

## EARLY WARNING REPORT

### Section 111 of the Securities Act (British Columbia)

### Section 176 of the Securities Act (Alberta)

### National Instrument 62-103

1. **Name and address of the offeror:**

Donald A. Sheldon (the “Offeror”)  
#1801-180 Dundas Street West  
Toronto, Ontario M5G 1Z8

2. **The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the report, and whether it was ownership or control that was acquired in those circumstances:**

The Offeror, through Suite 1800 Management Ltd, a company controlled by the Offeror, acquired 3,547,452 common shares and \$175,000 of interest-free convertible promissory notes issued by GoldTrain Resources Inc. (CSE: GT) (“GoldTrain”) (i) maturing on June 30, 2015, (ii) extendible for one-year by the Company in certain circumstances, (iii) subject to acceleration of the maturity date on any change of control or other fundamental change in respect of the Company, and (iv) convertible in tranches of \$25,000 each into units at \$0.05 per unit with each unit being comprised of one Common Share of the Company and one whole warrant exercisable to purchase one Common Share of the Company for \$0.10 within 3 years from the date of the promissory note. As a result, the Offeror now owns or controls 9,717,397 Common Shares representing approximately 16.48% of the issued and outstanding Common Shares of the Company and all \$175,000 of the outstanding convertible promissory notes of the Company.

3. **The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the report:**

The Offeror now owns or controls the following securities of GoldTrain:

- (i) an aggregate of 9,717,397 common shares of GoldTrain representing approximately 16.48% of the issued and outstanding common shares; and
- (ii) an aggregate of \$175,000 of interest-free convertible promissory notes issued by GoldTrain (i) maturing on June 30, 2015, (ii) extendible for one-year by the Company in certain circumstances, (iii) subject to acceleration of the maturity date on any change of control or other fundamental change in respect of the Company, and (iv) convertible in tranches of \$25,000

each into units at \$0.05 per unit with each unit being comprised of one Common Share of the Company and one whole warrant exercisable to purchase one Common Share of the Company for \$0.10 within 3 years from the date of the promissory note.

**4. The designation and number or principal amount of securities and the percentage of outstanding securities of the securities of the class of securities referred to in paragraph 3 over which:**

**(a) the offeror, either alone or together with any joint actors, has ownership and control:**

- (i) an aggregate of 9,717,397 common shares of GoldTrain representing approximately 16.48% of the issued and outstanding common shares; and
- (ii) an aggregate of \$175,000 of interest-free convertible promissory notes issued by GoldTrain (i) maturing on June 30, 2015, (ii) extendible for one-year by the Company in certain circumstances, (iii) subject to acceleration of the maturity date on any change of control or other fundamental change in respect of the Company, and (iv) convertible in tranches of \$25,000 each into units at \$0.05 per unit with each unit being comprised of one Common Share of the Company and one whole warrant exercisable to purchase one Common Share of the Company for \$0.10 within 3 years from the date of the promissory note, representing 100% of the issued and outstanding convertible promissory notes.

**(b) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor:**

N/A

**(c) the offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership:**

- (i) an aggregate of 9,717,397 common shares of GoldTrain representing approximately 16.48% of the issued and outstanding common shares; and
- (ii) an aggregate of \$175,000 of interest-free convertible promissory notes issued by GoldTrain (i) maturing on June 30, 2015, (ii) extendible for one-year by the Company in certain circumstances, (iii) subject to acceleration of the maturity date on any change of control or other fundamental change in respect of the Company, and (iv) convertible in tranches of \$25,000 each into units at \$0.05 per unit with each unit being comprised of one Common Share of the Company and one whole warrant exercisable to purchase one Common Share of the Company for \$0.10 within 3 years from the date of the promissory note, representing 100% of the issued and outstanding convertible promissory notes.

- 5. The name of the market in which the transaction or occurrence that gave rise to the report took place:**

Private placement.

- 6. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to this report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The transaction was completed to settle debts of the Issuer and strengthen its balance sheet. The securities acquired directly or indirectly in the Issuer as described above were acquired for investment purposes without any current intention to increase such holdings. The Offeror takes a long-term view of the investment and reserves the right to formulate other plans and take such actions with respect to the investment in the Issuer as may be determined from time to time.

- 7. The general nature and material terms of any agreement, other than lending arrangements, with respect to the securities entered into by the offeror or any joint actor, and the issuer of the securities or any other entity in connection with the transaction, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Conditional on meeting performance criteria, Suite 1800 Management Ltd. may sell or offer to sell some or all of the convertible promissory notes to management and others at or above the principal amounts thereof.

- 8. The names of any joint actors in connection with the disclosure required by this report:**

- (i) Suite 1800 Management Ltd.
- (ii) Second Sheldon Family Trust

- 9. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:**

Suite 1800 Management Ltd. exchanged a current debt of \$70,949.04 owed by the Issuer for 3,547,452 common shares of the Issuer and converted \$175,000 of current debt owed by the Issuer into convertible promissory notes as described above.

- 10. If applicable, a description of any change in any material fact set out in a previous report filed by the entity under the early warning requirements in respect of the reporting issuer's securities:**

N/A

**11. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.**

The issuance of the securities was exempt under Section 2.14 – *Securities for Debt* of National Instrument 45-106 “*Prospectus and Registration Exemptions*”.

**DATED** this 4<sup>th</sup> day of March, 2014.

By:

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Donald A. Sheldon