

GoldTrain Resources Inc.

Suite 2200, 199 Bay Street
Toronto, Ontario
M5L 1G4

November 20, 2017

Idaho Champion Gold Mines Ltd.

Suite 2702, 401 Bay Street
Toronto, Ontario
M5H 2Y4

Attention: Jonathan Buick, Chief Executive Officer

Dear Sirs:

**Re: Proposed Reverse Take-over Transaction
between Idaho Champion Gold Mines Ltd. (“Idaho Champion”) and
GoldTrain Resources Inc. (“GoldTrain”)**

The purpose of this binding letter agreement is to set out our understanding of the current facts and, accordingly, to set out proposed terms and conditions which are to be the basis for the transaction between GoldTrain and Idaho Champion to proceed by way of an amalgamation, plan of arrangement or other form of business combination (the “**Transaction**”).

GoldTrain is a corporation incorporated under the *Canada Business Corporations Act* (Canada), is a ‘reporting issuer’ in Ontario under the *Securities Act* (Ontario), as well as Alberta and British Columbia, the shares of which are currently listed on the Canadian Securities Exchange under the ticker symbol “GT”.

Our understanding is that Idaho Champion is a corporation incorporated under the *Business Corporations Act* (Ontario).

1 Structure of the Transaction

- 1.1 It is anticipated that GoldTrain and Idaho Champion will combine pursuant to the Transaction, likely to be a three-cornered amalgamation pursuant to which Idaho Champion will amalgamate with a wholly-owned Ontario-incorporated subsidiary of GoldTrain, constituting a reverse-take-over transaction, with GoldTrain being the continuing parent corporation (the “**Resulting Company**”) and the amalgamated corporation being a wholly-owned subsidiary of the Resulting Company called “Idaho Champion Gold Mines Ltd.”. Concurrently with the closing of that amalgamation, the Resulting Company will be re-named “Idaho Champion Gold Mines Canada Inc.” or

such other name as Idaho Champion may determine and is acceptable to GoldTrain and any regulatory authorities having jurisdiction.

- 1.2 At some time in the future, the Resulting Company could consider continuing its amalgamated subsidiary into Ontario or the Resulting Company into the federal jurisdiction followed by an amalgamation of the two of them to form one continuing corporation under the name “Idaho Champion Gold Mines Ltd.”, “Idaho Champion Gold Mines Canada Inc.” or “Idaho Champion Gold Mines Canada Corporation”.

2 Background

- 2.1 Currently, GoldTrain has 2,948,756 common shares (“**Current Shares**”) issued and outstanding. GoldTrain’s shares are currently freely tradeable under all applicable Canadian securities laws. GoldTrain has a “rolling” ten percent (10%) stock option plan with no options currently granted or outstanding. There are no other exercisable rights, warrants or options currently outstanding to acquire shares of GoldTrain (other than certain convertible notes which have been or will be forgiven as hereinafter described).
- 2.2 As at October 31, 2017, GoldTrain had only a nominal amount of cash and approximately CAD\$580,000 of outstanding liabilities, summarized as follows:
 - (a) CAD\$132,317 of recent cash loans (the “**Cash Loans**”),
 - (b) approximately CAD\$364,000 of accounts payable and convertible debt, and
 - (c) approximately CAD\$88,000 of accrued liabilities.
- 2.3 We understand that, as of October 31, 2017, Idaho Champion had approximately 21,700,000 common shares issued and outstanding, all of which have been issued in compliance with applicable securities legislation, rules and instruments. We further understand that Idaho Champion does not have a stock option plan or any warrants or other rights exercisable to acquire shares from treasury and that, as of October 31, 2017, Idaho Champion had approximately US\$512,000 of cash and no material amount of outstanding liabilities.
- 2.4 We understand that Idaho Champion (or a wholly owned subsidiary) has staked approximately 68 mining claims (covering approximately 622 hectares) in north central Idaho (the “**Staked Ground**”) and has acquired 11 claims (known as Tartarus No. 1, Tartarus No. 2, Tartarus No. 3, Tartarus No. 4, Nymph, Gnome, Dryad, Spook, Success #1, Success #2 and Katydid and collectively known as the “**Baner Property**”) adjoining the Staked Ground. In addition, we understand that Idaho Champion (or a wholly owned subsidiary) is currently negotiating to acquire additional property to the south of the Baner Property, referred to as the “**Champion Property**” and staking additional claims in the area (the “**Additional Ground**”).
- 2.5 Finally, we understand that 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 “**Private Placement**”) in respect of which Idaho

Champion, as of October 31, 2017, had completed part of the Private Placement raising an aggregate of approximately US\$740,000 by issuing approximately 3,700,000 common shares.

