



GoldTrain Announces Signing of Amalgamation Agreement for Business Combination with Idaho Champion Gold Mines

FOR IMMEDIATE RELEASE

Toronto, Ontario, July 20, 2018 – GoldTrain Resources Inc. (CSE: GT) (“**GoldTrain**” or the “**Company**”) is pleased to announce that on July 19, 2018 it signed an amalgamation agreement (the “**Agreement**”) with GT Subsidiary Inc. (“**Subco**”), its wholly-owned subsidiary, and Idaho Champion Gold Mines Ltd. (“**Idaho Champion**”), a private issuer based in Ontario, to complete a reverse takeover transaction (the “**Transaction**”) whereby the Company will acquire control of Idaho Champion and the former shareholders of Idaho Champion will acquire control of GoldTrain.

The Transaction

The parties determined it would be desirable to effect the Transaction by way of a three-cornered amalgamation (the “**Amalgamation**”) pursuant to which Subco will amalgamate with Idaho Champion, with the resulting amalgamated company being a wholly-owned subsidiary GoldTrain. All of the shareholders of Idaho Champion will receive shares of GoldTrain in exchange for their Idaho Champion shares. GoldTrain will continue as the parent corporation (the “**Resulting Issuer**”). 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, on completion of all of the various parts of the Transaction, the current GoldTrain shareholders will hold 982,918 shares of the Resulting Issuer (representing between 3.4% and 2.6% of the outstanding shares), certain GoldTrain creditors will hold between 698,943 and 1,016,987 shares of the Resulting Issuer (representing between 2.4% and 2.7% of the outstanding shares), the current Idaho Champion shareholders will hold 27,042,000 shares of the Resulting Issuer (representing between 94.2% and 71.9% of the outstanding shares), additional subscribers in the Idaho Champion Private Placement (described below) will hold up to 3,558,000 shares of the Resulting Issuer (representing up to 9.5% of the outstanding shares), subscribers in the GoldTrain Private Placement (described below) will hold up to 1,012,500 shares of the Resulting Issuer (representing up to 2.7% of the outstanding shares), and an arms’ length vendor of certain additional mining claims in Idaho will hold up to 4,000,000 shares of the Resulting Company (representing up to 10.6% of the outstanding shares).

It is anticipated that the Resulting Issuer will continue to have its shares listed on the CSE following completion of the Transaction.

Improvement of Financial Condition of GoldTrain

In order for the Company to address some outstanding liabilities and improve its financial condition, and subject to the completion of the Transaction: (i) certain creditors agreed to forgive approximately \$342,327 of outstanding or accrued liabilities owed by the Company; and (ii) certain other creditors agreed to convert approximately \$167,747 of outstanding debt into common shares of the Company at a conversion rate of \$0.08 per share, which was the last closing price of GoldTrain shares on the CSE on November 13, 2017, prior to a ‘halt’ to trading on the CSE as a result of the announcement on November 21, 2017 of the signing of a preliminary letter agreement in respect of the Transaction. The debt conversion is planned to be completed prior to implementation of the 1:3 share consolidation described below (thereby making the effective debt conversion price \$0.24 per post-consolidation share).



Concurrent Financings

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\$2,500,000 (of which US\$1,788,400 has been completed to date by issuing 8,942,000 Idaho Champion common shares) at US\$0.20 per share (the **"Idaho Champion Private Placement"**).

GoldTrain 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 an aggregate of \$1,200,000 by issuing special warrants at a price of \$0.24 per warrant, with each special warrant being exercisable, without additional consideration, into one common share of the Resulting Company (the **"GoldTrain Private Placement"**) following implementation of the 1:3 share consolidation described below. As of this date, none of the GoldTrain Private Placement has been completed.

Share Consolidation

Immediately prior to completion of the Transaction, the Company proposes to consolidate its outstanding shares on a 1:3 basis (the **"Share Consolidation"**) thereby reducing the number of outstanding shares to approximately 1,999,781 post-consolidation shares (such post-consolidation shares hereinafter referred to as **"Resulting Issuer Shares"**).

Management of the Resulting Issuer

It is proposed that, on completion of the Transaction, the board of directors of the Resulting Issuer will be comprised of Jonathan Buick, Bruce Reid, Paul Fornazzari and Donald A. Sheldon and that management will include 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 a proposed Advisory Fee is payable to a company controlled by a director of GoldTrain. Those steps in the Transaction will be 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 will 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, satisfactory completion of due diligence investigations by each of the parties on the other party, completion of the Share Consolidation, completion of the debt forgiveness and debt conversion agreements with certain creditors of GoldTrain, any required regulatory approvals, Idaho Champion shareholder approval (by a 66 2/3% vote), GoldTrain shareholder approval (including both a majority vote of all shareholders and a majority vote of disinterested shareholders), and other conditions customary for a transaction of this nature. The Transaction cannot be completed until the required shareholder and other approvals are obtained. GoldTrain's meeting of shareholders has been scheduled for August 21, 2018 at 11:00 a.m. (Toronto time).



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 Resulting Issuer Share at a price of \$0.50 at any time within five years after completion of the Transaction.

About Idaho Champion

Idaho Champion, through its United States subsidiaries, has acquired 11 mining claims in north central Idaho and has staked claims covering more than 1,700 hectares of adjoining exploration ground. It has recently raised more than US\$1,750,000 of cash and is seeking to raise additional cash through the remainder of the Idaho Champion Private Placement. Idaho Champion has also entered into an agreement with an arms' length vendor for Idaho Champion to acquire in tranches up to 822 mining claims in northern Idaho covering approximately 6,871 hectares by the issuance of up to 4,000,000 Idaho Champion Shares.

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 SEDAR profile at www.sedar.com or the Company's corporate website at www.goldtrain.ca.

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For further information please contact: Frank Smeenck, CEO of GoldTrain, at Phone: (416) 642-3575, or via email: fcs@primus.ca.

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 Amalgamation Agreement such as the Idaho Champion Private Placement, the GoldTrain Private Placement and 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 document are made as of the date of this document and the Company 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 of the Company 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. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein.

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