Gowest Gold Announces Debt Conversion

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TORONTO, July 26, 2021 - Gowest Gold Ltd. ("Gowest" or the "Company") (TSX VENTURE: GWA) is pleased to announce that, subject to TSX Venture Exchange approval and compliance with all applicable regulatory requirements, the Company intends to convert a total of \$18,024,088 of debt (the "Debt"), owed to four separate creditors (the "Creditors"), into equity of Gowest (the "Transaction"). The Debt, which was incurred by the Company to support operations since 2017, is expected to be converted into common shares at a conversion price of \$0.25 per share, resulting in the issuance of an aggregate of 72,096,350 common shares of Gowest.

C. Fraser Elliott, Chairman of Gowest said, "This transaction will strengthen Gowest's balance sheet and is expected to significantly improve Gowest's prospects for raising the necessary funds to bring the Bradshaw deposit into commercial production. It also demonstrates the confidence our creditors have in our project and especially in our plan to bring the Bradshaw mine into production for the benefit of all of our shareholders. We look forward to reporting on the Company's continued development."

Additional details concerning the Debt to be converted by each of the participating Creditors are set out below:

- Greenwater Investment Hong Kong Limited ("Greenwater") will convert \$6,285,194 of principal and accumulated interest into 25,140,774 Gowest shares, representing approximately 16.3% of the Gowest shares to be issued and outstanding following the completion of the Transaction. The principal and interest to be converted by Greenwater represents approximately half of the outstanding principal and accumulated interest owed to it. The remaining portion of the debt owed to Greenwater, being a principal amount of \$3,500,000, with repayment obligations being extended by 12 months, otherwise remains outstanding according to its original terms.
- Inner Mongolia Jinshengda Investment Co. Ltd. ("Jinshengda") will convert \$5,858,552 of principal and accumulated interest into 23,434,208 shares, representing approximately 15.2% of the Gowest shares to be issued and outstanding following the completion of the Transaction. Jinshengda acquired its debt, at par, by assignment from Shandong Humon Smelting Co. The debt owed to Jinshengda will be satisfied in full pursuant to the Transaction.
- Lush Land Investment Canada Inc. ("Lush Land"), will convert \$5,568,205 of principal and accumulated interest into 22,272,820 shares, representing approximately 14.4% of the Gowest shares to be issued and outstanding following the completion of the Transaction. Meirong Yuan, a director of Gowest, is also a director and minority (non-controlling) shareholder of Lush Land. The debt owed to Lush Land will be satisfied in full pursuant to the Transaction.
- C. Fraser Elliott, Gowest's Chairman, will convert \$312,137 of principal and accumulated interest into 1,248,548 shares. Following completion of the Transaction, Mr. Elliott will hold an aggregate of 7,340,551 Gowest shares (including his existing shareholding), representing approximately 4.8% of the Gowest shares to be issued and outstanding. The debt owed to Mr. Elliott will be satisfied in full pursuant to the Transaction.

The Transaction is designed to improve the financial condition of the Company. The Company has insufficient cash on hand, and no immediate source of cash that would be sufficient, to satisfy the Debt. No new Control Person (as defined under the applicable policies of the TSX Venture Exchange) will be created pursuant to the Transaction. The terms of the Transaction are considered to be fair and reasonable to the Company having regard to its current circumstances.

Given that Mr. Elliott is a director of the Company, the debt conversion by Mr. Elliott constitutes a related party transaction under the applicable provisions of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The debt conversion by Mr. Elliott is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(a) and (b) and 5.7(1)(b), respectively, of MI 61-101.

All of the securities issuable in connection with the Transaction will be subject to a hold period expiring four

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months and one day after date of issuance.

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 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.

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