services provided and costs incurred as compared to the prior year comparative period.

Share-based compensation – The share-based compensation expense for the three and twelve month period as compared to the prior year comparable period reflects the fair value of the stock options granted at the time of issuance.

Transfer agent & regulatory fees – Transfer agent & regulatory fees for the three and twelve month period reflect costs associated with exchange filing fees and shareholder management and reporting.

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, 2016 and October 31, 2015, the Company reported a cash and cash equivalent position of $893,806 and $2,391,096, respectively and working capital of $743,095 and $2,017,472, respectively.

The Company's use of cash in operations activities was $1,358,547 for the year ended October 31, 2016 and reflects a reduction in outstanding accounts payable offset by an increase in amounts receivable and other assets. Cash used in investing activities was $1,340,437 for the year ended October 31, 2016 reflecting; $2,140,437 in costs of the completion of an Induced Polarization Program on certain properties, road improvement at the Bradshaw site, consultation expenses and expenses related to the permit submissions for the Bradshaw.

The Company's cash provided by financing activities was $1,201,694 for the year ended October 31, 2016, reflecting the flow-through financing in December 2015 and the exercise of warrants and options during the year.

The Company currently has sufficient working capital to meet its obligations for the next twelve months given the $2,510,000 of gross proceeds from the flow-through financing completed in November 2016 and the Company's Agreement with PGB Timmins Holdings LP to finance the development of the Company's Bradshaw Gold Deposit for a total of $USD17,600,000.

The Company will assess its future funding requirements to advance on development of the Bradshaw. The Company expects funding through completion by the PGB Timmins Holding LP agreement, equity transactions such as equity offerings, exercise of stock options and warrants or explore various alternative methods to continue the advancement of the Company's projects.

Mineral Properties

According to Gowest's Exploration and Evaluation Properties as at October 31, 2016, accumulated costs related to the Company's interest in mineral properties owned, leased, under consideration to be acquired or under option, were as follows:

	November 1, 2015 Opening Net Book Value	Expenditures for the Year Ended October 31,2016	**October 31, 2016 Closing Net Book Value**
	$	$	**$**
Frankfield Property	17,126,596	1,797,447	**18,924,043**
Pipestone Property	1,098,294	334,399	**1,432,693**
Tully Property	888,275	3,375	**891,650**
Whitney Property	109,259	5,216	**114,475**
	19,222,424	2,140,437	**21,362,861**

Exploration and Development Expenditures

	Frankfield Property		Pipestone Property		Tully Property		Whitney Property		Total	
	Twelve Months Ended Oct 31, 2016	Twelve Months Ended Oct 31, 2015	**Twelve Months Ended Oct 31, 2016**	Twelve Months Ended Oct 31, 2015	**Twelve Months Ended Oct 31, 2016**	Twelve Months Ended Oct 31, 2015	**Twelve Months Ended Oct 31, 2016**	Twelve Months Ended Oct 31, 2015	**Twelve Months Ended Oct 31, 2016**	Twelve Months Ended Oct 31, 2015
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Opening Balance, Beginning of period	**17,126,596**	15,367,677	**1,098,294**	1,037,330	**888,275**	885,962	**109,259**	-	**19,222,424**	17,290,969
Acquisition and holding costs	**-**	-	**-**	-	**3,375**	-	**-**	109,259	**3,375**	109,259
Property upgrades	**131,538**	-	**-**	-	**-**	-	**-**	-	**131,538**	-
Office, Camp, Engineering, Study, Consultation and Permitting	**730,804**	1657,113	**149,698**	60,964	**-**	2,313	**5,216**	-	**885,718**	1,720,390
Drilling and Geophysics	**135,105**	101,806	**184,701**	-	**-**	-	**-**	-	**319,806**	101,806
Royalty Purchase	**800,000**	-	**-**	-	**-**	-	**-**	-	**800,000**	-
Closing Balance, End of Period	**18, 924,043**	17,126,596	**1,432,693**	1,098,294	**891,650**	888,275	**114,475**	109,259	**21,362,861**	19,222,424

Gowest's North Timmins Gold Project (NTGP) currently covers one patented mining claim, 11 mining leases and 56 unpatented mining claims over a total of 10,942 hectares (109 square kilometres) in Evelyn, Gowan, Little, Prosser, Tully, and Wark Townships in the Timmins gold camp. This includes 26 unpatented mining claims (3,302 hectares) held under joint venture with Transition Metals Corp. (Transition). The project is comprised of three main properties: Frankfield, Tully and Pipestone.

The project is located approximately 32 km north-northeast of the City of Timmins, Ontario. Gowest owns a 100% interest in all of the claims that are not part of the Transition joint venture.

(i) Frankfield Property

The Frankfield Property covers an area of 837 hectares and is comprised of nine mining leases. The property hosts the Bradshaw deposit that currently contains approximately 422,059 ounces of gold in the indicated category (2.1 million t at a grade of 6.2 g/t) and 754,583 oz. Au in the inferred category (3.6 million t at a grade of 6.5 g/t Au).