3 Proposed Steps

3.1 **Transaction.** As a condition to or as part of the completion of the Transaction, it is proposed that:

- (a) certain creditors of GoldTrain will forgive approximately \$350,000 of outstanding or accrued liabilities owed by GoldTrain or their claims will be recognized as statute-barred;
- (b) certain accrued liabilities aggregating approximately CAD\$88,000 will be settled for CAD\$88,000 plus HST (the “**Settlement Amount**”) prior to completion of the Transaction, and all of such accrued liabilities in excess of the Settlement Amount will be forgiven and released;
- (c) certain creditors of GoldTrain who have recently made Cash Loans to GoldTrain will convert some of those Cash Loans aggregating approximately CAD\$79,747 into Current Shares at a rate of CAD\$0.08 of debt for each Current Share thereby increasing the number of issued and outstanding shares of GoldTrain by approximately 996,837 Current Shares, and increasing the number of issued and outstanding shares to approximately 3,945,593 Current Shares; any Additional Cash Loans made in accordance with paragraph 3.1(g) will be similarly converted;
- (d) certain creditors of GoldTrain will convert the Settlement Amount (exclusive of HST which will be paid in cash) of CAD\$ 88,000 into Current Shares at a rate of CAD\$0.08 of debt for each Current Share thereby increasing the number of issued and outstanding shares of GoldTrain by 1,100,000 Current Shares, and increasing the number of issued and outstanding shares to approximately 5,045,593 Current Shares;
- (e) certain other creditors of GoldTrain (namely, the transfer agent, stock exchange, legal counsel, accountant and auditors (collectively, the “**Service Providers**”), owed approximately CAD\$21,000 in the aggregate as at mid-September 2017 (the “**Prescribed Liabilities**”)) will be paid in full in cash and certain other creditors will have recent Cash Loans aggregating \$52,570 (the “**Loans Payable**”) paid in full in cash, in each case for their Prescribed Liabilities and Loans Payable, respectively, net of those amounts (if any) paid since mid-September and those additional expenses billed since then;
- (f) Idaho Champion will continue to pursue the Private Placement and may issue up to 3,800,000 additional common shares at a price of US\$0.20 per share for gross proceeds of not more than US\$760,000 provided that Idaho Champion may

increase the maximum of the Private Placement with GoldTrain's consent, such consent not to be unreasonably withheld, conditioned or delayed;

