Gowest Enters into Settlement Agreement with PGB Timmins Holdings

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TORONTO, Aug. 19, 2019 - Gowest Gold Ltd. (“Gowest” or the “Company”) (TSX-VENTURE: GWA) announced today that it has entered into minutes of settlement (the “Settlement Agreement”) with PGB Timmins Holdings LP (”PGB”), an investment vehicle controlled by Pandion Mine Finance, LP, with respect to certain alleged defaults by Gowest of its obligations under the Pre-Paid Forward Gold Purchase Agreement (the “PPF Agreement”), dated as of December 16, 2016, entered into between PGB and Gowest. Arising from the alleged defaults, PGB delivered to Gowest a Notice of Events of Default and Termination and a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) on August 9, 2019 (the “Notices”). For further details, see Gowest press release dated August 9, 2016.

With respect to the settlement, Greg Romain, President and Chief Executive of Gowest, commented: “The achievement of a settlement with PGB provides the Company with the certainty necessary to move forward and to seek alternate financing solutions – in particular given that the Bradshaw project has been considerably de-risked since the agreement with PGB was initially entered into. We will ultimately come out of this process in a better position for shareholders and all other stakeholders as we continue to advance Bradshaw towards commercial production as quickly as possible.”

Pursuant the terms of the Settlement Agreement:

- PBG has withdrawn with prejudice both Notices on an irrevocable basis, with the right to reissue the Notices if Gowest does not satisfy its obligation to pay the Cash Settlement Amount (as defined below);
- Gowest is obligated to pay to PGB an aggregate of US$9 million in cash as follows (i) US$1,500,000, as a non-refundable deposit, on or prior to 4:30 p.m. (Toronto time) on August 20, 2019, and (ii) US$7.5 million on or before October 16, 2019 (collectively, the “Cash Settlement Amount”);
- assuming the satisfaction of the Cash Settlement Amount, Gowest shall be further obligated to pay an aggregate of 3,500 ounces of gold produced from Bradshaw, at a rate of 15% of gold as produced, and the parties will be fully and finally released in respect of any and all claims and other matters arising in respect of the PPF Agreement; and
- PGB has agreed that, if requested by Gowest, it will assign all of its right, title and interest in and under the PPF Agreement and all related security documents to a designee determined by Gowest in its sole discretion.

In connection with the entering into of the Settlement Agreement, Gowest has entered into a Memorandum of Understanding with a third-party investor that has agreed, subject to certain conditions, to acquire all of PGB’s right, title and interest in and under the PPF Agreement and all related security documents for consideration sufficient for Gowest to satisfy its obligation to fund the full Cash Settlement Amount. Under the Memorandum of Understanding, the parties have further agreed in principle to certain fundamental amendments to the PPF Agreement favourable to Gowest. These amendments will be documented pursuant to an amended and restated PPF Agreement or a replacement agreement to be entered into immediately following the assignment of the PPF Agreement as contemplated under the Settlement Agreement.

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 Company’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 grams per tonne gold (g/t Au) containing 422 thousand ounces (oz) Au and an Inferred Resource of 3.6 million t grading 6.47 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 (Mineral Resources are inclusive of Mineral Reserves) in the probable category, using a 3 g/t Au cut‐off and utilizing a gold price of US$1,200 / oz, totaling 1.8 million t grading 4.82 g/t Au for 277 thousand oz Au.

Forward-Looking Statements

Certain statements in this release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this press release include, without limitation, statements relating: to the satisfaction by Gowest of the terms and conditions of the Settlement Agreement; the terms of the proposed third-party investment necessary for Gowest to satisfy and deliver the full Cash Settlement Amount; and the negotiation and execution of amendments to the PPF Agreement in favour of Gowest. Words such as “may”, “would”, “could”, “should”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “potential” and similar expressions may be used to identify these forward-looking statements although not all forward-looking statements contain such words.

Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by this press release. These factors should be considered carefully and reader should not place undue reliance on the forward-looking statements. These forward-looking statements are made as of the date of this press release and, other than as required by law, the Company does not intend to or assume any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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