Gowest Gold Ltd.
80 Richmond Street West, Suite 1400
Toronto, ON M5H 2A4
416.363.1210

To the Shareholders of Gowest Gold Ltd.:

During fiscal 2017, our Company began the transformation from being purely an explorer towards becoming a developer, a critical step in our goal of building the Bradshaw deposit into a profitable new gold mine in the Timmins Camp. At the same time, the year did not come without its challenges, which should not be unexpected when building a new "green-field" mine (one developed from "scratch," and not adjacent to an existing mine). Despite this, we have achieved a great deal over the past year.

What We've Accomplished:

- Received US$5,600,000 from PGB Timmins Holdings LP ("**PGB**"), funds that enabled the Company to initiate the bulk sample program. This was the initial tranche to the previously announced Pre-Paid Forward Gold Purchase Agreement entered into between PGB and Gowest on December 16, 2016;
- In preparation for developing the Bradshaw site, we strengthened our management team, adding several, highly experienced mining and construction leaders;
- We started underground development on May 11, 2017, with the first blast of the portal (Visit www.gowestgold.com to view a video of the blast);
- By the end of April 2018, our team, including our contracted mining partners, had completed approximately 2,100 metres (over 1¼ miles) of underground development, leading to the 30, 45, and 60 metre levels, and providing our technical team the invaluable benefit of studying the deposit from underground;
- We intercepted two new ore zones that, with further exploration, have the potential to add additional resources;
- Safety is very important to us, and we are pleased to report that we had no injuries during the period;
- To date, we have mined and stockpiled 28,567 tonnes of development material on the surface in preparation for ore-sorting, milling, and sale as a concentrate;
- Our team completed the installation of the maintenance shop and the assembly and installation of an X-ray ore sorter, which is now fully enclosed and ready for operation;
- The water treatment plant became fully operational, and its discharge is environmentally compliant;
- We entered into an agreement to sell gold concentrate from Bradshaw to Shandong Humon Smelting of China. Humon also advanced the Company US$3.0 million as a pre-payment for the planned gold delivery and sale of gold concentrate;
- We completed an underground infill-drilling program to help refine the deposit structure. While all of the drill holes intersected gold mineralization, one hole, BGM17-

045-015, intersected 156 grams (5.02 ounces) per tonne gold over 1 metre, making it the highest concentration of gold we've intersected to date;
- We have maintained the strong support of our largest shareholders, critical suppliers and local communities;
- We continued to advance our plans for the development of a commercial underground mining program, as well as a longer-term plan for the expansion of the mine; and,
- The Company was able to continue to raise funds despite the challenging market for junior resource companies.

Of course, all of this has been built upon the foundation of a decade's previous accomplishments, including:

- Developing a resource of approximately 1.2 million ounces of gold, which is open in all directions and offers significant upside potential from our ~ 110 square-kilometre land package;
- Introducing ore sorting technology to significantly improve the grade of ore shipped to a mill, thereby reducing milling costs in preparing a gold concentrate;
- Successfully completing the extensive permitting process required for us to begin the bulk sample; and,
- Continuing consultations with First Nations groups.

From a broad corporate perspective, your management team, with its constrained financial resources, has achieved great success in de-risking its business on the road to seeing Bradshaw becoming a commercial gold mine. Of course, there is much more to be done.

The Challenge of Securing a Toll Milling Contract

Our goal from the outset was to build a mine using excess mill capacity in the Timmins area for processing the ore from the Bradshaw deposit, thereby reducing our capital requirements. To satisfy that goal, we previously identified Northern Sun's Redstone mill in Timmins as a candidate, which led to the signing of a binding agreement to acquire a 50% interest in this mill. Unfortunately, after expending much time and effort, we were advised by Northern Sun that its controlling shareholder had completed a significant internal reorganization and that, as a result, it was reviewing all transactions involving its Canadian assets, including the Redstone mill and the mill agreement with the Company. Northern Sun ultimately advised us that it was no longer willing to proceed with the transaction and, at their request, we agreed to terminate the agreement in April 2018. The termination of the mill agreement has resulted in a significant delay to our project.

While this decision was a great disappointment for us, we immediately began to consider other mills with excess capacity in the surrounding area. We continue to actively pursue alternative toll milling options with mill owners with facilities suitable for handling our refractory ore. We are determined to secure the necessary milling capacity for the advancement of Bradshaw in the near-term.

At the same time, we need additional capital that would allow us to resume site operations, deliver stockpiled ore for milling, commence the sale of concentrate to Humon, and complete the bulk sample project. With the help of certain of our insiders, we have successfully raised over $1 million in the first tranche of our latest non-brokered private placement. As previously announced, we are also in discussions with our largest shareholder, who either alone, or with a syndicate of investors, is considering making a significant investment in the Company. As well, the Company continues to pursue and evaluate other funding opportunities.

Looking Ahead

Although the performance of our share price reflects the difficult overall market environment as well as the challenges we face in completing our bulk sample project, I sincerely believe the Company continues to have a highly promising future.

Our leadership group and I continue to accept our responsibility and to be held accountable for the performance of Gowest, using the tools available to us to move the Company towards operating a producing mine. At the top of our list, I look forward to completing a milling agreement this year so that we can begin to generate cash flow.

As challenging as this past year has been for our Company and our stakeholders, I believe that we should take pride in our achievements to date and the great work provided by our contractors and suppliers.

Finally, I sincerely would like to thank the Gowest team, our Board of Directors, all of our stakeholders, including our shareholders, and the communities in and around Timmins, for their ongoing support and contributions towards our collective success.

Greg Romain
President & CEO

September 18, 2018

(**Qualified Person:** The technical information in this news release has been reviewed and approved by Mr. Jeremy Niemi, P.Geo., Gowest's Director of Exploration, who is the Qualified Person for the technical information in this news release under National Instrument 43-101 standards.)

GOWEST GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED OCTOBER 31, 2017

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, 2017. 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, 2017 and 2016, 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 27, 2018.

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 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.

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.

2017 Highlights and Outlook

- To date, the Company completed 3,871 metres for a total of 30 holes of ramp infill drilling and metallurgical test holes in the area where the bulk sample will be collected. All holes in the drill program intersected gold mineralization. The advanced exploration drill program had been designed to refine the geological model and the stope design in the upper portion of the Bradshaw deposit. The latest assay results received from the 30 holes drilled identified one hole, BGM17-045-12 intersected the new Bradshaw North zone from 68.0 to 72.2 metres at 20.91 grams per tonne including 1.9 metres at 42.15. *See News Release of July 7, 2017 and February 12, 2018.*

- The Company is planning a new drill program to define the extents of this first new zone, which is currently open in all directions. This zone is 25 metres north of the existing Bradshaw Mineral Reserves and offers the potential to add a significant amount of additional material to the resources**.**

- Gowest started underground development at the Bradshaw mine site on May 11, 2017, when the first blast was executed at the portal, which is located at the east side of the outcrop. To date, the Company has driven approximately 1,600 metres of the underground development.

- Development on the 30 and 45 metre levels are near completion for stoping and currently extending development on the 60 metre level.

- Construction of the ore-sorter was completed in early February 2018 with commissioning anticipated in March 2018.

- The Company currently has 14,000 tonnes of development material stockpiled on surface for sorting, milling and sale as concentrate. The Company currently anticipates the first shipment to the mill by second quarter of 2018 and first gold revenues in the second quarter of 2018.

- During the quarter of fiscal October 31, 2017 the Company closed on October 31, 2017 a non-brokered private placement of 13,244,003 "flow-through" common shares of the Company, at a price of $0.18 per common share, for aggregate gross proceeds of $2,383,920 and 5,175,000 common share units at a price of $0.16 per common share for gross proceeds of $828,000. 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 $0.25 per warrant until October 31, 2019. In connection with the offering, the Company paid finders fees of $16,965 and issued 94,250 non-transferable compensation warrants exercisable at $0.25 for 2 years.

- The Company anticipates receipt of the next tranche of funding from its lender in the second quarter of 2018.

Subsequent Events

- On November 15, 2017, the Company closed the second tranche of a private placement for aggregate proceeds of $1,428,151. Pursuant to the offering, the Company issued and sold 7,934,170 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $1,428,151. 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 $0.25 per warrant until November 15,

2019. In connection with the offering, the Company paid finders fees of $89,289 and issued 331,667 non-transferable compensation warrants exercisable at $0.25 for 2 years.

- On December 11, 2017, 1,688,710 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $253,306.

