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Great Northern provides update on Poydras Acquisition and Concurrent Financings

Vancouver, B.C., February 24, 2014 – GREAT NORTHERN GOLD EXPLORATION CORPORATION (TSX-V: GGE) (“**Great Northern**” or the “**Company**”) is pleased to provide an update on its previously announced transaction with Poydras Specialty Finance Corp. (“**Poydras**”) whereby the Company has agreed to acquire all of the issued and outstanding shares of Poydras by way of a reverse takeover pursuant to a plan of arrangement (the “**Arrangement**”) under the provisions of the *Business Corporations Act* (Ontario) (the “**RTO**”). Poydras, through its majority owned operating subsidiary Poydras Gaming LLLP (“**Poydras Gaming**”), is focused on leasing and financing gaming machines and related capital expenditures for existing casinos, new casino developments and gaming machine suppliers in the United States. Currently, Poydras Gaming owns or finances gaming machines in Oklahoma and California.

In connection with the proposed RTO, Great Northern announces that it has:

- (1) entered into an agreement to acquire the minority interests in Poydras Gaming, which will result in Great Northern obtaining a 100% indirect interest in Poydras Gaming;
- (2) entered into an agreement to acquire 100% of the interests in Windy Hill Capital, LLC (“**Windy Hill**”), an Oklahoma limited liability company that is a provider of capital and gaming equipment to casino operators in the U.S. and holds certain long-term lease contracts on gaming machines in Oklahoma;
- (3) filed a preliminary prospectus for a proposed offering of common shares for gross proceeds of up to CDN\$10,000,000 and engaged Canaccord Genuity Corp. (“**Canaccord**”) and Mackie Research Capital Corporation (“**Mackie**”) as agents;
- (4) filed a preliminary prospectus for a proposed offering of unsecured convertible debentures for aggregate gross proceeds of up to US\$10,000,000 and engaged Global Securities Corporation (“**Global**”) and Mackie as agents;

- (5) entered into an amended and restated arrangement agreement dated January 29, 2014 (the “**Amended Arrangement Agreement**”) in respect of the Arrangement; and
- (6) mailed to the Great Northern shareholders (“**Shareholders**”) the meeting materials for the annual general and special meeting of the Company to be held on March 19, 2013 (the “**Meeting**”) to seek approval of the RTO and certain related transactions.

Details of the foregoing are set out below.

(1) Minority Interest Acquisitions

Great Northern has entered into a definitive acquisition agreement dated January 29, 2014 under which it will, through a subsidiary of Poydras, obtain a 100% interest in Poydras Gaming (the “**Minority Interest Agreement**”). Under the Minority Interest Agreement and concurrent with the RTO, the Company will acquire (a) all of the issued and outstanding units of Poydras Street Finance II, LLC (“**PSF II**”), a Delaware limited liability company that holds a limited partnership interest in Poydras Gaming, and (b) the limited partnership interest and general partnership interest in Poydras Gaming (the “**PCP Interest**”) held by Poydras Capital Partners, LLC (“**PCP**”), a Delaware company.

Under the terms of the Minority Interest Agreement, Great Northern will acquire (a) all of the issued and outstanding units of PSF II in consideration for the issuance to members of PSF II of (i) an aggregate of US\$900,000 in common shares Great Northern (with the number of shares determined by dividing the issue price of the Company’s common shares issued in the concurrent financing completed as part of the acquisition of Poydras), and (ii) US\$1,100,000 in cash, and (b) the PCP Interest in consideration for the issuance to PCP of (i) an aggregate of US\$400,000 in common shares of Great Northern (with the number of shares determined by dividing the issue price of the Company’s common shares issued in the concurrent financing completed as part of the acquisition of Poydras), and (ii) US\$200,000 in cash. As a result of the transactions contemplated by the Minority Interest Agreement, Great Northern will own 100% of the limited partnership and general partnership interests in Poydras Gaming.

The acquisitions contemplated by the Minority Interest Agreement are subject to several conditions, including completion of the RTO, completion of final documentation, regulatory approval, and completion of sufficient financing.

