

Signs LOI for Infrastructure Connecting Bradshaw to Electrical Grid

TORONTO, ONTARIO--(Marketwired - Jan 18, 2017) - [Gowest Gold Ltd.](#) ("Gowest" or the "Company") (TSX VENTURE:GWA) is pleased to announce that it has entered into a Letter of Intent ("LOI") with Valard Construction LP ("Valard") for the financing, design, procurement and construction of a high-voltage electrical infrastructure (the "Transmission Facilities") to connect its 100% owned Bradshaw Gold Deposit ("Bradshaw") to the provincial power transmission grid. The parties have agreed to work towards formalizing an agreement in early 2017.

As previously reported (see Gowest news release dated December 16, 2016), the Company has secured financing and initiated Advanced Exploration work at Bradshaw. For the long term development of the project, Gowest requires an electrical power supply for their mine site, which will be facilitated by the proposed agreement with Valard. Prior to the planned connection with the provincial grid, Gowest will employ portable diesel generators at the site.

Under the terms of the LOI, Valard, an international engineering and construction contractor that specializes in all aspects of high voltage electrical infrastructure would focus on providing the appropriate technical assessment for the project; lead the application process to solicit required regulatory approvals; provide up-front funding for the project; and, design and construct the Transmission Facilities. In turn, Gowest plans to compensate Valard for the cost of the project during the term of the Bradshaw mine.

Greg Romain, President and CEO said, "This evolving partnership with Valard represents another step towards the development of Bradshaw into the next new gold mine in Timmins."

Adam Budzinski, the President of Valard, commented, "We are very pleased to be partnering in the development of Gowest's project, which is significant not only for both of our companies but also for the community of Timmins, which has benefited from and supported mining in the region for more than a century."

Qualified Person

The technical information in this news release has been reviewed and approved by Mr. Kevin Montgomery, P.Geo., Gowest's Manager of Exploration, who is the Qualified Person for the technical information in this news release under National Instrument 43-101 standards.

About Valard Construction LP

Based in Edmonton, Alberta, Canada and founded in 1978, Valard Construction, a Quanta Services, Inc. company, is the largest utility contractor in Canada. Valard is a leading full-service Engineering, Procurement and Construction (EPC+) contractor, skilled in providing turnkey solutions for power systems.

About Gowest

Gowest is a Canadian gold exploration and development company focused on the delineation and development of its 100% owned Bradshaw Gold Deposit (Bradshaw), on the Frankfield Property, part of the Corporation's North Timmins Gold Project (NTGP). Gowest is exploring additional gold targets on its +100-square-kilometre NTGP land package and continues to evaluate the area, which is part of the prolific Timmins, Ontario gold camp. Currently, Bradshaw contains a National Instrument 43-101 Indicated Resource estimated at 2.1 million tonnes ("t") grading 6.19 g/t Au containing 422 thousand oz Au and an Inferred Resource of 3.6 million t grading 6.47 grams per tonne ("g/t") Au containing 755 thousand oz Au. Further, based on the Pre-Feasibility Study produced by Stantec Mining and announced on June 9, 2015, Bradshaw contains Mineral Reserves, using a 3 g/t Au cut-off and utilizing a gold price of US\$1,200 / oz, totalling 1.8 million t grading 4.82 g/t Au for 277 thousand oz Au.

Forward-Looking Statement

This news release may contain certain "forward looking statements". Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Any forward-looking statement speaks only as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

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