- On December 18, 2017, the Company closed the final tranche of a private placement for aggregate proceeds of $1,383,140. Pursuant to the offering, the Company issued and sold 7,373,000 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $1,327,140 and 350,000 common share units of the Company at a price of $0.16 per unit for gross proceeds of $56,000. 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 $0.25 per warrant until December 18, 2019. In connection with the offering, the Company paid finders fees of $71,552 and issued 398,180 non-transferable compensation warrants exercisable at $0.25 for 2 years.

- On December 22, 2017, 125,000 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $18,750.

- On December 22, 2017, 275,000 warrants to purchase common shares at a price of $0.15 per warrant expired unexercised.

- On December 29, 2017, the Company closed a private placement for aggregate proceeds of $707,400. Pursuant to the offering, the Company issued and sold 3,761,112 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $677,000 and 190,000 common share units of the Company at a price of $0.16 per unit for gross proceeds of $30,400. 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 $0.25 per warrant until December 29, 2019. In connection with the offering, the Company paid finders fees of $37,380 and issued 207,667 non-transferable compensation warrants exercisable at $0.25 for 2 years.

- The flow-through funds raised subsequent to October 31, 2017 totaling $3,432,291 must be spent by December 31, 2018.

- On January 14, 2018, 200,000 options to purchase common shares at a price of $0.12 per option expired unexercised.

- On February 14, 2018, the Company received from Shandong Humon Smelting (“Humon”) US$3,000,000 in connection with entering into an agreement to sell gold concentrate produced from its wholly-owned Bradshaw Gold Deposit (“Bradshaw”). Humon has advanced the funds as pre-payment for the planned delivery and sale of gold concentrate to be produced as part of Gowest’s ongoing Advanced Exploration – Bulk Sample program. Humon will be paid an arrangement fee in respect of the pre-payment.

Selected quarterly information

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

	Fourth Quarter October 31, 2017	**Third Quarter July 31, 2017**	**Second Quarter April 30, 2017**	**First Quarter January 31, 2017**
General and administrative (expenses)	(430,113)	(767,569)	(869,475)	(281,540)
Foreign exchange gain (loss)	(297,577)	630,896	(246,283)	
Interest income (expense)	1,240	6,510	7,256	2,577
Accretion (expense)	(354,335)	(345,624)	(317,153)	-
Deferred income tax recovery	176,000	9,000	-	-

Net comprehensive (loss)	(905,535)	(466,787)	(1,425,655)	(275,963)
Net (loss) per share, basic	(0.0031)	(0.001)	(0.005)	(0.001)
Cash flow (used in) operations	(2,326,259)	557,054	99,594	(959,384)
Cash & cash equivalents, end of period	2,590,753	2,916,768	5,390,366	1,971,448
Assets	44,547,013	36,734,409	33,389,439	24,961,104
Deferred tax liabilities	1,301,000	1,564,000	1,573,000	1,274,000

	Fourth Quarter October 31, 2016	**Third Quarter July 31, 2016**	**Second Quarter April 30, 2016**	**First Quarter January 31, 2016**
	$	$	$	$
General and administrative (expenses)	(312,483)	(589,479)	(306,354)	(225,170)
Interest income (expense)	871	1,274	(694)	2,289
Deferred income tax expense	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

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

	2017	**2016**	**2015**
	$	$	$
General and administrative expenses	2,348,697	1,433,486	1,240,888
Foreign exchange gain (loss)	87,036	-	-
Interest, other income/(expense)	17,583	3,740	10,258
Accretion (expense)	(1,017,112)	-	-
Deferred income tax recovery	185,000	142,000	261,000
Net loss for the year	(3,076,190)	(1,155,141)	(969,630)
Net comprehensive loss for the year	(3,073,940)	(1,152,141)	(970,755)
Net loss per share, basic and diluted	(0.0101)	(0.004)	(0.004)
Cash flow from (used in) operations	(2,628,259)	(1,358,547)	(979,195)
Cash & cash equivalents, end of year	2,590,753	893,806	2,391,096
Assets	44,547,013	22,583,998	21,815,776
Deferred tax liabilities	1,301,000	1,274,000	1,416,000

Results of Operations

The Company's activities during the three and twelve month period ended October 31, 2017, produced a net comprehensive loss of ($905,535) and ($3,073,940), respectively as compared to a net comprehensive loss of ($38,507) and ($1,152,141), 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, 2017	Three Months Ended October 31, 2016	Twelve Months Ended October 31, 2017	Twelve Months Ended October 31, 2016
	$	$	$	$
General and administrative	254,608	255,516	1,482,132	942,617
Professional fees	120,939	35,288	192,025	74,119
Investor relations	25,145	12,815	62,671	62,899
Shareholder communications	15,618	2,836	31,777	20,278
Share-based payments	4,169	1,164	503,137	287,383
Transfer agent and exchange fees	5,560	1,392	60,020	31,899
Amortization	4,074	3,472	16,935	14,291
Accretion	354,335	-	1,017,112	-
Foreign exchange (gain)	297,577	-	(87,036)	-

General and Administrative Expenses – The increase in the current year period as compared to the prior year period reflects the additional costs for increased corporate activities as the Company entered into the Bulk Sample phase of exploration. Also reflected in the current year period was $390,000 granted to certain management as compensation bonus of which $60,000 will have been settled with shares.

Professional Fees – The increase in professional fees during the current period reflect the cost for legal fees incurred associated with the start of the development for the Bulk Sample phase of exploration.

Investor Relations – The investor relations expenses during the current year period was comparable to the prior year period.

Shareholder Communications – The increase in the shareholder communication expenses during the current year period as compared to the prior year period reflects the increased activity with the bulk sample program underway.

Share-based Compensation – The share-based compensation expense for the current year period as compared to the prior year period reflects the fair value of the stock options granted during the second quarter of 2017.

Transfer agent and regulatory fees – Transfer agent & regulatory fees for the current period reflects increased costs associated with exchange filing fees associated with the convertible debt and shareholder management and reporting during the period.

Accretion - Accretion expense on long-term debt for the current year period reflects the effective interest on the Prepaid Forward Gold Agreement and accretion recorded for the present value of the future rehabilitation liability.

Foreign Exchange – The foreign exchange gain is associated with the recognition of the Prepaid Forward Gold Agreement debt and USD cash revalued at the closing rate of the period end.

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, 2017, and October 31, 2016, the Company reported a cash and cash equivalent position of $2,590,753 and $893,806 respectively, and working capital deficit of ($4,174,473) and working capital of $743,095 respectively. Included in the current period working capital are costs associated with equipment purchases that are payable over a 12 to 24 month period.

The Company’s cash used in operating activities was (2,628,996) for the year ended October 31, 2017. Cash used in investing activities was $10,886,069 for the year ended October 31, 2017 reflecting; $8,970,294 in costs, net of $5,856,708 in accounts payable and accrued liabilities, attributed to the advanced exploration activities including; site preparation, engineering, planning and surface clearing at the Bradshaw, advancement of the underground ramp, drill program, ongoing consultation expenses, long term deposit posting of $773,877 for the financial assurance bond totalling $854,298, deposit on processing equipment and acquisition of water treatment plant, office equipment and vehicles.

The Company’s cash provided by financing activities was $15,212,013 for the year ended October 31, 2017, reflecting the approximate net proceeds of $8,700,000 from private placement financings in November 2016, May and July 2017 and from options and warrants exercised during the year together with $6,558,400 in net proceeds from the initial tranche of the Prepaid Forward Gold Purchase Agreement.

Subsequent to October 31, 2017, the Company closed on private placements for gross proceeds of $3,518,691 and received $272,056 from warrant exercises. In addition, the Company received US$3,000,000 from Shandong Humon Smelting as a prepayment for the planned delivery and sale of gold concentrate to be produced as part of the Company’s advanced exploration program. The Company anticipates that it will not have sufficient working capital to meet its obligations for the next twelve months until it receives the outstanding funding commitment under the Prepaid Forward Gold Purchase Agreement to finance the development of the Company’s Bradshaw Gold Deposit. See Note 11 of the financial statements for the year ended October 31, 2017.

The Company will assess its future funding requirements to advance on the development of the Bradshaw. The Company expects funding through completion of the development of the Bradshaw by the Prepaid Forward Gold Purchase Agreement, equity transactions such as equity offerings, exercise of stock options and warrants. The Company will continue to explore various alternative methods to continue the advancement of its projects.