(2) Windy Hill Acquisition

Great Northern has entered into a definitive acquisition agreement dated January 29, 2014 under which it will indirectly acquire all of the issued and outstanding units of Windy Hill (the “**Windy Hill Agreement**”). Great Northern will acquire all of the units of Windy Hill in consideration for the issuance to the members of Windy Hill of: (i) an aggregate of US\$1,500,000 in common shares of Great Northern (with the number of shares determined by dividing the issue price of the Company’s common shares issued in the concurrent financing completed as part of the acquisition of Poydras), (ii) unsecured promissory notes in the aggregate principal amount of US\$1,500,000 with a 10% interest rate and quarterly payments

amortized over a three year term beginning six months from the closing of this transaction, and (iii) US\$1,000,000 in cash.

The acquisition of Windy Hill is subject to several conditions, including completion of the RTO, completion of the Minority Interest Acquisitions, completion of final documentation, regulatory approval, and completion of sufficient financing.

(3) Common Share Offering

On January 10, 2014, in connection with the RTO, the Company entered into an engagement letter with Canaccord to act as agent in connection with a prospectus offering of up to 40,000,000 common shares of the Company (the “**Offered Shares**”) at a price of CDN\$0.25 per Offered Share, for gross proceeds of up to CDN\$10,000,000 (the “**Share Offering**”). Pursuant to the Share Offering, the Company will offer up to 40,000,000 post-Consolidation Offered Shares through Canaccord and Mackie, with Canaccord acting as lead agent, on a commercially reasonable efforts basis, at a price of CDN\$0.25 per Offered Share for gross proceeds of up to CDN\$10,000,000 by way of a long form prospectus (the “**Share Offering Prospectus**”). The Company will also grant Canaccord and Mackie an over-allotment option to sell up to an additional 6,000,000 Offered Shares to raise gross proceeds of up to an additional \$1,500,000. The preliminary Share Offering Prospectus has been filed with securities regulatory authorities in British Columbia, Alberta, Saskatchewan and Ontario and is available under the Company’s profile at www.sedar.com.

Closing of the Share Offering is subject to a number of conditions, including closing of the RTO, the closing of the transactions under the Windy Hill Agreement and the Minority Interest Agreement, and receipt of all necessary corporate and regulatory approvals, including the approval of TSX Venture Exchange (the “**Exchange**”). The Share Offering is also subject to the negotiation and execution of a definitive agency agreement between the Company, Poydras, Mackie and Canaccord with respect to the Share Offering.

The securities offered pursuant to the Share Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction in which such offer, sale or solicitation would be unlawful. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the issuer of the securities and its management, as well as financial statements.

(4) Convertible Debenture Offering

On January 15, 2014, the Company also entered into an engagement letter with Global to act as agent in connection with a prospectus offering of 11% unsecured convertible debentures (the “**Convertible Debentures**”) in the aggregate principal amount of up to US\$10,000,000 (the “**Debenture Offering**” and, together with the Share Offering, the “**Offerings**”).

Pursuant to the Debenture Offering, Great Northern will also offer Convertible Debentures through Global and Mackie, with Global acting as lead agent, on a commercially reasonable efforts basis, for gross proceeds of up to US\$10,000,000 by way of a long form prospectus (the “**CD Offering Prospectus**”). The Company will also grant the agents an over-allotment option to sell up to an additional 15% of the number of Convertible Debentures sold under the Debenture Offering. The Convertible Debentures will be offered at an offering price of US\$1,000 per Convertible Debenture at an interest rate of 11% per annum, payable quarterly in arrears, and maturing on March 31, 2017. The outstanding principal under the Convertible Debentures will be convertible into post-Consolidation common shares of Great Northern at a conversion price of CDN\$0.33 per share. The Convertible Debentures will be issued subject to the terms and conditions of a trust indenture which will be filed under the Company’s profile on www.sedar.com. The preliminary CD Offering Prospectus has been filed with securities regulatory authorities in British Columbia, Alberta, Saskatchewan and Ontario and is available under the Company’s profile at www.sedar.com.