In March, 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").

In December 2015, the Company purchased the NSR from New Texmont with one-time payment with the issuance of 10,000,000 common shares (estimated grant date fair value of $800,000 based on the quoted market price of the Company's shares) at a deemed price of $0.10.

In February, 2010, the Company completed an 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.

In December, 2010, the Company completed its acquisition of a 100% interest of 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 (estimated grant date fair value of $18,200 based on the quoted market price of the Company's shares) of the Company and agreed to a 0.5% NSR at gold prices of less than USD $950 per ounce or 0.75% NSR at gold prices equal to or greater than USD $950 per ounce. The Company maintains an NSR buyout option valued at $125,000 for each 0.25% of the NSR.

During the year ended October 31, 2015, the Company placed a financial assurance bond of $80,421 with the Ministry of Northern Development and Mines for the Bradshaw project advanced exploration closure plan, which is refundable once certain conditions are met. The bond is included in the Company's Long term deposits for the years ended October 31, 2016 and 2015.

(i) Tully Property

The Tully Property consists of two claim blocks totalling 2,513 hectares in Tully Township. The North block is located 3 km northeast of the Bradshaw Gold deposit and is comprised of one mining lease and one unpatented claim totalling 228 hectares. The Tully East Property, which consists of one patented claim, one mining lease and six unpatented mining claims covering 2,285 hectares, is contiguous to and east of the Frankfield Property.

(ii) Pipestone Property

The Pipestone Property (7,577 hectares) is comprised of two blocks, namely the East Pipestone and the West Pipestone, both east and west of the Frankfield Property respectively. The East Pipestone block consists of 21 wholly owned unpatented mining claims (4,274 hectares) and 12 unpatented mining claims (2,218 hectares), held by Gowest under a joint-venture agreement with Transition Metals Corp.

The Pipestone West Property consists of 15 unpatented mining claims (1,085 hectares), held by Gowest under a joint-venture agreement with Transition Metals Corp.

On April 26, 2011, the Company 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 completed its earn-in option for a 60% interest in the properties on April 26, 2016. Upon earning the 60% interest, as applicable, a joint venture automatically 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.

(iii) Whitney Property

The Gowest Whitney Property consists of nine patented claims (mining and surface rights) totalling approximately 144 hectares. It is located in the centre of the Timmins Gold Camp, 10 km west of downtown Timmins, Ontario and 25 km south of the Bradshaw gold deposit.

The Company had a historic interest in 5 patented claims and on July 22, 2015, the Company entered into an agreement to acquire a 100% interest in 4 additional patented claims from the Crown for shares and cash. In accordance with the terms of the agreement, the Company has paid $25,000 in cash and issued 1,000,000 common shares (estimated grant date fair value of $75,000 based on the quoted market price of the Company's shares) of the Company on August 25, 2015.

Pre-Feasibility Study and Refiling Announcements *(For further information please see News Releases June 9, 2015 and September 25, 2015)*

The Pre-Feasibility Study ("PFS") was conducted by Stantec Mining ("Stantec") through their Mississauga, Ontario office. The PFS was focused on mining the upper 500 vertical meters ("m") of mineralization at Bradshaw. Previous drilling has intercepted mineralization at a vertical depth of 1,350 m, indicating the deposit remains open for additional development.

The Company has identified more gold mineralization at Bradshaw, which does not currently meet the criteria for inclusion in the PFS but with further drilling from surface and once underground, Gowest intends to convert this mineralization into a resource.

Highlights of PFS issued in 2015 *(100% Equity, All figures in USD)***:**

Gold Price	$1,200/oz
Exchange Rate	CAD $1.00 = US$0.80
Pre-tax Net Present Value ("NPV") (5%)	$39.8 million
Pre-tax Internal Rate of Return ("IRR")	32%
After-tax NPV (5%):	$29.2 million
After-tax IRR	27%
Initial Capital	$21.5 million
Sustaining Capital	$21.4 million
Pre-tax Payback Period	3.5 years
Life of Mine ("LOM") Operating Cost	$821/ounce ("oz") gold ("Au")
All-in Sustaining Cost[1]	$891/oz
Ore Mined	1, 787,295; tonnes ("t")
Avg. Mineable Ore grade	4.82 grams per tonne ("g/t") Au
Development Rock Mined (additional mineralized rock)	666,253 t
Avg. Development Rock grade	1.31 g/t Au
Initial LOM (includes bulk sample)[2]	8.5 years
Total Gold (extracted in initial phase)[3]	305,058 oz
Total Gold Recovery	93%
Avg. Annual Recovered Au Production	40,500 oz
Gross Revenue to Operation	$341 million

[1] *All-in Sustaining costs are inclusive of LOM Operating Costs and Mine Sustaining Capital Cost as described in the Capital and operating costs highlights section in this release.*
[2] *Initial LOM includes 1.5 years of pre-production and 7 years of full production.*
[3] *Total gold ounces are mineral reserve ounces plus development rock ounces.*

The Company notes:

1. The PFS includes the ounces contained in the reserve derived from the updated measured and indicated resources of the gold mineralization at Bradshaw and does not include any of the inferred ounces of gold mineralization;
2. Additional mineralization that does not qualify as a reserve for these calculations has been identified in the development rock which is recoverable at a profit by using advanced rock-sorting technology and is expected to generate additional gold production;
3. The PFS is based on using third party mining, milling and refining;
4. The Company plans to use advanced rock-sorting technology to increase gold production beyond the scope for this PFS.