Mineral Properties

According to Gowest’s Exploration and Evaluation Properties as at October 31, 2017, 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, 2016 Opening Net Book Value	Expenditures For the Year Ended October 31, 2017	**October 31, 2017 Closing Net Book Value**
	$	**$**	**$**
Frankfield Property	18,924,043	15,503,183	**34,427,226**
Pipestone Property	1,432,693	147,128	**1,579,821**
Tully Property	891,650	1,321	**892,971**
Whitney Property	114,475	-	**114,475**
	21,362,861	15,651,632	**37,014,493**

Exploration and Development Expenditures

	Frankfield Property		**Pipestone Property**		**Tully Property**		**Whitney Property**		**Total**	
	Twelve Months Ended Oct 31, 2017	Twelve Months Ended Oct 31, 2016	**Twelve Months Ended Oct 31, 2017**	Twelve Months Ended Oct 31, 2016	**Twelve Months Ended Oct 31, 2017**	Twelve Months Ended Oct 31, 2016	**Twelve Months Ended Oct 31, 2017**	Twelve Months Ended Oct 31, 2016	**Twelve Months Ended Oct 31, 2017**	Twelve Months Ended Oct 31, 2016
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Opening Balance, Beginning 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
Acquisition and holding costs	**-**	-	**-**	-	**1,065**	3,375	**-**	-	**1,065**	3,375
Property upgrades, site infrastructure, site clearing and ramp development	**5,108,945**	131,538	**-**	-	**-**	-	**-**	-	**5,108,945**	131,538
Mining	**6,836,194**								**6,836,194**	-
Asset retirement obligation	**824,000**	-	**-**	-	**-**	-	**-**	-	**824,000**	-
Office, Camp, Engineering, Study, Consultation and Permitting	**1,864,937**	730,804	**-**	149,698	**-**	-	**-**	5,216	**1,864,937**	885,718
Exploration, Drilling and Geophysics	**869,107**	101,806	**147,128**	184,701	**256**	-	**-**	-	**1,016,491**	319,806
Royalty Purchase	**-**	800,000	**-**	-	**-**	-	**-**	-	**-**	800,000
Closing Balance, End of Period	**34,427,226**	18,924,043	**1,579,821**	1,432,693	**892,971**	891,650	**114,475**	114,475	**37,014,493**	21,362,861

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 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, 2017, the Company increased its previously placed financial assurance bond by $773,877 for a total of $854,298 with the Ministry of Northern Development and Mines for the Bradshaw project advanced exploration closure plan, which is refundable once certain conditions are met.

During the year ended October 31, 2017, the Company initiated and proceeded with the advanced exploration program on the Bradshaw with extensive surface preparation work for the Bulk Sample Program. Gowest started underground development at the Bradshaw mine site on May 11, 2017, when the first blast was executed at the portal, which is located at the east side of the outcrop. To date, the Company has driven approximately 990 metres as at October 31, 2017 and approximately 1,600 metres to date of the main decline to the south with development on the 30 and 45 metre levels near completion for stoping and development extending to the 60 metre level. Crews have been working on the decline in two shifts since the middle of May 2017 and one shift since end of December 2017. The Company expects to ship the first ore to the mill before the end of the second quarter of 2018 with first gold revenues anticipated in the second quarter of 2018.

To date, the Company completed 3,871 metres of ramp infill drilling for a total of 30 holes and metallurgical test holes in the area where the bulk sample will be collected. All holes in the drill program intersected gold mineralization. The advanced exploration drill program had been designed to refine the geological model and the stope design in the upper portion of the Bradshaw deposit

Reclamation and Closure Cost Obligations

Pursuant to the Bradshaw Project Closure Plan, the Company is obligated to rehabilitate the Bradshaw site. Each period the Company reviews cost estimates and other assumptions used in the valuation of the obligations at each of its mining properties and development properties to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the obligation. The fair values of the obligations are measured by discounting the expected cash flows using a discount factor that reflects the risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an obligation is incurred. Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities;

obligations realized through additional ore bodies mined; changes in the quantities of material in reserves and a corresponding change in the Life of Mine; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. The present value of the future estimated obligation is recorded when it is incurred. Assumptions, including an inflation rate of 1.5% and a discount rate of 1.82% have been made, which management believes provide a reasonable basis upon which to estimate the future liability.

The present value of the future rehabilitation liability was estimated at $836,500 as at October 31, 2017.

(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.

During the twelve month period ended October 31, 2017, the Company undertook an Induced Polarization (IP) survey on the Pipestone property, as part of the Transition JV work program. The Company is evaluating the results and developing the next steps for the program which it expects to initiate during the fourth quarter of the Company’s fiscal twelve months.

(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.

Next Steps

The Company’s primary objective is to continue the advancement of its Bradshaw t gold deposit currently in advanced exploration, 30,000 tonne bulk sample from the primary gold zones in the underground mining area, towards production;. To that end, the Company has received all the necessary permits for the advanced exploration at the Bradshaw from the various provincial government ministries. The Company has undertaken the application for a mining permit and continues to consult with the various First Nation communities on obtaining a Resource Development Agreement.

In addition, the Company continues to review opportunities to increase the resource through exploration on the NTGP and other potential opportunities to enhance shareholder value.

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 contract. The contract contains clauses requiring additional payments of up to $617,000 to be made upon the occurrence of certain events such as a change of control or termination. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

On November 9, 2016, the Company issued a total of $2,445,000 in flow-through shares. As at October 31, 2017, the Company had expended all of the related commitments 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.

On May 18, 2017 and July 6, 2017, the Company issued a total of $2,980,499 in flow-through shares. As at October 31, 2017, the Company had expended all of the related commitments 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

On October 31, 2017, the Company issued a total of $2,383,920 in flow-through shares. As at October 31, 2017, the Company had not expended any funds 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, 2023. Minimum commitments remaining under this lease are approximately $435,000, of which $107,000 are due within one year.

Minimum payments due under operating leases in respect of office space are set out below:

2018 - $107,000
2019 - $ 65,000
2020 - $ 67,000
2021 - $ 67,000
2022 - $ 67,000
2023 - $ 62,000

The Company committed to the purchase of equipment for use during the processing of the ore delivered during the fourth quarter of the year. The total purchase price is US$829,869 with an initial deposit of US$253,691 paid and the outstanding balance to be paid over a 10 month period following delivery of the equipment.

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 years ended October 31, is as follows:

	2017	2016
Aggregate cash compensation	$ 846,913	$ 535,000
Share based compensation	$ 470,007	153,450

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, 2017, officers, directors and insiders subscribed for 5,481,361 units in the private placements for proceeds of $999,500 (October 31, 2016 – 500,000 units for proceeds of $50,000). During the year ended October 31, 2017, $100,000 was paid to a director for services related to the financings of the Company; $16,680 was paid to Mr. Wu, a director who provided geological services to the Company (October 31, 2016 - $57,600); $50,400 was paid to Mr. Yuanhui who provided corporate development services to the Company (October 31, 2016 - $50,400) and $135,000 of outstanding compensation and director fees were settled by the issuance of 675,000 common shares of the Company. Included in accounts payable and accrued liabilities as at October 31, 2017 was $118,531 (October 31, 2016 - $80,000) owing to directors and officers of the Company. The amounts payable are unsecured, non-interest bearing with no fixed terms of repayment.

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.

Significant Accounting Judgements, Estimates

The preparation of these unaudited interim 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, impairment of exploration and evaluation properties, share-based payments, income taxes and recoverability of potential deferred tax assets and flow-through shares.

Change in Accounting Policy

The basis of presentation, and accounting policies and methods of their application in the October 31, 2017 financial statements are consistent with those used in the Company's annual financial statements for the twelve months ended October 31, 2016.

During the year ended October 31, 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IAS 1. These new standards and changes did not have any materials impact on the Company's financial statements.

New accounting standards and interpretations effective in future periods

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after November 1, 2017 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 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

ii) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(iii) IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

(iv) 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.

(v) IFRIC 23 – Interpretation of Uncertainty over Income Tax Treatments ("IFRIC 23") was published on June 17, 2017. IAS 12 *Income Taxes* specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. IFRIC Interpretations (Interpretations) form part of the authoritative IFRS requirements. They are developed by the IFRS Interpretations Committee to provide requirements on specific application issues and are ratified by the IASB. IFRIC 23 is effective for annual accounting periods beginning on or after 1 January 2019. Earlier application is permitted. IFRIC 23 has not yet been endorsed by the EU.