Closing the Debenture Offering is subject to a number of conditions, including closing of the RTO, the closing of the transactions under the Windy Hill Agreement and the Minority Interest Agreement, and receipt of all necessary corporate and regulatory approvals, including the approval of the Exchange. The Debenture Offering is also subject to the negotiation and execution of a definitive agency agreement between the Company, Poydras, Mackie and Global with respect to the Debenture Offering.

The securities offered pursuant to the Debenture Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction in which such offer, sale or solicitation would be unlawful. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the issuer of the securities and its management, as well as financial statements.

(5) The Amended Arrangement Agreement

In connection with the RTO, the Company and Poydras have entered into the Amended Arrangement Agreement, which contemplates the completion of the following transactions: (a) the consolidation of all of the issued and outstanding common shares of Great Northern (the “**Great Northern Shares**”) on a one for two basis (the “**Consolidation**”); (b) amendments to the Articles and Notice of Articles of Great Northern so as to attach special rights and restrictions to the Great Northern Shares and eliminate the Company’s class of preferred shares; (c) the continuation of Great Northern under the *Business Corporations Act* (Ontario); and (d) the RTO, which will be effectuated by the acquisition by Great Northern of all of the outstanding securities of Poydras in exchange for securities of Great Northern (together, the “**Transactions**”).

Under the original arrangement agreement dated September 30, 2013, and as disclosed in the press release of the Company dated October 10, 2013, it was expected that the Company

would convert into a mutual fund trust and that all of the securityholders of Great Northern would receive units of that trust in exchange for their Great Northern securities (the “**Trust Conversion**”). The Trust Conversion is not contemplated by the Amended Arrangement Agreement as Great Northern and Poydras have decided not to proceed with the Trust Conversion at this time.

Completion of the Transactions is subject to a number of conditions precedent, including, but not limited to, the following: (i) approval of the Transactions by a special majority of the shareholders of Poydras; (ii) approval of the Transactions by a special majority of the shareholders of Great Northern; (iii) the receipt of all necessary consents, approvals, authorizations (including the approval of the Exchange and the interim and final order of the Ontario Superior Court of Justice) for the Transactions; (iv) completion of the Offerings for aggregate minimum gross proceeds of \$5,000,000; (v) the confirmation of the representations and warranties of each party to the Amended Arrangement Agreement; (vi) the absence of any material adverse changes in relation to Great Northern or Poydras; and (vii) certain other conditions which are customary and appropriate for a transaction of this type.

(6) The Meeting and Meeting Materials

In connection with the Transactions, the Meeting is scheduled to be held at the offices of McMillan LLP, Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia on March 19, 2014 at 2:00 p.m. (Vancouver time). At the Meeting, in addition to voting on customary annual meeting matters, Shareholders will be asked to vote to approve the Transactions. The Company has mailed the circular and other meeting materials to Shareholders. The record date for the Meeting is January 27, 2014.

The Company’s board of directors has determined that the Transactions are in the best interests of Great Northern and recommends that Shareholders vote in favour of the Transactions. Additional information in respect of the transactions described in this news release is contained in the circular.

ON BEHALF OF THE BOARD OF DIRECTORS

“Kim Oishi”

Kim Oishi, CEO

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Certain information in this news release is considered forward-looking within the meaning of certain securities laws and is subject to important risks, uncertainties and assumptions. This forward-looking information includes, among other things, information with respect to the Company's beliefs, plans, expectations, anticipations, estimates and intentions, and specifically includes: (i) statements with respect to the closing of the Offerings, (ii) statements with respect to the completion of the Transactions, (iii) statements regarding the completion of the transactions contemplated by the Windy Hill Agreement and Minority Interest Agreement, (iv) statements regarding the plans of Poydras Gaming to expand its operations in Oklahoma and to enter into markets in other US states, and (v) statements regarding the holding of the Meeting. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this news release describes the Company's expectations as of the date of this news release.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward-looking information include, among others, risks arising from general economic conditions and adverse industry events.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME.