

## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 16<sup>th</sup> day of July, 2018

**AMONG:**

**GOLDTRAIN RESOURCES INC.**, a corporation incorporated under the laws of Canada (“**GoldTrain**”);

-and-

**GT SUBSIDIARY INC.**, a corporation incorporated under the laws of Ontario (“**Subco**”);

-and-

**IDAHO CHAMPION GOLD MINES LTD.**, a corporation incorporated under the laws of Ontario (“**Idaho Champion**”);

**WITNESSES THAT:**

**WHEREAS** GoldTrain and Idaho Champion signed a letter agreement dated November 20, 2017 in respect of a business combination transaction, which letter agreement contemplated completion of a three-cornered amalgamation to be described in a definitive agreement;

**AND WHEREAS** Subco is a wholly-owned subsidiary of GoldTrain;

**AND WHEREAS** Idaho Champion and Subco have agreed to amalgamate pursuant to section 175 of the *Business Corporations Act* (Ontario) and, for such purpose, GoldTrain has agreed to issue certain of its securities to the securityholders of Idaho Champion;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree with each other as follows:

### ARTICLE I DEFINITIONS

1.1 **Definitions.** In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms set forth in this Article I shall have the following meanings:

- (a) “**Acquisition Proposal**” means any merger, amalgamation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto (other than the Current Financing or the Proposed Financing) or similar transactions involving GoldTrain, or a proposal to do so, excluding the transactions contemplated hereby;
- (b) “**Act**” means the *Business Corporations Act* (Ontario);
- (c) “**Affiliate**” means an affiliated body corporate within the meaning of the Act;
- (d) “**Agreement**” means this Agreement and all instruments supplemental hereto or in amendment or confirmation hereof; “herein”, “hereof” and similar expressions mean and refer to this Agreement and not to any particular article, section, clause or subclause; and “Article”, “Section”, “clause” or “subclause” means and refers to the specified article, section, clause or subclause of this Agreement;

- (e) **“Amalco”** has the meaning specified in Section 2.2;
- (f) **“Amalgamating Corporations”** means Idaho Champion and Subco;
- (g) **“Amalgamation”** means the amalgamation of Idaho Champion and Subco pursuant to this Agreement and in accordance with the Act;
- (h) **“Arm's Length”** has the same meaning ascribed thereto in the Tax Act;
- (i) **“Business Day”** means a day other than a Saturday, Sunday or holiday on which the principal commercial banks located in Toronto, Ontario, are open for business during normal banking hours;
- (j) **“Closing”** means the completion of the Amalgamation set forth herein, including the issuance of Exchange Shares, which shall take place on the Effective Date at the offices of Dickinson Wright LLP, 199 Bay Street, Suite 2200, Commerce Court West, Toronto, Ontario, M5L 1G4;
- (k) **“Consolidation”** means the proposed consolidation of the issued and outstanding common shares of GoldTrain on the basis of one (1) post-consolidation common share for three (3) pre-consolidation common shares;
- (l) **“Current Financing”** means the current private placement financing of up to US\$2,500,000 (or such greater amount as Idaho Champion may determine with the consent of GoldTrain) of shares of Idaho Champion at a price of US\$0.20 per share, to be completed on or before the Effective Date (or such other date as Idaho Champion and GoldTrain may agree upon);
- (m) **“Effective Date”** means the date of the Amalgamation as set forth in the certificate of amalgamation for Amalco;
- (n) **“Exchange”** means the Canadian Securities Exchange, Toronto Stock Exchange or TSX Venture Exchange, as applicable;
- (o) **“Exchange Shares”** means Post-Consolidation GoldTrain Shares which are to be issued from the treasury of GoldTrain in exchange for the issued and outstanding shares of Idaho Champion pursuant to the Amalgamation in accordance with Section 3.1 hereof;
- (p) **“Generally Accepted Accounting Principles”** means the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with such principles;
- (q) **“GoldTrain”** means GoldTrain Resources Inc., a corporation existing under the laws of Canada, said name to be changed to **“Idaho Champion Gold Mines Canada Inc.”** or another acceptable name concurrently with or immediately prior to the Amalgamation;
- (r) **“GoldTrain Concurrent Financing”** means a financing by GoldTrain at a price of \$0.24 per Special Warrant for gross proceeds of up to \$1,200,000 (or such other subscription price, proceeds and terms as GoldTrain may determine, with the consent of Idaho Champion) currently being undertaken by GoldTrain to be completed before the Effective Time;
- (s) **“GoldTrain Shares”** means the fully paid and non-assessable common shares in the capital of GoldTrain as constituted on the date hereof;
- (t) **“GoldTrain's Auditors”** means Palmer Reid, Chartered Accountants, whose principal office is located at 439 University Ave, Toronto, Ontario M5G 1Y8;