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, 2017.

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. As of October 31, 2017, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the direction of the TSXV.

Refer to Note 3 in the 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.

For a discussion of certain risk exposures and the impact on the Company, refer to note 4 of the Company's financial statements for the year ended October 31, 2017. In addition to the risk exposures and the impact to the Company the following are additional considerations for the Company.

Global Financial and Economic Conditions

Current global financial and economic conditions remain extremely volatile. Several major international financial institutions and other large, international enterprises have either filed for bankruptcy or have had to be actively rescued by governmental intervention. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the recent global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

Exploration and Development Risks

The Company's activities are directed towards the exploration and development of the Bradshaw project.

Resource exploration and mineral development is a highly speculative and extremely volatile business. The Company's exploration and initial development activities involve significant risks that cannot be eliminated or adequately mitigated, even with careful and prudent planning and evaluation, experience, knowledge and operational know-how. In general, the discovery of ore bodies may result in substantial rewards. However, few properties which are explored are ultimately developed into producing mines. Exploration for gold involves many risks and uncertainties and success in exploration is dependent on a number of factors, including the quality of management, quality and availability of geological expertise and the availability of exploration capital. Substantial expenditures are required to (i) establish mineral resources and mineral reserves (ii) complete drilling and to develop metallurgical processes to extract the minerals, (iii) develop mining and processing facilities and suitable infrastructure at any site chosen for mining, and (iv) establish commercial operations. Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically. Even if an exploration program is successful and economically recoverable gold is found, it can take a number of twelve months from the initial phases of drilling and identification of the mineralization until production is possible, during which time the economic feasibility of extraction may change and gold that was economically recoverable at the time of discovery ceases to be economically recoverable. There can be no assurance that gold recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale operations. The Company cannot ensure or provide any comfort that the exploration or development programs planned by the Company will result in a profitable commercial mining operation in respect of the Bradshaw Project.

The commercial viability of the Bradshaw Project depends upon on a number of factors, all of which are beyond the control of the Company, including: the particular attributes of a deposit, such as size, grade, metallurgy and proximity to infrastructure, market fluctuations in the price of metals (which are highly volatile), general and local labour market conditions, the proximity and capacity of milling facilities, and local, provincial, federal and international government regulation, including regulations relating to prices, taxes, royalties, land tenure, land use, and the importing and exporting of minerals and environmental protection. The effect of these factors, either alone or in combination, cannot be accurately predicted and their impact may result in the Company not being able to economically extract minerals from any identified mineral resource or mineral reserve which, in turn, could have a material and adverse impact on the Company's cash flows, earnings, results of operations and financial condition and prospects. The Company cannot provide any certainty that its planned expenditures will result in the successful operation of the Bradshaw Project.

Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting, social activism, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, and work interruptions. In addition, the quantity or grade of minerals ultimately extracted may differ from the quantity or grade indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on results from operations. Any material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of the Bradshaw Project and the viability of the Company may be negatively affected.

Obtaining and Renewing of Government Permits

In the ordinary course of business, the Company is required to obtain or renew governmental permits for mineral exploration. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous agencies which can often involve public hearings and costly undertakings. The duration and success of the Company's efforts to obtain or renew permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the permitting authority or potential legal challenges from various stakeholders such as environmental groups, nongovernmental organizations, aboriginal groups or other claimants. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from the Bradshaw Project once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could have a material adverse effect on the Company's operations and profitability.

Employee Recruitment and Key Personnel

Recruiting and retaining qualified personnel is critical to the success of the Company. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key executive, financial, operational, administrative and mining personnel. There can be no assurance that the Company will be successful in attracting, training and retaining qualified personnel. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse effect on the Company's results of operations and profitability. The Company's business involves a certain degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. As such, the Company's success is dependent on the services of its senior management. The loss of one or more of the Company's key employees could have a material adverse effect on the Company's operations and business prospects. In addition, the Company's future success depends on its ability to attract and retain skilled technical, management, sales and marketing personnel. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the failure to do so could have a material adverse effect.

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, 2017, Gowest management, with the participation of the President, 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, 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 controls over financial reporting or causing them 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 354,634,739 common 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 20,235,842 common share purchase warrants outstanding with an average exercise price of $0.23 expiring between November 2018 and January 2020.

Stock Options:

As of the date hereof, the Company has 14,875,000 options outstanding under the Company's stock option plan for employees, directors, officers and directors with exercise prices of between $0.08 and $0.16 expiring from March 2018 to October 2022.

Additional Information

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

GOWEST GOLD LTD.

Financial Statements

Years Ended October 31, 2017 and 2016

Expressed in Canadian Dollars

UHY McGovern Hurley LLP
Chartered Professional Accountants

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@uhymh.com
Web www.uhymh.com

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, 2017 and 2016, 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, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Gowest Gold Ltd. had continuing losses during the year ended October 31, 2017 and a working capital deficiency as at October 31, 2017. These conditions along with other matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about Gowest Gold Ltd.'s ability to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 27, 2018

GOWEST GOLD LTD.
Statements of Financial Position
In Canadian dollars

ASSETS		**October 31, 2017**		October 31, 2016
Current assets				
Cash and cash equivalents (Note 5)	$	**2,590,753**	$	893,806
Amounts receivable and other assets (Note 6)		**1,373,152**		118,901
Total current assets		**3,963,905**		1,012,707
Deferred financing costs (Note 11)		**465,052**		-
Long term investment (Note 8)		**8,250**		6,000
Equipment (Note 7)		**2,241,015**		22,009
Long term deposits (Note 9)		**854,298**		180,421
Exploration and evaluation properties (Note 9)		**37,014,493**		21,362,861
Total assets	$	**44,547,013**	$	22,583,998
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 9 & 14)	$	**7,452,092**	$	269,612
Flow-through premium liability (Note 12)		**686,286**		-
Total current liabilities		**8,138,378**		269,612
Asset retirement obligation (Note 10)		**836,500**		-
Long term debt (Note 11)		**6,830,227**		-
Deferred income taxes (Note 16)		**1,301,000**		1,274,000
Total liabilities		**17,106,105**		1,543,612
SHAREHOLDERS' EQUITY				
Share capital (Note 12)		**35,000,298**		27,161,491
Reserves (Note 11 & 12 (c)(d)(e))		**2,583,190**		1,126,446
		37,583,488		28,287,937
Accumulated deficit		**(10,146,705)**		(7,249,426)
Accumulated other comprehensive income (Note 8)		**4,125**		1,875
		(10,142,580)		(7,247,551)
Total shareholders' equity		**27,440,908**		21,040,386
Total liabilities and shareholders' equity	$	**44,547,013**	$	22,583,998

Nature of operations and going concern (Note 1)
Commitments and Contingencies (Notes 9, 10, 11 and 15)
Subsequent events (Note 17)

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, 2017 and 2016
In Canadian dollars

		2017		2016
Operating Expenses				
General and administrative (Note 13)	$	**2,348,697**	$	1,433,486
Accretion (Notes 10 & 11)		**1,017,112**		-
		(3,365,809)		(1,433,486)
Foreign exchange gain		**87,036**		-
Interest and other income		**17,583**		3,740
Flow through premium recovery (Note 12)		**-**		132,605
Deferred tax recovery (Note 16)		**185,000**		142,000
Net loss for the year	$	**(3,076,190)**	$	(1,155,141)
Unrealized gain on securities available for sale		**2,250**		3,000
Net comprehensive loss for the year		**(3,073,940)**		(1,152,141)
Basic and diluted (loss) per share	$	**(0.0101)**	$	(0.004)
Weighted average number of common shares outstanding		**303,833,271**		280,503,793

