



## **GoldTrain Resources and Idaho Champion Gold Mines Sign Binding Agreement for RTO**

### **FOR IMMEDIATE RELEASE**

**Toronto, Ontario, November 21, 2017** – GoldTrain Resources Inc. (CSE: GT) (“**GoldTrain**” or the “**Company**”) and Idaho Champion Gold Mines Ltd. (“**Idaho Champion**”), a private issuer based in Ontario, are pleased to announce that they have signed a binding letter agreement relating to a reverse takeover transaction (the “**Transaction**”), pursuant to which the Company proposes to acquire all of the issued and outstanding securities of Idaho Champion by way of a three-cornered amalgamation.

It is anticipated that the trading in the shares of the Company will be halted in accordance with the policies of the Canadian Securities Exchange (the “**CSE**”) and will remain halted until such time as all required documentation has been filed with and accepted by the CSE and permission to resume trading has been obtained from the CSE.

### **The Transaction**

The Transaction is expected to be effected by way of a three-cornered amalgamation, pursuant to which a wholly-owned Ontario-incorporated subsidiary of the Company will amalgamate with Idaho Champion, with the resulting amalgamated company being a wholly-owned subsidiary of GoldTrain. GoldTrain will continue as the parent corporation (the “**Resulting Company**”). Concurrently with the closing of the Transaction, the Resulting Company expects to change its name to “Idaho Champion Gold Mines Canada Inc.” or another name acceptable to Idaho Champion, the Company and any regulatory authorities having jurisdiction.

It is anticipated that the Resulting Company will continue to list its shares on the CSE following completion of the Transaction.

### **Improvement of Financial Condition of GoldTrain**

Concurrent with completion of the Transaction, in order for the Company to address some outstanding liabilities and improve its financial condition, (i) certain creditors are expected to forgive approximately \$350,000 of outstanding or accrued liabilities owed by the Company or such liabilities will be recognized as statute-barred and (ii) certain other creditors are expected to convert outstanding debt into common shares of the Company.

Idaho Champion has agreed to lend to GoldTrain, within five (5) business days after entering into the letter agreement, CAD\$100,000 (the “**Interim Loan**”) to assist GoldTrain to pay certain outstanding liabilities and some expenses to be incurred by GoldTrain in respect of the Transaction. In the event that the Transaction is not completed, the Interim Loan will be released and forgiven by Idaho Champion as a break fee.

### **Idaho Champion Private Placement**

Idaho Champion is currently pursuing completion of a private placement to a number of accredited investors and others permitted to purchase securities on a prospectus-exempt basis, seeking to raise up to US\$1,500,000 by issuing common shares at US\$0.20 per share (the “**Idaho Champion Private Placement**”). As of October 31, 2017, Idaho Champion had completed part of the Idaho Champion Private Placement raising an aggregate of approximately US\$740,000 by issuing approximately 3,700,000 common shares, increasing the number of Idaho Champion shares outstanding to 21,700,000.



## Debt Settlement and Share Consolidation

Immediately prior to completion of the Transaction, the Company proposes to issue up to approximately 3,000,000 common shares to settle outstanding debts and liabilities (and some additional debts (if any) to be incurred prior to closing) and then to consolidate its outstanding shares on a 1:3 basis thereby reducing the number of outstanding shares to a maximum of approximately 1,999,906 post-consolidation shares (such post-consolidation shares hereinafter referred to as “**Post-RTO Shares**”) reflecting an effective debt conversion rate of CAD\$0.24 per Post-RTO Share, which is approximately equal to the subscription price of US\$0.20 per Idaho Champion share in the Idaho Champion Private Placement.

## About GoldTrain

GoldTrain’s strategy is to enhance shareholder value through the acquisition, exploration and development of high potential mineral deposits. Headquartered in Toronto, GoldTrain’s shares trade on the CSE under the trading symbol "GT". For further information, please visit the Company’s corporate website at [www.goldtrain.ca](http://www.goldtrain.ca).

## About Idaho Champion

Idaho Champion is a private resource company focused on the acquisition, exploration and development of precious metal projects in Idaho, USA. The Baner Project, located in Idaho County, Idaho, is Idaho Champion’s flagship project. The project is located in a mining friendly jurisdiction that affords developed infrastructure and easy access. Idaho Champion currently has more than US\$500,000 of cash and is seeking to raise additional cash through the Idaho Champion Private Placement.

## About Idaho Champion’s Baner Project

Idaho Champion, through its United States subsidiary, has acquired 11 mining claims (called the “**Baner Project**”) in north central Idaho covering approximately 105 hectares (260 acres) and has staked claims covering more than 600 hectares of adjoining exploration ground. In 1922 to 1940, the Baner Project had historic production through 10 adits and 3 shafts with an average recovered grade of 0.64 ounces of gold per ton.

In 1946, the then owner of the Baner Project, Kathrin Baner Forsythe, had an independent report prepared by E. G. Wagner, Consulting Engineer, Lewiston, Idaho, USA, to assess the potential of the property. The report, dated May 24, 1946, included 362 channel samples taken at five foot intervals along the sides of the tunnels and over the surface. The Wagner report estimated the zone to average approximately 600 feet in width extending along a north-south distance of approximately 9,000 feet over the Baner Properties. The report stated that the depth of the mineralized zone was unknown but assumed that it extended at least 200 feet in depth based on the depth of the access tunnels. The assay values in the report were quoted in dollars per ton based on a gold value of \$35.00 per ounce. The average gold value per ton was stated to be \$1.96 over the 362 samples - which extrapolates to an average gold grade of 0.056 ounces per ton or 1.8 grams per Ton.