Capital and operating cost highlights:

Capital Costs are broken down into two parts. The first includes the capital ("Initial Capital") required to bring the deposit into production and start generating cash flow. If the mine should proceed to production, there is a sustaining capital cost ("Mine Sustaining Capital Cost") to develop the main ramp deeper into the mine over the LOM to complete the access to the reserve.

The costs are based on the construction of a greenfield mine site, contract mining and crushing, and the use of third party existing facilities for milling and refining.

Capital Costs (Millions USD)	
Initial Capital:	
Site Surface Development	10.5
Underground ("UG") Development ("Dev")	10.7
Closure Cost	0.3
Total Initial Capital	21.5
Mine Sustaining Capital Cost (UG Ramp Dev)	21.4
LOM Capital Costs	42.9

Operating Costs (Millions USD)	
Mining:	
Operating Costs	47.7
Level Development Costs	45.4
Owners Costs	25.0
Indirect	41.0
Total Mining	159.1
Toll Milling	39.9
Refining	34.1
Royalties	2.8
LOM Operating Costs	236.0

Next Steps

The Company’s primary objective is to advance its Bradshaw Gold Deposit to development; and to increase its resource through exploration in the NTGP. To that end, the Company has received all the necessary permits to begin the Advanced Exploration at the Bradshaw gold deposit from the Ministry of Northern Development and Mines and from the Ministry of Natural Resources and the Ministry of Environment and Climate Change. The Company continues to consult with the various communities about the development of the Bradshaw project.

The Company also remains open to evaluating other potential opportunities to enhance shareholder value.

The next major step in the mine's development is an advanced exploration program aimed at producing the 30,000 tonne bulk sample from the primary gold zones in the underground mining area at Bradshaw. The Company announced that it has entered into a definitive Pre-Paid Forward Gold Purchase Agreement (“the Agreement”) with PGB to finance the development of the Bradshaw Gold Deposit Bradshaw for a total of USD $17,600,000. The USD $17,600,000 will be received in four tranches over a twelve month period as partial consideration for the purchase of up to an aggregate of 65,805 ounces of gold to be produced from Bradshaw and delivered to PGB. Pursuant to the Agreement, during the 27 month period following payment of the initial tranche, PGB may elect to reduce the amount of gold deliverable by the Company by up to 10,000 ounces in exchange for up to 43,054,838 common shares of the Company having an aggregate value equal to USD $5,000,000.

In addition, the Company continues to review opportunities to increase the resource through exploration on the NTGP.

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

Commitments and Contingencies

The Company is party to a management and consulting contracts. The contracts contains clauses requiring additional payments of up to $582,000 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.

On December 22, 2015, the Company issued a total of $1,017,742 in flow-through shares. As at October 31, 2016, the Company had expended $1,017,742 related to these flow-through funds as required to be spent by December 31, 2016. 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 two operating lease agreements for premises, which expire on July 31, 2018 and November 30, 2018. Minimum commitments remaining under this lease are approximately $227,000, of which $113,285 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 year ended October 31, is as follows:

	2016	2015
Aggregate cash compensation	$ 535,000	$ 368,000
Share based compensation	153,450	$ 246,200

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, 2016, officers, directors and insiders subscribed for 500,000 units in the private placements for proceeds of $50,000 and exercised 750,000 stock options for proceeds of $60,000. During the year ended October 31, 2015, officers, directors and insiders exercised 44,512,500 warrants for a value of $2,670,750. During the year ended October 31, 2016, $57,600 was paid to Mr. Yungang Wu, a director who provided geological services to the Company (October 31 2015 - $13,600) and $50,400 was paid to Mr. Meirong Yuan who provided corporate development services to the Company (October 31 2015 - $50,400). During the year ended October 31, 2016, $105,000 of accrued director compensation was settled by the issuance of 1,312,500 common shares to directors of the Corporation.

Included in accounts payable and accrued liabilities as at October 31, 2016 was $80,000 (October 31, 2015 - $133,000) owing to directors of the Company. These amounts 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.

Change in Accounting Policy

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, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine the impact on the Company.

(i) 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.

(ii) IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

(iii) 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.

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 with the Bradshaw moving into development 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 year ended October 31, 2016. The Company is not subject to externally imposed capital requirements.

Refer to Note 3 in the audited financial statements.

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

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.