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			Reserves				
	Share Capital	Warrants	Stock options	Convertible Feature of Long-Term Debt	Accumulated other comprehensive loss	Accumulated deficit	Total equity
Balance at October 31, 2016	**$ 27,161,491**	**$ 149,642**	**$ 976,804**	**$ -**	**$ 1,875**	**$ (7,249,426)**	**$ 21,040,386**
Issued on private placement	**8,299,004**	**403,415**	**-**	**-**	**-**	**-**	**8,702,419**
Issued on exercise of options/warrants	**280,375**	**-**	**-**	**-**	**-**	**-**	**280,375**
Share issue costs, net of tax	**(262,474)**	**20,293**	**-**	**-**	**-**	**-**	**(242,181)**
Convertible feature of long term debt, net of tax	**-**	**-**	**-**	**782,000**	**-**	**-**	**782,000**
Shares issued for compensation	**135,000**	**-**	**-**	**-**	**-**	**-**	**135,000**
Flow-through premium on private placement	**(686,287)**	**-**	**-**	**-**	**-**	**-**	**(686,287)**
Fair value of warrants expired	**-**	**(10,375)**	**-**	**-**	**-**	**10,375**	**-**
Fair value of options/warrants exercised	**73,189**	**(64,464)**	**(8,725)**	**-**	**-**	**-**	**-**
Share-based payment	**-**	**-**	**503,137**	**-**	**-**	**-**	**503,137**
Fair value of stock options expired	**-**	**-**	**(168,536)**	**-**	**-**	**168,536**	**-**
Net loss and comprehensive loss for the year	**-**	**-**	**-**	**-**	**2,250**	**(3,076,190)**	**(3,073,940)**
Balance at October 31, 2017	**$ 35,000,298**	**$ 498,511**	**$ 1,302,680**	**$ 782,000**	**$ 4,125**	**$ (10,146,705)**	**$ 27,440,909**
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	-	-	-	-	-
Fair value of warrants exercised	36,702	(36,702)	-	-	-	-	-
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)
Share-based payment	-	-	287,383	-	-	-	287,383
Fair value of warrants expired	-	(139,083)	-	-	-	139,083	-
Fair value of stock options expired	-	-	(674,939)	-	-	674,939	-
Fair value of stock options exercised	44,663		(44,663)	-	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	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

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

GOWEST GOLD LTD.
Statements of Cash Flows
For the years ended October 31, 2017 and 2016
In Canadian dollars

	2017	2016
Operating activities		
Net (loss) for the year	**$ (3,076,190)**	$ (1,155,141)
Items not affecting cash:		
Amortization	**16,935**	14,291
Share-based payments	**503,137**	287,383
Flow through premium recovery	-	(132,605)
Common shares issued for services	**135,000**	98,438
Unrealized foreign exchange loss	**(116,837)**	-
Accretion	**1,017,112**	-
Deferred income taxes	**(185,000)**	(142,000)
	(1,705,843)	(1,029,634)
Changes in non-cash working capital items:		
Amounts receivable and other assets	**(1,261,341)**	(36,366)
Long term deposits	**100,000**	(100,000)
Accounts payable and accrued liabilities	**(238,186)**	(192,547)
Cash flows from operating activities	**(2,628,998)**	(1,358,547)
Investing activities		
Exploration and evaluation expenditures	**(8,970,924)**	(1,340,437)
Purchase of equipment	**(1,141,267)**	-
Deposit	**(773,877)**	-
Cash flows from investing activities	**(10,886,068)**	(1,340,437)
Financing activities		
Proceeds from issue of capital stock, options and warrants	**8,982,794**	1,271,492
Transaction costs on private placements	**(329,181)**	(69,798)
Proceeds from issuance of long-term debt	**7,329,840**	-
Transaction costs on long-term debt	**(771,440)**	
Cash flows from financing activities	**15,212,013**	1,201,694
Increase in cash and cash equivalents during the year	**1,696,947**	(1,497,290)
Cash and cash equivalents, beginning of year	**893,806**	2,391,096
Cash and cash equivalents, end of year	**$ 2,590,753**	$ 893,806
CASH AND CASH EQUIVALENTS ARE COMPOSED OF:		
Cash	**$ 2,560,333**	$ 873,122
Cash equivalents	**30,420**	20,684
	$ 2,590,753	$ 893,806
SUPPLEMENTAL INFORMATION		
Change in non-cash working capital related to		
Exploration and evaluation expenditures	**$ 5,856,708**	$ (128,370)
Purchase of equipment	**727,487**	-
Common shares issued for purchase of royalty	-	800,000
Common shares issued for broker warrants	**25,100**	-

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 government licensing requirements or regulations, social discretionary requirements, 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 and working capital deficiency, 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. The Company incurred a loss of $3,073,940 for the year ended October 31, 2017 (2016 - $1,152,141) and as of October 31, 2017, the Company had a working capital deficiency of $4,174,473 (2016 – working capital surplus of $743,095), and had a cumulative deficit of $10,146,705 (2016 - $7,249,426). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

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 27, 2018.

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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation

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

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

(c) Financial instruments

The Company's financial instruments consist of the following:

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

Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities
Long-term debt	Other financial liabilities

Compound financial instruments

Compound financial instruments comprise convertible debentures that can be converted into common shares at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at an amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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.

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, 2017 and 2016, 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. See Note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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
Equipment	10%	Straight line

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 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, as the disturbance, to that date, was minimal. See Note 10 for details of the asset retirement obligation as at October 31, 2017.

(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 impacts 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 and equipment

While assessing whether any indications of impairment exist for exploration and evaluation properties and equipment, consideration is given to both external and internal sources of information. Information the Company considers include 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 and equipment. Internal sources of information include the manner in which exploration and evaluation properties and equipment 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 and equipment, costs to sell the properties and equipment 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 and equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Significant account judgments and estimates (continued)

Long term debt

The classification of the Company's long term debt required management to analyze the terms and conditions of the long term debt and use judgment to assess whether the instrument is a liability, equity or a combination of the two. IAS 32 provides the criteria for management to assess these complicated financial instruments to determine their appropriate classification(s). Factors considered include, but are not limited to, whether the Company has a future obligation to settle the instrument in cash or exchange other assets or liabilities, and if the settlement is already known to be equity, the amount will not vary based on the Company's future share price, future foreign exchange rates or some other factor that results in a variable number of equity instruments being issued.

The Company was required to make certain estimates when determining the value of the liability and equity components of the long term debt. The discount rate used to measure the liability component on initial recognition is subject to management estimation and has a significant impact on the allocation of the debt and equity components of the facility.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Significant accounting judgments and estimates (continued)

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 15
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, 2017 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 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(iii) IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

(iv) 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.

(v) IFRIC 23 – Interpretation of Uncertainty over Income Tax Treatements ("IFRIC 23") was published on June 17, 2017. IAS 12 *Income Taxes* specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. IFRIC Interpretations (Interpretations) form part of the authoritative IFRS requirements. They are developed by the IFRS Interpretations Committee to provide requirements on specific application issues and are ratified by the IASB. IFRIC 23 is effective for annual accounting periods beginning on or after 1 January 2019. Earlier application is permitted. IFRIC 23 has not yet been endorsed by the EU.

During the year ended October 31, 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IAS 1. These new standards and changes did not have any materials impact on the Company's financial statements.

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 income, which at October 31, 2017, totalled $27,440,908 (October 31, 2016 - $21,040,386).

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

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

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

In light of the above, the Company will attempt to explore and evaluate its properties, assess new properties and seek to acquire an interest in additional properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the years ended October 31, 2017 and 2016.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than by the TSX Venture Exchange ("TSXV") who 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. As of October 31, 2017, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the direction of the TSXV.

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 and amounts 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. Management believes that the credit risk concentration with respect to the financial instruments included in cash and cash equivalents is remote. Financial instruments included in amounts receivable totaled $162,000. This balance was paid to the Company subsequent to October 31, 2017.

4. FINANCIAL RISK FACTORS (CONTINUED)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at October 31, 2017, the Company had cash, cash equivalents, amounts receivable and other current assets of $3,963,905 (October 31, 2016 - $1,012,707) to settle current accounts payable and accrued liabilities of $8,138,378 (October 31, 2016 - $269,612). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. (See Note 11 for details of the long-term debt repayment terms.) The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in Note 1, the Company's ability to continually meet its obligations and carry out its planned exploration and evaluation activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

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

(a) Interest rate risk

The Company has cash and cash equivalents. 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. The Company's long-term debt effectively bears interest at a fixed rate. 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. ("Crown") is subject to fair value fluctuations arising from changes in the equity and commodity markets.