- (g) GoldTrain may, at its option, from time to time, borrow additional Cash Loans of up to \$76,330 (the "**Additional Cash Loans**") which will be converted into up to 954,125 Current Shares at \$0.08 per Current Share;
- (h) GoldTrain will complete a consolidation of its issued and outstanding shares on a 1:3 basis thereby reducing its 5,045,593 issued and outstanding Current Shares (or up to 5,999,718 if GoldTrain borrows all Additional Cash Loans) to approximately 1,684,864 (or, if GoldTrain borrows all Additional Cash Loans, 1,999,906) post-consolidation shares (such post-consolidation shares are hereinafter referred to as "**Post-RTO Shares**") reflecting an effective debt conversion rate for the Cash Loans and the Settlement Amount of CAD\$0.08 per Current Share or CAD\$0.24 per Post-RTO Share, which CAD\$0.24 per Post-RTO Share is approximately equal to the subscription price of US\$0.20 per Idaho Champion share in the Private Placement;
- (i) GoldTrain will incorporate a wholly owned subsidiary ("**Subco**") under the *Business Corporations Act* (Ontario);
- (j) GoldTrain, Subco and Idaho Champion will enter into a three-cornered amalgamation agreement pursuant to which:
 - (i) GoldTrain will have approximately 5,045,593 Current Shares outstanding (or 5,999,718 Current Shares if GoldTrain borrows all Additional Cash Loans) immediately prior to the amalgamation (resulting in approximately 1,684,864 Post-RTO Shares (or, if GoldTrain borrows all Additional Cash Loans, 1,999,906 Post-RTO Shares) following the amalgamation),
 - (ii) Subco and Idaho Champion will amalgamate to continue as a wholly owned subsidiary of GoldTrain under Idaho Champion's current name, "Idaho Champion Gold Mines Ltd.",
 - (iii) each shareholder of Idaho Champion will receive one (1) Post-RTO Share of the Resulting Company for each one (1) of the shares of Idaho Champion held before the amalgamation (assuming that additional tranches of the Private Placement are completed by issuing 3,800,000 shares for gross proceeds of US\$760,000 resulting in an aggregate of 25,500,000 common shares of Idaho Champion outstanding immediately prior to such amalgamation), thereby increasing the number of shares of the Resulting Company from approximately 1,684,864 Post-RTO Shares (or 1,999,906 Post-RTO Shares if GoldTrain borrows all Additional Cash Loans) to approximately 27,184,864 Post-RTO Shares (or 27,499,906 Post-RTO Shares if GoldTrain borrows all Additional Cash Loans), and

- (iv) GoldTrain will change its name to “Idaho Champion Gold Mines Canada Inc.” or such other name as Idaho Champion may determine and is acceptable to GoldTrain and any regulatory authorities having jurisdiction,
- (k) prior to, concurrently with or immediately following completion of the Transaction, Idaho Champion and the Resulting Company 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 price and for such amount as Idaho Champion and GoldTrain agree upon (the “**Concurrent Financing**”), and
- (l) on completion of the Transaction, Sheldon Executive Services Inc. (“**SESI**”) will be paid by the Resulting Company an advisory fee comprised of 500,000 warrants, each such warrant entitling the holder to acquire one Post-RTO Share for \$0.50 at any time within 5 years after the date of completion of the Transaction.

3.2 **Management Team.** We understand that the proposed management team of the Resulting Company, post-closing of the Transaction, will be determined by Idaho Champion in due course. Nonetheless, we acknowledge that it is anticipated that the board of directors of the Resulting Company initially be comprised of approximately 4, 5 or 6 members, including the following:

- (a) Jonathan Buick,
- (b) Bruce Reid, and
- (c) Don Sheldon,

and the officers are to be determined by Idaho Champion but are anticipated to include the following:

- (i) Chairman of the Board – Bruce Reid
- (ii) President and CEO – Jonathan Buick
- (iii) CFO –Julio Di Girolamo, and
- (iv) Secretary – Don Sheldon.

3.3 **Proposed Listing on a Stock Exchange.** Depending on the size and breadth of the Private Placement, the size and breadth of the Concurrent Financing and other factors, it is anticipated that Resulting Company will qualify for continued listing of its shares on the Canadian Securities Exchange (the “**Exchange**”) immediately or shortly after completion of the Transaction. GoldTrain will provide its full cooperation and assistance to adopt, execute and deliver to the Exchange promptly and without delay any and all documentation prepared by Idaho Champion for such purposes.

3.4 **Interim Loan.** Idaho Champion agrees to lend to GoldTrain, within five (5) business days after the execution and delivery of this letter agreement, CAD\$100,000 (the

“**Interim Loan**”) to assist GoldTrain in paying its Prescribed Liabilities and some of the costs and expenses to be incurred by GoldTrain in respect of its Service Providers and in respect of the Transaction contemplated hereby and, in the event that the Transaction is not completed for any reason whatsoever, the Interim Loan shall be released and forgiven by Idaho Champion as a break fee.

4 Disclosure and Due Diligence Investigations

- 4.1 Upon execution of this letter agreement, the parties (through their representatives) will be permitted to complete the due diligence investigations of each other in connection with the Transaction contemplated herein from the date of signing of this letter agreement until the completion of the Transaction or termination of this letter agreement or of the Definitive Agreement (as hereinafter defined), as the case may be (the “**Due Diligence Period**”).