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, 2016, 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) Cash equivalents are subject to floating interest rates. As at October 31, 2016 if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the three and twelve month period ended October 31, 2016 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, 2016, 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 three and twelve month period ended October 31, 2016, before tax would not have been significantly impacted.

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, 2016, 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 297,422,238 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 3,888,710 common share purchase warrants outstanding with an exercise price of $0.15 expiring December 2017.

Stock Options:

As of the date hereof, the Company has 12,275,000 options outstanding under the Company's stock option plan for employees, directors, officers and directors with a weighted average exercise price of $0.11 expiring from 2017 to 2021.

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

Year Ended October 31, 2016 and 2015

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, 2016 and 2015, 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, 2016 and 2015, 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 9, 2017

GOWEST GOLD LTD.
Statements of Financial Position
In Canadian dollars

ASSETS		**October 31, 2016**		October 31, 2015
Current assets				
Cash and cash equivalents (Note 5)	$	**893,806**	$	2,391,096
Amounts receivable and other assets (Note 6)		**118,901**		88,535
Total current assets		**1,012,707**		2,479,631
Long term investments (Note 8)		**6,000**		3,000
Equipment (Note 7)		**22,009**		30,300
Long term deposit (Note 9)		**180,421**		80,421
Exploration and evaluation properties (Note 9)		**21,362,861**		19,222,424
Total assets	$	**22,583,998**	$	21,815,776
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**269,612**	$	462,159
Total current liabilities		**269,612**		462,159
Deferred income taxes		**1,274,000**		1,416,000
Total liabilities		**1,543,612**		1,878,159
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		**27,161,491**		25,285,316
Reserves (Note 10 (c)(d))		**1,126,446**		1,561,733
		28,287,937		26,847,049
Accumulated deficit		**(7,249,426)**		(6,908,307)
Accumulated other comprehensive income (loss) (Note 8)		**1,875**		(1,125)
		(7,247,551)		(6,909,432)
Total shareholders' equity		**21,040,386**		19,937,617
Total liabilities and shareholders' equity	$	**22,583,998**	$	21,815,776

Nature of operations and going concern (Note 1)
Commitments and Contingencies (Notes 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, 2016 and 2015
In Canadian dollars

		2016		2015
Operating Expenses				
General and administrative (note 11)	$	**1,433,486**	$	1,240,888
Interest and other income		**(3,740)**		(10,258)
Net loss before income taxes		**(1,429,746)**		(1,230,630)
Deferred income tax recovery (Note 14)		**142,000**		261,000
Flow through premium recovery (Note 10)		**132,605**		-
Net loss loss for the year	$	**(1,155,141)**	$	(969,630)
Items that will be reclassified subsequently to income:				
Unrealized gain (loss) on securities available for sale		**3,000**		(1,125)
Net comprehensive loss for the year	$	**(1,152,141)**	$	(970,755)
Basic and diluted net gain/(loss) per share	$	**(0.004)**	$	(0.004)
Weighted average number of common shares outstanding		**280,503,793**		218,623,893

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 loss	Accumulated deficit	Total equity
Balance at October 31, 2015	**$ 25,285,316**	**$ 152,710**	**$ 1,409,023**	**$ (1,125)**	**$ (6,908,307)**	**$ 19,937,617**
Issued on private placement	**1,017,742**	**-**	**-**	**-**	**-**	**1,017,742**
Issued on exercise of warrants	**193,750**	**-**	**-**	**-**	**-**	**193,750**
Issued on exercise of options	**60,000**	**-**	**-**	**-**	**-**	**60,000**
Fair value of warrants issued	**(172,717)**	**172,717**	**-**	**-**	**-**	**-**
Share issue costs	**(69,798)**	**-**	**-**	**-**	**-**	**(69,798)**
Shares issued on purchase of royalty	**800,000**	**-**	**-**	**-**	**-**	**800,000**
Shares issued for compensation	**98,438**	**-**	**-**	**-**	**-**	**98,438**
Flow-through premium on private placement	**(132,605)**	**-**			**-**	**(132,605)**
Fair value of warrants exercised	**36,702**	**(36,702)**	**-**	**-**	**-**	**-**
Fair value of warrants expired	**-**	**(139,083)**	**-**	**-**	**139,083**	**-**
Fair value of options exercised	**44,663**	**-**	**(44,663)**	**-**	**-**	**-**
Share-based payment	**-**	**-**	**287,383**	**-**	**-**	**287,383**
Fair value of stock options expired	**-**	**-**	**(674,939)**	**-**	**674,939**	**-**
Net loss and comprehensive loss for the period	**-**	**-**	**-**	**3,000**	**(1,155,141)**	**(1,152,141)**
Balance at October 31, 2016	**$ 27,161,491**	**$ 149,642**	**$ 976,804**	**$ 1,875**	**$ (7,249,426)**	**$ 21,040,386**
Balance at October 31, 2014	$ 21,122,150	$ 1,909,859	$ 1,900,373	$ -	$ (7,075,679)	$ 17,856,703
Warrants exercised	2,817,750		-	-	-	2,817,750
Fair value of warrants exercised	1,239,897	(1,239,897)	-	-	-	-
Share issue costs	(6,981)	-	-	-	-	(6,981)
Shares issued for exploration and evaluation properties	112,500	-	-	-	-	112,500
Share-based payment	-	-	197,400	-	-	197,400
Fair value of warrants expired	-	(517,252)	-	-	517,252	-
Fair value of stock options expired	-	-	(688,750)	-	688,750	-
Tax effect of expiration of warrants	-	-	-	-	(69,000)	(69,000)
Net loss and comprehensive loss for the period	-	-	-	(1,125)	(969,630)	(970,755)
Balance at October 31, 2015	$ 25,285,316	$ 152,710	$ 1,409,023	$ (1,125)	$ (6,908,307)	$ 19,937,617