In Canadian Dollars

4. FINANCIAL RISK FACTORS (CONTINUED)

(iii) Market risk (continued)

Sensitivity analysis

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

(i) Cash equivalents are subject to floating interest rates. As at October 31, 2017, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended October 31, 2017 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, 2017, 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, 2017, before tax, would not have been significantly impacted.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at October 31, 2017 and 2016:

October 31, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	**$ -**	**$ 30,420**	**$ -**	**$ 30,420**
Long-term investments:				
- Investment in a public company	**8,250**	**-**	**-**	**8,250**
	$ 8,250	**$ 30,420**	**$ -**	**$ 38,670**

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

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	October 31, 2017	October 31, 2016
Financial assets:		
FVTPL		
Cash equivalents	**$ 30,420**	$ 20,684
Loans and Receivables		
Cash	**2,560,333**	873,122
Total Cash and cash equivalents	**2,590,753**	893,806
Available for sale financial asset	**8,250**	6,000
Financial liabilities:		
Other financial liabilities		
Accounts payable and accrued liabilities	**$ 7,452,092**	$ 269,612
Long-term debt	**$ 6,830,227**	$ -

As at October 31, 2017 and 2016, the fair value of the Company's loans and receivables and accounts payable and accrued liabilities approximate their estimated carrying values, due to their short-term nature. The fair value of the long-term debt approximates its carrying value due to the short amount of time that has passed since it was received.

In Canadian Dollars

6. AMOUNTS RECEIVABLE AND OTHER ASSETS

	As at October 31, 2017	As at October 31, 2016
Amounts receivable	**$ 1,073,333**	$ 75,566
Prepaid expense	**299,819**	43,335
	$ 1,373,152	$ 118,901

7. EQUIPMENT

Cost	Computer Equipment	Furniture	Vehicles	Software	Equipment	Total
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
Additions	**3,581**	**22,800**	**28,999**	**-**	**2,173,472**	**2,228,852**
Balance, October 31, 2017	**12,307**	**49,241**	**125,490**	**63,174**	**2,173,472**	**2,423,684**

Accumulated amortization	Computer Equipment	Furniture	Vehicles	Software	Equipment	Total
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
Additions	**654**	**1,637**	**5,273**	**2,282**	-	9,846
Balance, October 31, 2017	**7,454**	**28,078**	**90,199**	**56,938**	**-**	**182,669**

Carrying value	Computer Equipment	Furniture	Vehicles	Software	Equipment	Total
Balance, October 31, 2015	2,652	-	15,921	11,727	-	30,300
Balance, October 31, 2016	1,926	-	11,565	8,518	-	22,009
Balance, October 31, 2017	**4,853**	**21,163**	**35,291**	**6,236**	**2,173,472**	**2,241,015**

As at October 31, 2017, the balance of equipment of $2,173,472 related to equipment not yet available for use. Consequently, no amortization was recorded.

8. LONG-TERM INVESTMENT

Long term Investment	**Cost**	**Impairment**	**Accumulated other comprehensive income adjustment**	**October 31, 2017 estimated fair value**	October 31, 2016 estimated fair value
Crown Mining Corp - common shares	$ 115,500	$(111,375)[(i)]	$ 4,125	**$ 8,250**	$ 6,000

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

In Canadian Dollars

9. EXPLORATION AND EVALUATION PROPERTIES

October 31, 2017	**Acquisition Cost**	**Exploration and Evaluation**	**Option Payments Received**	**Net Book Value**
Frankfield Property (i)	**$ 1,263,575**	**$ 33,163,651**	**$ -**	**$ 34,427,226**
Pipestone Property(iii)	**201,500**	**1,378,321**	**-**	**1,579,821**
Tully Property (ii)	**69,458**	**823,513**	**-**	**892,971**
Whitney Property (iv)	**126,059**	**65,984**	**(77,568)**	**114,475**
	$ 1,660,592	**$ 35,431,469**	**$ (77,568)**	**$ 37,014,493**

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

(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.

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.

In Canadian Dollars

9. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

(i) Frankfield Property (continued)

The Company entered into advanced exploration bulk sample program on the Bradshaw project during the year ended October 31, 2017. During the year ended October 31, 2017, the Company increased its previously placed financial assurance bond by $773,877 for a total of $854,298 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 long term deposits for the year ended October 31, 2017. Included in accounts payable and accrued liabilities is $5,845,708 in exploration and evaluation expenditures for the year ended October 31, 2017.

The following costs have been capitalized during the years ended October 31, 2017 and 2016 to exploration and evaluation expenditures in respect of the Frankfield Property:

	2017	2016
Opening Balance	$ **18,924,043**	$ 17,126,596
Additions during the year:		
Asset retirement provision	**824,000**	-
Engineering, permitting and overhead	**1,864,937**	730,804
Site access and development	**5,108,944**	131,538
Mining bulk sample	**6,836,194**	-
Exploration, geophysics,drilling and assays	**869,108**	135,105
Royalty buy-back	**-**	800,000
	$ **15,503,183**	$ 1,797,447
Closing Balance	**34,427,226**	18,924,043

(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 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.

Pursuant to IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. Joint arrangements represent arrangements in which two or more parties have joint control established by a contractual agreement. Joint control requires unanimous consent for financial and operational decisions. Joint arrangements can be classified as either a joint operation or a joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method of accounting. Under the equity method, the Company's initial investment is recognized at cost and subsequently adjusted for the Company's share of the joint venture's income or loss, less distributions received.

(iv) Whitney Property

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

10. RECLAMATION AND CLOSURE COST OBLIGATIONS

Pursuant to the Bradshaw Project Closure Plan, the Company is obligated to rehabilitate the Bradshaw site. Each period the Company reviews cost estimates and other assumptions used in the valuation of the obligations at each of its mining properties and development properties to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the obligation. The fair values of the obligations are measured by discounting the expected cash flows using a discount factor that reflects the risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an obligation is incurred. Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; obligations realized through additional ore bodies mined; changes in the quantities of material in reserves and a corresponding change in the life of mine; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. The present value of the future estimated obligation is recorded when it is incurred. Assumptions, including an inflation rate of 1.5% and a discount rate of 1.82% have been made which management believes are a reasonable basis upon which to estimate the future liability.

During the year ended October 31, 2017, accretion expense was recorded of $12,500. The present value of the future rehabilitation liability was estimated at $836,500 as at October 31, 2017.

11. LONG TERM DEBT

On December 16, 2016, the Company entered into a definitive Pre-Paid Forward Gold Purchase Agreement (the "Agreement") to finance the development of its Bradshaw project.

Pursuant to the Agreement, the Company may be advanced up to an aggregate of US$17,600,000 (the "Gold Prepayment Amount"), in four tranches over a period of approximately 12 months, as partial consideration for the purchase of up to an aggregate of 65,805 ounces of gold to be produced from Bradshaw. The full funding of the Gold Prepayment Amount is subject to the satisfaction of certain conditions precedent applicable in respect of each tranche, as specified in the Agreement.

The Gold Prepayment Amount will be used to fund development at Bradshaw, as well as for general and administrative costs and the payment of transaction fees and expenses relating to the Agreement.

Over a period of 60 months following the date of each tranche of the Gold Prepayment Amount, Gowest will be obligated to deliver a specified number of ounces of gold in respect of each such tranche; provided, however, no gold shall be deliverable by the Company during the first 27 months following the initial tranche payment date. The Company, on each delivery of gold, will receive an amount per ounce of gold equal to the market price at the time, less a specified discount. During the term of the Agreement, the lender will also participate in the upside of any increase in the price of gold.

The obligations of the Company under the Agreement will be secured by a first lien (subject to permitted liens) over all of the Company's properties and assets, other than certain excluded properties or assets specified in the Agreement.

On February 1, 2017, the Company received payment of the initial tranche in the amount of US$5,600,000 less the costs of issuance of the debt. The Company has recognized $771,440 as deferred financing cost and allocated $259,388 of these costs against the initial tranche and $47,000 of costs allocated to the conversion feature. The remaining costs will be recoginized against the remaining tranches as they are received.

In Canadian Dollars

11. LONG TERM DEBT (Continued)

Pursuant to the Agreement, during the 27 month period following the payment of the initial tranche of the Gold Prepayment Amount (the "Conversion Period"), the lender 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 (the "Conversion") having an aggregate value equal to US$5,000,000 (or CDN$6,673,500, based on an exchange rate of US$1.00 = CDN$1.3347, being the closing rate of exchange on the date prior to the execution of the Agreement as published by the Bank of Canada). For the purposes of the Conversion, the price per common share has been fixed at CDN$0.155, being the closing price of the common shares on the TSX Venture Exchange on the date prior to the execution of the Agreement.

The Conversion may be exercised during the Conversion Period, in whole or in part, in increments of US$1,000,000 and in exchange for 8,610,967 common shares (corresponding to a reduction in the total quantity of gold deliverable under the Agreement by 2,000 ounces). Following the Conversion, if applicable, the scheduled monthly quantities of gold to be delivered will be reduced on a *pro rata* basis. Further, if at any time during the term of the Agreement the common shares of the Company trade at a price greater than CDN$0.465 per share (being a trading price three (3) times the Conversion price) for a period of twenty (20) consecutive trading days, The lender will be obligated to consummate the Conversion.

