

TORONTO, ONTARIO--(Marketwired - Dec 7, 2015) - [Gowest Gold Ltd.](#) ("Gowest" or the "Company") (TSX VENTURE:GWA) is pleased to announce that it has purchased the 1.5% net smelter return royalty (the "Royalty") held by the Sheridan group. (the "Vendor") on the Company's Frankfield Property, which includes the Bradshaw Gold Deposit ("Bradshaw" or "the Project") and the Sheridan Zone.

As consideration for the purchase of the Royalty, Gowest issued to the Vendor an aggregate of 10,000,000 common shares of Gowest (each share having a deemed value of CDN\$0.10).

Under the original terms of the Royalty, Gowest held an option to purchase the Royalty from the Vendor in its entirety at any time upon payment of CDN\$1,000,000 for each half percent (0.5%) of the royalty (for a total payment of CDN\$3,000,000) and also held a right of first refusal on any offer to purchase the royalty made by a third party. The Company was also obligated under the Royalty agreement to make a one-time payment to the Vendor, at the Vendor's option, of CDN\$500,000 or 2,500,000 common shares of Gowest upon the commencement of commercial production at Bradshaw. These obligations are now terminated following the purchase of the Royalty by Gowest.

It is anticipated that the purchase of the Royalty will have the following impact of the financial model generated from the independent Pre-Feasibility Study ("PFS") completed earlier this year on developing the initial portion of Bradshaw (see Gowest news release dated June 9, 2015): (i) an overall 6.0% increase in the net present value ("NPV") of the Project from CDN\$49.6 million to CDN\$52.6 million; and, (ii) an increase in the internal rate of return ("IRR") from 32.01% to 34.25%.

"Given the favourable financial impact this transaction provides, management and the Board are convinced that this represents a substantial win for both the Company and all of its shareholders," said Greg Romain, Gowest President and CEO. "It also reflects the great support of the Sheridan group, one of our longest standing and most loyal shareholders, for Bradshaw and for our prospects in the near and longer term."

Qualified Persons

The information contained in this news release pertaining to the Project has been reviewed and approved by Ms. Peimeng Ling, M.Sc., P.Eng.

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 compliant Indicated Resource estimated at 2.1 million tonnes ("t") grading 6.19 grams per tonne ("g/t") gold ("Au") for 422 thousand ounces ("oz") Au and an Inferred Resource of 3.6 million t grading 6.47 g/t Au for 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 Statements

This news release contains certain "forward-looking statements". Such forward-looking statements involve risks and uncertainties. The results or events depicted in these forward-looking statements may differ materially from actual results or events. 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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