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

GOWEST GOLD LTD.
Statements of Cash Flows
For the years ended October 31, 2016 and 2015
In Canadian dollars

	2016	2015
Operating activities		
Net (loss) for the year	**$ (1,155,141)**	$ (969,630)
Items not affecting cash:		
Amortization	**14,291**	19,184
Share-based payments	**287,383**	197,400
Flow through premium recovery	**(132,605)**	-
Common shares issued for services	**98,438**	-
Deferred income taxes	**(142,000)**	(261,000)
	(1,029,634)	(1,014,046)
Changes in non-cash working capital items	**(328,913)**	34,851
Cash flows from operating activities	**(1,358,547)**	(979,195)
Investing activities		
Exploration and evaluation expenditures	**(1,340,437)**	(1,976,875)
Purchase of equipment	**-**	(2,190)
Cash flows from investing activities	**(1,340,437)**	(1,979,065)
Financing activities		
Proceeds from issue of capital stock, options and warrants	**1,271,492**	2,817,750
Transaction costs	**(69,798)**	(6,981)
Cash flows from financing activities	**1,201,694**	(2,810,769)
(Decrease) in cash and cash equivalents during the year	**(1,497,290)**	(147,491)
Cash and cash equivalents, beginning of year	**2,391,096**	2,538,587
Cash and cash equivalents, end of year	**$ 893,806**	$ 2,391,096
CASH AND CASH EQUIVALENTS ARE COMPOSED OF:		
Cash	**$ 873,122**	$ 2,370,826
Cash equivalents	**$ 20,684**	$ 20,270
SUPPLEMENTAL INFORMATION		
Change in non-cash working capital related to exploration and evaluation expenditures	**$ (128,370)**	$ (77,499)
Common shares issued for exploration and evaluation expenditures	**$ -**	$ 112,500
Common shares issued for purchase of royalty	**$ 800,000**	-

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 9, 2017.

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 Committee (IFRIC).

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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, 2016 and 2015, 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 pre-tax 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, 2016 and 2015, 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.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies – Refer to Note 13

Going concern – Refer to Note 1

(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 effective in future period

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after November 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine the impact on the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(i) 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.

(ii) IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

(iii) 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.

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, 2016, totalled $21,040,386 (October 31, 2015 - $19,937,617).

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.

3. CAPITAL MANAGEMENT (CONTINUED)

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, 2016 and 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

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 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.

(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, 2016, the Company had cash, cash equivalents, amounts receivable and other assets of $1,012,707 (October 31, 2015 - $2,479,631) to settle accounts payable and accrued liabilities of $269,612 (October 31, 2015 - $462,159). 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.

4. FINANCIAL RISK FACTORS (CONTINUED)

(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.

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, 2016, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended October 31, 2016 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, 2016 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, 2016, before tax would not have been significantly impacted.

4. FINANCIAL RISK FACTORS (CONTINUED)

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at October 31, 2016 and 2015:

October 31, 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	**$ -**	**$ 20,684**	**$ -**	**$ 20,684**
Long-term investments:				
- Investment in a public company	**6,000**	**-**	**-**	**6,000**
	$ 6,000	**$20,684**	**$ -**	**$ 26,684**

October 31, 2015	Level 1	Level 2	Level 3	Total
Cash equivalents	$ -	$ 20,270	$ -	$ 20,270
Long-term investments:				
- Investment in a public company	3,000	-	-	3,000
	$ 3,000	$ 20,270	$ -	$ 23,270

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	As at October 31, 2016	As at October 31, 2015
Financial assets:		
FVTPL		
Cash equivalents	**$ 20,684**	$ 20,270
Loans and receivables		
Cash	**873,122**	2,370,826
Total Cash and cash equivalents	**893,806**	2,391,096
Available for sale financial asset	**6,000**	3,000
Financial liabilities:		
Other financial liabilities		
Amounts payable and accrued liabilities	**$ 269,612**	$ 462,159

As at October 31, 2016, and October 31, 2015, 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, 2016	As at October 31, 2015
Amounts receivable	**$ 75,566**	$ 56,452
Prepaid expense	**43,335**	32,083
	$ 118,901	$ 88,535