The Company has valued the Conversion component on the initial tranche at $1,128,000 and has recorded a deferred tax liability of $299,000.

Balance of long term debt as at October 31, 2017:

	$
Total proceeds tranche 1	7,329,840
Cost of issuance	(771,440)
Deferred financing related to remaining tranches	465,052
Conversion feature - equity	(1,128,000)
Cost of issuance - equity	47,000
Accretion	1,004,612
Foreign exchange adjustment	(116,837)
Balance as at October 31, 2017	6,830,227

12. SHARE CAPITAL

(a) Authorized capital

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

In Canadian Dollars

12. SHARE CAPITAL (CONTINUED)

(b) Issued common shares

	No. of shares	Amount
Balance, October 31, 2015	261,307,318	$ 25,285,316
Private placement, option and warrant exercise (ii)(iii)(iv)(v)	12,252,420	1,271,492
Value of options and warrants exercised (iii)(iv)(v)	-	81,365
Value of warrants issued (ii)	-	(172,717)
Premium on FT shares (ii)	-	(132,605)
Shares issued for royalty buy-back (i)	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
Private placement, option and warrant exercise (vi)(vii)(viii)(ix)(xi)(xii)(xiii)	47,665,513	8,982,794
Share issue costs, net of tax	-	(267,281)
Value of options and warrants exercised	-	73,189
Value of warrants issued	-	(398,609)
Flow-through premium on private placement (vii)(viii)(xii)	-	(686,286)
Shares issued for compensation (x)	675,000	135,000
Balance, October 31, 2017	333,212,751	$ 35,000,298

(i) On December 4, 2015, the Company purchased the 1.5% NSR 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).

(ii) 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 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 flow-through 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 units 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.

(iii) 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.

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

(v) 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.

(vi) On November 9, 2016, the Company completed a private placement for aggregate proceeds of $2,510,000. Pursuant to the offering, the Company issued and sold 12,225,000 flow-through common shares of the Company at a price of $0.20 per share and 325,000 non-flow-through common shares of the Company at a price of $0.20 per share.

12. SHARE CAPITAL (CONTINUED)

(vii) On February 13, 2017, the Company issued 25,000 common shares upon exercise of stock options at an exercise price of $0.095 per option for gross proceeds of $2,375.

(viii) On May 18, 2017, the Company completed a private placement for aggregate proceeds of $1,980,500. Pursuant to the offering, the Company issued and sold 10,423,684 flow-through common shares of the Company at a price of $0.19 per share. The flow-through shares 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 $312,711.

(ix) On July 6, 2017, the Company completed a private placement for aggregate proceeds of $999,999. Pursuant to the offering, the Company issued and sold 4,347,826 flow-through common shares of the Company at a price of $0.23 per share. In connection with the offering, the Company paid $60,000 in cash and issued 130,435 non-transferable compensation warrants exercisable at $0.23 for 2 years. The flow-through shares 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 $108,696.

The grant date fair value of $12,913 was assigned to the 130,435 compensation warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 97%; risk-free rate of return 1.13% and an expected life of 2 years.

(x) On July 25, 2017, the Company issued 675,000 common shares to settle certain director and management compensation of $135,000 at a price of $0.20 per shares based on the quoted market price at the time of grant.

(xi) On August 11, 2017, 100,000 common shares were issued upon exercise of stock options at an exercise price of $0.08 per option for gross proceeds of $8,000.

(xii) On August 18, 2017, 1,800,000 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $270,000.

(xiii) On October 31, 2017, the Company closed a first tranche of a private placement for aggregate proceeds of $3,211,920. Pursuant to the offering, the Company issued and sold 13,244,003 flow-through common share units of the Company at a price of $0.18 per share for gross proceeds of $2,383,920 and 5,175,000 units at a price of $0.16 per share for gross proceeds of $828,000. 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 $0.25 per warrant until October 31, 2019. In connection with the offering, the Company paid finders fees of $16,965 and issued 94,250 non-transferable compensation warrants exercisable at $0.25 for 2 years. The flow-through shares 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 $264,880.

The grant date fair value of $398,609 was assigned to 9,209,502 warrants and value of $4,807 was assigned to the 94,250 compensation warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 87%; risk-free rate of return 1.39% and an expected life of 2 years.

The estimated volatility used in the Black-Scholes valuation model is based on the historical volatility of the Company's shares.

In Canadian Dollars

12. SHARE CAPITAL (CONTINUED)

(c) Stock options

The Company has an incentive stock option plan that allows it to grant options to its employees, directors and consultants. The plan received shareholder re-approval on May 25, 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 90th 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, 2017:

	Number of options	**Weighted average exercise price ($)**
Balance, October 31, 2015	12,790,000	0.14
Granted (i)	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
Granted (ii)(iii)(iv)	3,900,000	0.16
Exercised	(125,000)	0.08
Expired	(1,625,000)	0.18
Balance, October 31, 2017	**15,075,000**	**0.11**

(i) 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.

(ii) On March 28, 2017, the Company granted 3,250,000 options to purchase common shares at a price of $0.16 per share for a period of five years, of which 3,200,000 vested immediately and 50,000 vest over four quarters. The fair value of the 3,250,000 options was estimated to be $412,296 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 119%; risk-free interest rate of 1.10% and an expected life of 5 years.

(iii) On September 24, 2017, the Company granted 250,000 options to purchase common shares at a price of $0.16 per share for a period of five years, which vested immediately. The fair value of the options was estimated to be $39,250 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 116%; risk-free interest rate of 1.80% and an expected life of 5 years.

(iv) On October 31, 2017, the Company granted 400,000 options to purchase common shares at a price of $0.16 per share for a period of five years, which vested immediately. The fair value of the options was estimated to be $46,400 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 115%; risk-free interest rate of 1.62% and an expected life of 5 years.

During the year ended October 31, 2017, $503,137 (October 31, 2016 - $287,383) was recorded as share-based payment in the statement of loss. The weighted average remaining contractual life of the options outstanding at October 31, 2017 was 2.68 years (October 31, 2016 – 2.83 years).

The estimated volatility used in the Black-Scholes valuation model is based on the historical volatility of the Company's shares.

In Canadian Dollars

12. SHARE CAPITAL (CONTINUED)

(c) Stock options (Continued)

The following table reflects the options issued and outstanding as of October 31, 2017:

Expiry Date	Exercise price ($)	Number of Options Outstanding	Number of Options Exercisable
January 14, 2018	0.12	200,000	200,000*
March 1, 2018	0.12	2,300,000	2,300,000
February 28, 2019	0.08	2,450,000	2,450,000
September 30, 2019	0.085	400,000	400,000
November 7, 2019	0.085	400,000	400,000
June 22, 2020	0.08	2,600,000	2,600,000
June 21, 2021	0.095	2,825,000	2,825,000
March 28, 2022	0.16	3,250,000	3,237,500
September 24, 2022	0.16	250,000	250,000
October 31, 2022	0.16	400,000	400,000
		15,075,000	**15,062,500**

* Expired subsequent to October 31, 2017

(d) Warrants

The following table reflects the continuity of warrants as of October 31, 2017:

	Number of Warrants	Weighted Average Exercise Price
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
Issued	9,494,187	0.20
Expired	(75,000)	0.25
Exercised	(1,800,000)	0.15
Balance, October 31, 2017	**11,582,897**	0.23

The following table reflects the warrants issued and outstanding as of October 31, 2017:

Number of Warrants	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date
2,088,710	0.15	74,803	December 22, 2017*
60,000	0.20	7,380	November 9, 2018
130,435	0.23	12,913	July 6, 2019
9,209,502	0.25	398,609	October 31, 2019
94,250	0.25	4,807	October 31, 2019
11,582,897		498,512	

*Expired subsequent to October 31, 2017

In Canadian Dollars

12. SHARE CAPITAL (CONTINUED)

(e) CONVERTIBLE DEBT

Pursuant to the Agreement (See Note 11), during the 27 month period following the payment of the initial tranche of the Gold Prepayment Amount (the "Conversion Period"), the lender 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 (the "Conversion") having an aggregate value equal to US$5,000,000 (or CDN$6,673,500, based on an exchange rate of US$1.00 = CDN$1.3347, being the closing rate of exchange on the date prior to the execution of the Agreement as published by the Bank of Canada). For the purposes of the Conversion, the price per common share has been fixed at CDN$0.155, being the closing price of the common shares on the TSX Venture Exchange on the date prior to the execution of the Agreement.