Neither the assay reports nor sample materials are available to verify any of the assay information in the Wagner report. Nonetheless, the 1946 Wagner report was the basis for Idaho Champion acquiring the Baner Project. The 1946 Wagner report is an historical report. A ‘qualified person’ (within the meaning ascribed thereto in NI 43-101) has not done sufficient work to classify the historical estimates as current mineral resources and neither Idaho Champion nor GoldTrain is treating the historical estimates as current mineral resources.

A comprehensive drill program, followed by assaying of all drill core for gold content under an appropriate quality control and quality assurance program will get underway in 2018. The preparation of a technical



report by a 'qualified person' which includes a resource estimate would be required to verify or upgrade any historical estimates to current mineral resources.

Idaho Champion has also developed and acquired some geological data in respect of the Baner Project and other properties that it has acquired in the area, all with a view to assisting with the development of an exploration program. In conjunction with acquiring the Baner Project, Idaho Champion has completed extensive soil sampling and, as noted above, has recently completed an IP program across the project area. Idaho Champion has received the drill permit for the first ever drill program on the Baner Project and the drill program is being prepared for this pre-discovery opportunity.

### **Management of the Resulting Issuer**

It is anticipated that, on completion of the Transaction, the board of directors will include Jonathan Buick, Bruce Reid and Donald A. Sheldon. Management will include Bruce Reid as Chairman, with Jonathan Buick as Chief Executive Officer and Julio DiGirolamo as Chief Financial Officer.

### **Related Party Transaction**

Certain conditions to the Transaction make it a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") – namely the debts expected to be forgiven are owed to a company controlled by a director of GoldTrain, the debts (comprised of recent cash loans) to be converted into shares of GoldTrain are owed to certain directors of GoldTrain and companies controlled by such directors and the Advisory Fee is payable to a company controlled by a director. Those steps in the Transaction are exempt from the formal valuation requirement of section 4.3 of MI 61-101 for business combinations as none of the securities of GoldTrain are listed on any of the stock exchanges specified in section 4.4(1)(a) of MI 61-101. However, those steps of the Transaction require disinterested shareholder approval in accordance with section 4.5 of MI 61-101 at the meeting to be held to approve the Transaction.

### **Conditions for Completion of the Transaction**

The parties' obligations to complete the Transaction will be subject to the satisfaction of a number of conditions, including but not limited to, execution and delivery of a definitive agreement in respect of the Transaction, completion of at least US\$1,000,000 of the Idaho Champion Private Placement (\$740,000 of which had been completed as of October 31, 2017), any required regulatory approvals, Idaho Champion shareholder approval, GoldTrain shareholder approval (including both a 66 2/3% vote of all shareholders and a majority vote of disinterested shareholders), debt forgiveness and conversion agreements with certain creditors and other conditions customary for a transaction of this nature. The Transaction cannot close until the required shareholder and other approvals are obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Company's shareholder meeting materials and other documents to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in securities of the Company should be considered highly speculative.

### **Advisory Fee**

On successful completion of the Transaction, Sheldon Executive Services Inc., a company controlled by a director of GoldTrain, will be issued, as compensation for services rendered in respect of the Transaction, 500,000 warrants of the Resulting Issuer, each such warrant entitling the holder to purchase one Post-RTO Share at a price of \$0.50 at any time within five years after completion of the Transaction.



## Concurrent Private Placement

Following completion of the Idaho Champion Private Placement and prior to, concurrently with or immediately following completion of the Transaction, Idaho Champion and GoldTrain will consider and, if deemed advisable and conditional on any necessary regulatory or other approvals, proceed to use their reasonable best efforts for either or both of them to complete a private placement of such number of shares, at such prices and for such amounts as Idaho Champion and GoldTrain may agree upon (the "Concurrent Private Placements").

THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION, NOR SHALL THERE BE ANY OFFER, SALE, OR SOLICITATION OF SECURITIES IN ANY STATE IN THE UNITED STATES IN WHICH SUCH OFFER, SALE, OR SOLICITATION WOULD BE UNLAWFUL.

For further information please contact:

Frank Smeenk, CEO of GoldTrain at Phone: (416) 642-3575,  
or via email: [fcs@primus.ca](mailto:fcs@primus.ca)

Jonathan Buick, CEO of Idaho Champion at (416) 569-7092,  
or via email at [jbuick@idahochamp.com](mailto:jbuick@idahochamp.com)

## Forward-Looking Statements

*Information set forth in this news release involves forward-looking statements under applicable securities laws. The forward-looking statements contained herein include, but are not limited to, transactions described in or to be pursued pursuant to the letter agreement such as the Idaho Champion Private Placement, the Concurrent Private Placements, the business combination with Idaho Champion, financings, debt forgiveness, debt conversion, consolidation and change of management, and all such forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this news release are made as of the date of this news release and each of GoldTrain and Idaho Champion disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and, accordingly, undue reliance should not be put on such forward-looking statements.*

*Neither Canadian Securities Exchange nor any Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.*