7. EQUIPMENT

Cost	Computer Equipment	Furniture	Vehicles	Software	Total
Balance, October 31, 2014	6,536	26,441	96,491	63,174	192,642
Additions	2,190	-	-	-	2,190
Balance, October 31, 2015	8,726	26,441	96,491	63,174	194,832
Additions	**-**	**-**	**-**	**-**	**-**
Balance, October 31, 2016	**8,726**	**26,441**	**96,491**	**63,174**	**194,832**

Accumulated amortization	Computer Equipment	Furniture	Vehicles	Software	Total
Balance, October 31, 2014	5,104	22,776	74,813	47,155	149,848
Additions	970	3,665	5,757	4,292	14,684
Balance, October 31, 2015	6,074	26,441	80,570	51,447	164,532
Additions	**726**	**-**	**4,356**	**3,209**	**8,291**
Balance, October 31, 2016	**6,800**	**26,441**	**84,926**	**54,656**	**172,823**

Carrying value	Computer Equipment	Furniture	Vehicles	Software	Total
Balance, October 31, 2014	1,432	3,665	21,678	16,019	42,794
Balance, October 31, 2015	2,652	-	15,921	11,727	30,300
Balance, October 31, 2016	**1,926**	**-**	**11,565**	**8,518**	**22,009**

8. LONG-TERM INVESTMENTS

Long term Investment	**Cost**	**Impairment**	**Accumulated Other comprehensive income adjustment**	**October 31, 2016 estimated fair value**	October 31, 2015 estimated fair value
Crown Mining Corp - common shares	$ 115,500	$(111,375)[(i)]	$ 1,875	**$ 6,000**	$ 3,000

(i) During the year ended October 31, 2014, the Company recorde an impairment charge as the drop in value of the investment was estimated to be other than temporary.

9. EXPLORATION AND EVALUATION PROPERTIES

October 31, 2016	**Acquisition Cost**	**Exploration and Evaluation**	**Option Payments Received**	**Net Book Value**
Frankfield Property (i)	**$ 1,263,575**	**$ 17,660,468**	**$ -**	**$ 18,924,043**
Pipestone Property(iii)	**201,500**	**1,231,193**	**-**	**1,432,693**
Tully Property (ii)	**69,458**	**822,192**	**-**	**891,650**
Whitney Property (iv)	**126,059**	**65,984**	**(77,568)**	**114,475**
	$ 1,660,592	**$ 19,779,837**	**$ (77,568)**	**$ 21,362,861**

October 31, 2015	Acquisition Cost	Exploration and Evaluation	Option Payments Received	Net Book Value
Frankfield Property (i)	$ 1,263,575	$ 15,863,021	$ -	$ 17,126,596
Pipestone Property (iii)	201,500	896,794	-	1,098,294
Tully Property (ii)	69,458	818,817	-	888,275
Whitney Property(iv)	126,059	60,768	(77,568)	109,259
	$ 1,660,592	$ 17,639,400	$ (77,568)	$ 19,222,424

(i) Frankfield Property

The Bradshaw Project is located in the Frankfield Property

In March, 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").

In December 2015, the Company purchased the NSR from New Texmont with a one-time payment of the issuance of 10,000,000 common shares (estimated grant date fair value of $800,000 based on the quoted market price of the Company's shares) at a deemed price of $0.10.

9. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

(i) Frankfield Property (Continued)

In February, 2010, the Company completed an 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.

In December, 2010, the Company completed its acquisition of a 100% interest of 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 (estimated grant date fair value of $18,200 based on the quoted market price of the Company's shares) 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.

During the year ended October 31, 2015, the Company placed a financial assurance bond of $80,421 with the Ministry of Northern Development and Mines for the Bradshaw project advanced exploration closure plan, which is refundable once certain conditions are met. The bond is included in the Long term deposits for the years ended October 31, 2016 and 2015.

(ii) Tully Property

The Company owns 100% of certain claim blocks in Tully Township.

(iii) Pipestone Property

On April 26, 2011, the Company entered into an option and joint venture agreement (the "Option Agreement") with Transition Metals Corp. ("TMC") to explore and earn an interest in certain claims in the Porcupine mining district in Ontario (the "Pipestone Property"). The Company completed it's earn in option for a 60% interest in the properties on April 26, 2016. Upon earning the 60% interest, as applicable, a joint venture automatically 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.