The Conversion may be exercised during the Conversion Period, in whole or in part, in increments of US$1,000,000 and in exchange for 8,610,967 common shares (corresponding to a reduction in the total quantity of gold deliverable under the Agreement by 2,000 ounces). Following the Conversion, if applicable, the scheduled monthly quantities of gold to be delivered will be reduced on a pro rata basis. Further, if at any time during the term of the Agreement the common shares of the Company trade at a price greater than CDN$0.465 per share (being a trading price three (3) times the Conversion price) for a period of twenty (20) consecutive trading days, the lender shall be obligated to consummate the Conversion.

The Company has valued the Conversion component on the initial tranche at $1,128,000 and has recorded a deferred tax liability of $299,000. Transaction costs of $47,000 were allocated to this component resulting in an amount of $782,000 recognized as at October 31, 2017.

13. GENERAL AND ADMINISTRATIVE

		2017		2016
General and administrative	$	**1,482,132**	$	942,617
Professional fees		**192,025**		74,119
Investor relations		**62,671**		62,899
Shareholder communications		**31,777**		20,278
Share-based payments		**503,137**		287,383
Transfer agent and exchange fees		**60,020**		31,899
Amortization		**16,935**		14,291
	$	**2,348,697**	**$**	1,433,486

14. RELATED PARTY TRANSACTIONS

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

	2017	2016
Aggregate cash compensation	**$ 846,913**	$ 535,000
Share based compensation	**470,007**	153,450

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.

During the year ended October 31, 2017, officers, directors and insiders subscribed for 5,481,361 units in the private placements for proceeds of $999,500 (October 31, 2016 – 500,000 units for proceeds of $50,000). During the year ended October 31, 2017, $100,000 was paid to a director for services related to the financings of the Company; $16,680 was paid to Mr. Wu, a director who provided geological services to the Company (October 31, 2016 - $57,600); $50,400 was paid to Mr. Yuanhui who provided corporate development services to the Company (October 31, 2016 - $50,400) and $135,000 of outstanding compensation and director fees were settled by the issuance of 675,000 common shares of the Company. Included in accounts payable and accrued liabilities as at October 31, 2017 was $118,531 (October 31, 2016 - $80,000) owing to directors and officers of the Company. The amounts payable are unsecured, non-interest bearing with no fixed terms of repayment.

15. COMMITMENTS AND CONTINGENCIES

The Company is party to a management and consulting contract. The contract contains clauses requiring additional payments of up to $617,000 to be made upon the occurrence of certain events such as a change of control or termination. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

On November 9, 2016, the Company issued a total of $2,445,000 in flow-through shares. As at October 31, 2017, the Company had expended all of the related commitments 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.

On May 18, 2017 and July 6, 2017, the Company issued a total of $2,980,499 in flow-through shares. As at October 31, 2017, the Company had expended all of the related commitments 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.

On October 31, 2017, the Company issued a total of $2,383,920 in flow-through shares. As at October 31, 2017, the Company had not expended any funds 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. See Note 17 for additional flow-through commitments.

The Company is committed to minimum amounts under two operating lease agreements for premises, which expire on July 31, 2018 and November 30, 2023. Minimum commitments remaining under this lease are approximately $435,000, of which $107,000 are due within one year.

Minimum payments due under operating leases in respect of office space are set out below:

2018 - $107,000
2019 - $ 65,000
2020 - $ 67,000
2021 - $ 67,000
2022 - $ 67,000
2023 - $ 62,000

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.

In Canadian Dollars

16. INCOME TAXES

a) Provision for 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% (2016 – 26.5%).

	2017 $	2016 $
Loss before income taxes	(3,261,190)	(1,429,746)
Expected income tax (recovery) at statutory rates	(864,000)	(379,000)
Adjustment to expected income tax benefit:		
Stock-based compensation	133,000	76,000
Flow-through renunciation	648,000	270,000
Non-deductible amounts for tax purposes	4,000	2,000
Expenses deductible for tax purposes	(126,000)	-
Provision to return adjustment	49,000	(64,000)
Flow-through premium recovery	(299,000)	(35,000)
Other	58,000	(12,000)
Total taxation	(397,000)	(142,000)
Deferred income tax recognized directly in equity	(212,000)	-
Deferred income tax (recovery)	(185,000)	(142,000)

b) Deferred Income Tax

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

	2017 $	2016 $
Non-capital losses	879,000	563,000
Exploration and evaluation properties	(2,457,000)	(1,934,000)
Share issue costs	252,000	48,000
Asset retirement obligation	222,000	-
Long term debt	(256,000)	-
Other temporary differences	59,000	49,000
Net deferred income tax (liabilities)	(1,301,000)	(1,274,000)

The following table reflects unrecognized deferred tax assets in respect of the following temporary differences:

	2017 $	2016 $
Long term investments	14,000	14,000

The Company has approximately $27,459,000 (2016 - $13,484,000) of Canadian development and exploration expenditures as at October 31, 2017, which under certain circumstances can be used to reduce the taxable income of future years.

In Canadian Dollars

16. INCOME TAXES (CONTINUED)

The Company has also incurred non-capital losses for income tax purposes of approximately $3,367,000 (2016 - $1,992,000) at October 31, 2017 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
2028	$ 196,000
2029	483,000
2030	153,000
2031	310,000
2032	-
2033	310,000
2034	123,000
2035	270,000
2036	323,000
2037	1,199,000
	$3,367,000

17. SUBSEQUENT EVENTS

On November 15, 2017, the Company closed the second tranche of a private placement for aggregate proceeds of $1,428,151. Pursuant to the offering, the Company issued and sold 7,934,170 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $1,428,151. 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 $0.25 per warrant until November 15, 2019. In connection with the offering, the Company paid finders fees of $89,289 and issued 331,667 non-transferable compensation warrants exercisable at $0.25 for 2 years.

On December 11, 2017, 1,688,710 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $253,306.

On December 18, 2017, the Company closed the final tranche of a private placement for aggregate proceeds of $1,383,140. Pursuant to the offering, the Company issued and sold 7,373,000 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $1,327,140 and 350,000 common share units of the Company at a price of $0.16 per unit for gross proceeds of $56,000. 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 $0.25 per warrant until December 18, 2019. In connection with the offering, the Company paid finders fees of $71,552 and issued 398,180 non-transferable compensation warrants exercisable at $0.25 for 2 years.

On December 22, 2017, 125,000 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $18,750.

On December 22, 2017, 275,000 warrants to purchase common shares at a price of $0.15 per warrant expired unexercised.

On December 29, 2017, the Company closed a private placement for aggregate proceeds of $707,400. Pursuant to the offering, the Company issued and sold 3,761,112 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $677,000 and 190,000 common share units of the Company at a price of $0.16 per unit for gross proceeds of $30,400. 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 $0.25 per warrant until December 29, 2019. In connection with the offering, the Company paid finders fees of $37,380 and issued 207,667 non-transferable compensation warrants exercisable at $0.25 for 2 years.

17. SUBSEQUENT EVENTS (CONTINUED)

The flow-through funds raised subsequent to October 31, 2017 totaling $3,432,291 must be spent by December 31, 2018.

On January 14, 2018, 200,000 options to purchase common shares at a price of $0.12 per option expired unexercised.

On February 14, 2018, the Company received from Shandong Humon Smelting (“Humon”) US$3,000,000 (“Prepaid Amount”) in connection with entering into an agreement to sell gold concentrate produced from its wholly-owned Bradshaw Gold Deposit (“Bradshaw”). Humon has advanced the funds as pre-payment for the planned delivery and sale of gold concentrate to be produced as part of Gowest’s ongoing Advanced Exploration – Bulk Sample program. Humon promises to complete the repayment to Humon of the Prepaid Amount on or prior to June 30, 2019. Subject to the prior approval of the TSX Venture Exchange, the Prepaid Amount that remains outstanding, from time to time, shall be convertible prior to June 30, 2019, at the option of the Company, into common shares of the Company (which common shares will be listed and posted for trading on the TSX Venture Exchange). The conversion price per common share shall be equal to the “market price” of the Company’s common shares on the TSX Venture Exchange determined as of the date that the conversion of option is exercised by the Company. Humon will be paid an arrangement fee in respect of the pre-payment.