Each of the parties will afford to the other party and to their respective accountants, counsel, advisors and other representatives, full access during the Due Diligence Period to the management, properties, books, records, contracts, commitments and other documentation of such party (and their subsidiaries) and shall allow such party and their respective accountants, counsel, advisors and representatives to perform a diligent and complete examination of its and their financial condition, business, affairs, property and assets.

In addition, as part of their due diligence investigations, the parties may seek such tax and securities advice and/or apply for such rulings as may be appropriate for determining the formal legal structure of the Transaction. The parties shall have regard to such advice and/or rulings in their negotiations to settle and sign the Definitive Agreement.

In conducting its due diligence investigations, each of the parties shall keep confidential all information obtained by it from the other. This confidentiality obligation shall not apply or extend to information now in the public domain, information which may subsequently become public other than through breach by a party of its obligations hereunder, information disclosed to one of the parties hereto by a third party in respect of which such third party is not under an obligation of confidentiality or information which is required by law to be disclosed. On termination of this letter agreement without execution of the Definitive Agreement or without completion of the Transaction, each of the parties will return to the other of them all information received hereunder (save and except a copy maintained on a continuing confidential basis for archival purposes). Each of the parties hereto and their respective representatives shall be made aware of and be bound by this provision.

5 Definitive Agreement

- 5.1 This letter agreement and the Transaction contemplated hereby are subject to the negotiation and entering into of a definitive agreement (the “**Definitive Agreement**”) in respect of the Transaction, provided that , if the parties hereto cannot agree upon the terms of the Definitive Agreement within 60 days after the date of this letter agreement,

either party may submit the resolution of any and all unsettled terms of such Definitive Agreement to binding arbitration in accordance with the *Arbitrations Act, 1991* (Ontario).

- 5.2 Upon your acceptance of this letter agreement in the manner specified below, we will commence work on the preparation of formal documentation relating to the transactions contemplated by this letter agreement, including, but not limited to, a Definitive Agreement. The Definitive Agreement will set out in detail the terms and conditions of the Transaction and will incorporate the terms and conditions of this letter agreement together with such other terms and conditions as our solicitors may deem necessary or advisable.
- 5.3 In the Definitive Agreement, Idaho Champion will provide representations and warranties usually made in transactions of this type, which representations and warranties will be true and correct as at the time made and at the time of Closing. Without limiting the generality of the foregoing, among the representations and warranties of particular significance to GoldTrain will be the accuracy of financial information, the absence of litigation or claims, the absence of any contingent liabilities, that Idaho Champion will be on closing the recorded and beneficial holder of all of the Staked Ground and the legal and beneficial owner of the Baner Property, and that there are no outstanding warrants or other rights or options to acquire securities in Idaho Champion and no agreement or intention to issue securities of Idaho Champion other than as disclosed to GoldTrain herein. Similar appropriate representations and warranties will be made by GoldTrain to Idaho Champion.
- 5.4 If a Definitive Agreement is not negotiated and executed within sixty (60) days after the acceptance of this letter agreement (or such longer period of time to which the parties hereto may agree upon), this letter agreement shall continue in full force and effect and either party may submit the resolution of any and all unsettled terms thereof to binding arbitration in accordance with the *Arbitrations Act, 1991* (Ontario).
- 5.5 Upon execution of this letter agreement, each of GoldTrain and Idaho Champion will use its best efforts to arrange for several of its significant shareholders to enter into lock-up agreements (each a “**Lock-up Agreement**”) with Idaho Champion or GoldTrain, as the case may be, on terms satisfactory to Idaho Champion and GoldTrain in which such shareholders will covenant and agree to vote or cause their votes to be cast in favour of the transactions contemplated hereby at any shareholder meetings called by GoldTrain or Idaho Champion in connection therewith.