(iv) Whitney Property

The Company has a 100% interest in certain claims in Whitney Township, Ontario

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, 2014	212,844,818	$ 21,122,150
Shares issued upon exercise of warrants (ii)	46,962,500	2,817,750
Fair value of warrants exercised	-	1,239,897
Shares issued for exploration and evaluation properties (i)	1,500,000	112,500
Share issue costs	-	(6,981)
Balance, October 31, 2015	261,307,318	$ 25,285,316
Private placement, option and warrant exercise (iv)(v)(vi)(vii)	12,252,420	1,271,492
Fair value of options and warrants exercised (v)(vi)(vii)	-	81,365
Fair value of warrants issued (iv)	-	(172,717)
Premium on FT shares (iv)	-	(132,605)
Shares issued for royalty buy-back (iii)	10,000,000	800,000
Share issue costs	-	(69,798)
Shares issued for compensation	1,312,500	98,438
Balance, October 31, 2016	**284,872,238**	**$ 27,161,491**

(i) On August 25, 2015, the Company issued 1,000,000 common shares (estimated grant date fair value of $75,000 based on the quoted market price of the Company's shares) and paid $25,000 in cash to Crown Mining Corp. for certain patented claims located in Whitney Township and issued 500,000 common shares (estimated grant date fair value of $37,500 based on the quoted market price of the Company's shares) to Transition Metals Corp. for a one-year extension of its option and joint venture agreement.

(ii) During September and October 2015, 46,962,500 common shares were issued upon exercise of warrants at an exercise price of $0.06, which had an original exercise price of $0.11.

(iii) On December 4, 2015, the Company purchased the 1.5% net smelter return royalty held by the SPG Royalties Inc. on the Company's Frankfield Property. As consideration for the purchase, the Company issued 10,000,000 common shares of the Company (estimated grant date fair value of $800,000 based on the quoted market price of the Company's shares).

10. SHARE CAPITAL (CONTINUED)

(b) Issued common shares (Continued)

(iv) On December 22, 2015, the Company completed a private placement for aggregate proceeds of $1,017,742. Pursuant to the offering, the Company issued and sold of 10,177,420 flow-through units of the Company at a price of $0.10 per unit for gross proceeds of $1,017,742. Each unit is comprised of one common share and one-half of one common share purchase warrant with each warrant exercisable at a price of $0.15 per warrant until December 22, 2017. The flow through untis were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow through premium was calculated to be $132,605.

The grant date fair value of $172,717 was assigned to the 5,088,710 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 0.52% and an expected life of 2 years.

(v) On July 11, 2016, 750,000 common shares were issued upon exercise of warrants at an exercise price of $0.15 and 125,000 common shares were issued upon exercise of warrants at an exercise price of $0.11 for gross proceeds of $126,250.

(vi) On August 5, 2016, 750,000 common shares were issued upon exercise of stock options at an price of $0.08 per option for gross proceeds of $60,000.

(vii) On September 15, 2016, 450,000 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $67,500.

(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 May 26, 2016. 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, 2016:

	Number of options	Weighted average exercise price ($)
Balance, October 31, 2014	11,900,000	0.19
Granted (i)(ii)	3,500,000	0.08
Expired	(2,610,000)	0.28
Balance, October 31, 2015	12,790,000	0.14
Granted (iii)	3,100,000	0.095
Exercised	(750,000)	0.04
Expired	(2,215,000)	0.19
Balance, October 31, 2016	**12,925,000**	**0.11**

(i) On November 7, 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, which vested immediately. The fair value of the 400,000 options was estimated to be $28,000 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 116%; risk-free interest rate of 1.52% and an expected life of 5 years.

10. SHARE CAPITAL (CONTINUED)

(c) Stock options (continued)

(ii) On June 22, 2015, the Company granted 3,100,000 options to purchase common shares at a price of $0.08 per share for a period of five years, of which 3,000,000 vested immediately and 100,000 vest over four quarters. The fair value of the 3,100,000 options was estimated to be $173,600 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 117%; risk-free interest rate of 0.99% and an expected life of 5 years.

(iii) On June 21, 2016, the Company granted 3,100,000 options to purchase common shares at a price of $0.095 per share for a period of five years, of which 3,050,000 vested immediately and 50,000 vest over four quarters. The fair value of the 3,100,000 options was estimated to be $288,300 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 121%; risk-free interest rate of 0.70% and an expected life of 5 years.

During the year ended October 31, 2016, $287,383 (October 31, 2015 - $197,400) was recorded as share-based payment in the statement of loss. The weighted average remaining contractual life of the options outstanding at October 31, 2016 was 2.83 years (October 31, 2015 – 2.80 years).

The following table reflects the options issued and outstanding as of October 31, 2016:

Expiry Date	Exercise price ($)	Number of Options Outstanding	Number of Options Exercisable
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	2,375,000	2,375,000
February 28, 2019	0.08	2,675,000	2,675,000
September 30, 2019	0.085	400,000	400,000
November 7, 2019	0.085	400,000	400,000
June 22, 2020	0.08	2,725,000	2,725,000
June 21, 2021	0.095	3,100,000	3,075,000
	12,925,000		**12,900,000**

* Expired subsequent to October 31, 2016

(d) Warrants

The following table reflects the continuity of warrants as of October 31, 2016:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2014	68,500,429	0.18
Expired	(14,661,702)	0.14
Exercised	(46,962,500)	0.06
Balance, October 31, 2015	6,876,227	0.10
Issued	5,088,710	0.15
Expired	(6,676,227)	0.09
Exercised	(1,325,000)	0.15
Balance, October 31, 2016	3,963,710	0.15

10. SHARE CAPITAL (CONTINUED)

(d) Warrants (Continued)

The following table reflects the warrants issued and outstanding as of October 31, 2016:

Number of Warrants	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date
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*
3,888,710	0.15	139,267	December 22, 2017
3,963,710		149,642	

*Expired subsequent to October 31, 2016

11. GENERAL AND ADMINISTRATIVE

	2016	2015
General and administrative	**$ 942,617**	$ 748,805
Professional fees	**74,119**	120,064
Investor relations	**62,899**	92,643
Shareholder communications	**20,278**	43,152
Share-based payments	**287,383**	197,400
Transfer agent and exchange fees	**31,899**	19,640
Amortization	**14,291**	19,184
	$ 1,433,486	$ 1,240,888

12. RELATED PARTY TRANSACTIONS

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

	2016	2015
Aggregate cash compensation	**$ 535,000**	$ 368,000
Share based compensation	**153,450**	246,200

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. 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, 2016, officers, directors and insiders subscribed for 500,000 units in the private placements for proceeds of $50,000 and exercised 750,000 stock options for proceeds of $60,000. During the year ended October 31, 2015, officers, directors and insiders exercised 44,512,500 warrants for a value of $2,670,750. During the year ended October 31, 2016, $57,600 was paid to Mr. Yungang Wu, a director who provided geological services to the Company (October 31, 2015 - $13,600) and $50,400 was paid to Mr. Meirong Yuan who provided Corporate Development services to the Company (October 31, 2015 - $50,400). During the year ended October 31, 2016, $105,000 of accrued director compensation was settled by the issuance of 1,312,500 common shares to directors of the Corporation. Included in accounts payable and accrued liabilities as at October 31, 2016 was $80,000 (October 31, 2015 - $133,000) owing to directors of the Company. These amounts are unsecured, non-interest bearing, and due on demand.

13. COMMITMENTS AND CONTINGENCIES

The Company is party to a management and a consulting contract. The contract contains clauses requiring additional payments of up to $582,000 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.

On December 22, 2015, the Company issued a total of $1,017,742 in flow-through shares. As at October 31, 2016, the Company had expended $1,017,742 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 two operating lease agreements for premises, which expire on July 31, 2018 and November 30, 2018. Minimum commitments remaining under this lease are approximately $227,000, of which $113,000 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% (2015 – 26.5%).

	2016 $	2015 $
Loss before income taxes	(1,429,746)	(1,230,630)
Expected income tax (recovery) at statutory rates	(379,000)	(326,000)
Adjustment to expected income tax benefit:		
Stock-based compensation	76,000	52,000
Flow-through renunciation	270,000	-
Non-deductible amounts for tax purposes	2,000	1,000
Provision to return adjustment	(64,000)	-
Flow-through premium recovery	(35,000)	-
Other	(12,000)	12,000
Deferred income tax (recovery)	(142,000)	(261,000)

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

	2016 $	2015 $
Non-capital losses	563,000	417,000
Exploration and evaluation properties	(1,934,000)	(1,960,000)
Unclaimed share issue costs	48,000	78,000
Other temporary differences	49,000	49,000
Net deferred income tax (liabilities)	(1,274,000)	(1,416,000)

14. INCOME TAXES (CONTINUED)

The Company has approximately $13,484,000 of Canadian development and exploration expenditures as at October 31, 2016, 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 $1,992,000 at October 31, 2016 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
2035	11,000
2036	324,000
	$1,992,000

15. SUBSEQUENT EVENTS

On November 9, 2016, the Company announced that it closed a non-brokered private placement of 12,225,000 flow-through common shares of the Company and 325,000 non-flow-through common shares of the Company at a price of $0.20 per share for gross proceeds of $2,510,000. Subscriptions by related parties totaled 475,000 shares for gross proceeds of $95,000.

On December 2 and 6, 2016, a total of 75,000 warrants to acquire common shares at a price of $0.25 per warrant expired unexercised.

On December 16, 2016, the Company announced that it had entered into a definitive Pre-Paid Forward Gold Purchase Agreement (“the Agreement”) with PGB Timmins Holdings LP (“PGB”) to finance the development of the Company’s 100% owned Bradshaw Gold Deposit (“Bradshaw”) for a total of US $17,600,000 US. The US$17,600,000 will be received in four tranches over a twelve month period as partial consideration for the purchase of up to an aggregate of 65,805 ounces of gold to be produced from Bradshaw and delivered to PGB. Pursuant to the Agreement, during the 27 month period following payment of the initial tranche, PGB may elect to reduce the amount of gold deliverable by the Company by up to 10,000 ounces in exchange for up to 43,054,838 common shares of the Company having an aggregate value equal to US$5,000,000.

On December 19, 2016, 650,000 options to purchase common shares at a price of $0.25 per option expired unexercised.

On February 1, 2017, PGB funded the initial tranche of US$5,600,000 pursuant to the previously announced Agreement entered into between PGB and Gowest on December 16, 2016.