6 Conditions of Closing

- 6.1 Each of GoldTrain’s and Idaho Champion’s obligation to proceed with the Transaction will be subject to the following conditions to be satisfied or waived in writing by each of GoldTrain and Idaho Champion on or before Closing:
- (a) completion, to GoldTrain’s satisfaction, of GoldTrain’s due diligence investigations of Idaho Champion (and its subsidiaries) within the Due Diligence Period,

- (b) completion, to Idaho Champion's satisfaction, of Idaho Champion's due diligence investigations of GoldTrain (and Subco) within the Due Diligence Period;
- (c) execution and delivery of the Definitive Agreement by Idaho Champion and GoldTrain;
- (d) completion and delivery to GoldTrain by Idaho Champion of a geological report (compliant with NI 43-101) on the Baner Property;
- (e) completion, after October 31, 2017, of additional tranches of the Private Placement in an aggregate amount of not less than US\$260,000 or such greater amount as Idaho Champion may determine and, if greater than US\$760,000, as GoldTrain may permit, and at prices not less than US\$0.20 per Idaho Champion share ;
- (f) there will be no lawsuits, tax reassessments or other claims (contingent or otherwise) pending or threatened against GoldTrain or Idaho Champion (or any of their subsidiaries) except as disclosed herein;
- (g) GoldTrain shall have entered into debt settlement and/or forgiveness agreements with or received acknowledgements from substantially all of its creditors as contemplated by paragraphs 3.1(a), (b), (c) and (d) hereof (save and except as described therein, liabilities incurred since September 30, 2017 in the ordinary course of business and such other creditors as Idaho Champion may otherwise agree to);
- (h) obtaining all necessary regulatory and, if necessary, court approvals;
- (i) Idaho Champion shall be satisfied that, on Closing of the Transaction and the Concurrent Financing, the Resulting Company will have a sufficient number of shareholders holding board lots to meet the continued listing requirements of the Exchange;
- (j) approval of the Transaction by the shareholders of GoldTrain in accordance with the *Canada Business Corporations Act* and Multilateral Instrument 61-101 (in particular, Part 4 "*Business Combinations*" thereof); and
- (k) approval of the Transaction by the shareholders of Idaho Champion.

6.2 Termination

Each party shall, in its sole discretion, have the right to terminate this letter agreement as follows:

- (a) If, acting reasonably, it is not satisfied with the results of its due diligence investigations of the other party (and its subsidiaries) or as to the legal or tax consequences of concluding the transactions contemplated herein, provided notice of such termination is given to the other party on or before expiry of the Due Diligence Period;

- (b) in the event that it becomes apparent that the Exchange will not approve the proposed Transaction in connection with the listing of the Resulting Company's Post-RTO Shares following the Closing and the Concurrent Financing; or
- (c) in the event that any of the conditions precedent set out in paragraph 6.1 above are not satisfied or waived on or before Closing of the Transaction.

The termination of this letter agreement shall be effective upon the delivery of notice under this paragraph 6.2. Upon termination, each party shall forthwith return or destroy all documents and records received from the other party in accordance with the provisions of paragraph 4.1, which paragraph 4.1 shall survive such termination. Notwithstanding any such termination, paragraphs 3.4, 4.1, 6.2, 7.9, 7.10, 7.11, 7.12 and 7.13 shall survive termination of this letter agreement.

7 Miscellaneous

- 7.1 Until the earliest of (i) the Closing or (ii) the date on which this letter agreement or the Definitive Agreement, as the case may be, is terminated in accordance with its terms, each of GoldTrain and Idaho Champion agrees that it will not, and will not permit any other person to, initiate contact with, solicit or enter into negotiations with any other person regarding any transaction inconsistent with the terms hereof.
- 7.2 GoldTrain shall not enter into any transactions, shall not incur any obligations and shall not incur any liabilities, costs or expenses (other than to its transfer agent, stock exchange, accountants, auditors and legal counsel in the ordinary course) during the period from the date of this letter agreement to the Closing save and except with the express consent of Idaho Champion, such consent not to be unreasonably delayed, conditioned or refused.
- 7.3 Idaho Champion shall not enter into (and shall not permit any of its subsidiaries to enter into) any transactions, nor incur any obligations or liabilities, costs or expenses (other than to its geological consultants, contractors, auditors and legal counsel in the ordinary course or in respect of the acquisition of the Champion Property) during the period from the date of this letter agreement to the Closing save and except with the express consent of GoldTrain, such consent not to be unreasonably delayed, conditioned or refused.
- 7.4 Each party represents and warrants to the other that no broker's or finder's fees are payable in respect of the Transaction save and except as expressly provided herein.
- 7.5 This letter agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall form one and the same instrument. This letter agreement may be delivered by fax or other electronic means.
- 7.6 This letter agreement shall be interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 7.7 This letter agreement is subject to approval of the board of directors of GoldTrain, to be obtained and communicated to Idaho Champion on or before November 24, 2017 (or

such other date as may be permitted by Idaho Champion given before or after such date), failing which this letter agreement shall be null and void.

- 7.8 This letter agreement is subject to approval of the board of directors of Idaho Champion, to be obtained and communicated to GoldTrain on or before November 24, 2017 (or such other date as may be permitted by GoldTrain given before or after such date), failing which this letter agreement shall be null and void.
- 7.9 In the event that the Transaction does not proceed, other than as may be expressly agreed, each party will be liable for its own costs, including legal, accounting and other professional and regulatory fees and expenses.
- 7.10 Idaho Champion and GoldTrain agree to make a joint news release (in respect of which GoldTrain will file on SEDAR the news release, a material change report and copy of this letter agreement) immediately following the signing of this letter agreement, with respect to the entering into and the terms of this letter agreement. Idaho Champion and GoldTrain agree to cooperate and expeditiously settle the terms of such news release, provided, however, if Idaho Champion fails to promptly comment on any proposed draft news release after receipt within such period of time permitted by applicable securities requirements, Idaho Champion shall be deemed to have consented to making such news release and other filings to allow GoldTrain to comply with its securities regulatory obligations.
- 7.11 Idaho Champion and GoldTrain agree to perform or cause to be performed all such acts and deeds as may be required to give full force and effect to the terms and provisions set out herein and to cooperate with each other and each other's professional advisors in the preparation, execution and delivery of any and all documents or instruments necessary to give full force and effect to the terms and provisions set out herein and in the Definitive Agreement and any other documents required to give effect hereto.
- 7.12 Each notice, demand or other communication required or permitted to be given under this letter agreement shall be in writing and delivered by registered mail, fax or other electronic transmission, courier or by hand to:

(a) If to GoldTrain:

GoldTrain Resources Inc.
Suite 420, 141 Adelaide Street West
Toronto, Ontario M5H 3L5

Attention: Frank Smeenk, Chief Executive Officer
Fax: (416) 644-0592
Email: fcs@primus.ca

(b) If to Idaho Champion:

Idaho Champion Gold Mines Ltd.
Suite 2702, 401 Bay Street

Toronto, Ontario M5H 2Y4

Attention: Jonathan Buick, Chief Executive Officer
Email: jbuick@buickgroup.com

The date of receipt of any notice, demand or other communication shall be the date on which the notice, demand or other communication is actually received by the addressee provided that such day is a business day and such receipt occurs before 4:00 p.m. (local time) on such business day, otherwise such notice, demand or other communication shall be deemed to have been received on the next following business day. For the purposes hereof, a “**business day**” is any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

Either party may at any time and from time to time notify the other party in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

- 7.13 Time is of the essence of this letter agreement.
- 7.14 The parties hereto acknowledge and agree that this letter agreement constitutes a binding agreement. In the event that the parties hereto cannot agree upon the terms of the Definitive Agreement within 60 days after the date hereof, either party may submit the resolution of any and all unsettled terms thereof to binding arbitration in accordance with the *Arbitrations Act, 1991* (Ontario).

We trust that you will find the foregoing in accordance with our discussions. If acceptable, please execute the acknowledgement and acceptance at the foot of this letter agreement and return a fully executed copy to us in accordance with the notice provisions in paragraph 7.12 above.

Yours very truly,

GOLDTRAIN RESOURCES INC.

Signed: "*Frank Smeenck*"

Per: _____
Frank Smeenck Chief Executive Officer

The terms and conditions of the foregoing letter agreement are agreed to and accepted this 20th day of November 2017.

IDAHO CHAMPION GOLD MINES LTD.

Signed: "*Jonathan Buick*"

Per: _____
Jonathan Buick, Chief Executive Officer