- (u) **“GoldTrain's Business”** means GoldTrain’s operations as a mineral exploration company;
- (v) **“GoldTrain's Financial Statements”** mean the audited financial statements of GoldTrain as at and for the fiscal year ended December 31, 2017 and the unaudited interim financial statements of GoldTrain as at and for the period ended March 31, 2018, respectively, consisting, in each case, of the balance sheet and the statement of operations, comprehensive loss and deficit, statement of cash flows and all notes thereto;
- (w) **“Idaho Champion Assets”** means all of Idaho Champion’s material assets including: (i) the rights, privileges and benefits arising under Idaho Champion’s contracts; (ii) those assets set out in Idaho Champion’s Financial Statements and (iii) those assets acquired by Idaho Champion subsequent to the date of the Idaho Champion Financial Statements;
- (x) **“Idaho Champion Business”** means the business previously and heretofore carried on by Idaho Champion relating to Idaho Champion’s mineral exploration activities;
- (y) **“Idaho Champion Financial Statements”** means the audited financial statements of Idaho Champion as at and for the fiscal year ended December 31, 2017, consisting of the balance sheet and the statement of earnings and deficit and statement of cash flows and all notes thereto;
- (z) **“Idaho Champion Material Contracts”** means those agreements listed in Schedule “B” attached hereto;
- (aa) **“Idaho Champion Properties”** means those properties used or to be used in the Idaho Champion Business and listed in Schedule “A” attached hereto;
- (bb) **“Idaho Champion Shareholders”** means all of the shareholders of record registered as such on the books and records of Idaho Champion;
- (cc) **“Idaho Champion Shares”** means the fully paid and non-assessable common shares in the capital of Idaho Champion as constituted on the date hereof;
- (dd) **“Material Fact”** in relation to any party hereto includes, without limitation, any fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the shares of such party;
- (ee) **“Merger Proposal”** means any merger, amalgamation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto (other than the Current Financing or the Proposed Financing) or similar transactions involving Idaho Champion, or a proposal to do so, excluding the transactions contemplated hereby;
- (ff) **“Outside Date”** means September 30, 2018 or such other date as GoldTrain and Idaho Champion may from time to time agree upon;
- (gg) **“Person”** means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (hh) **“Post-Consolidation GoldTrain Shares”** means the common shares in the capital of GoldTrain after implementation of the Proposed Consolidation;
- (ii) **Post-Consolidation GoldTrain Warrant”** means a warrant to be issued by GoldTrain with a term of 5 years and exercisable to purchase one Post-Consolidation GoldTrain Share for \$0.50;

- (jj) **“Idaho Champion”** means Idaho Champion Gold Mines Ltd., a corporation existing under the laws of Ontario;
- (kk) **“Proposed Consolidation”** means the proposed consolidation of the shares of GoldTrain on the basis of one (1) new common share for every three (3) of the existing common shares;
- (ll) **“Proposed Financing”** means the proposed private placement financing of shares of GoldTrain or Idaho Champion being contemplated to be completed on or about the date of Closing on terms mutually acceptable to Idaho Champion and GoldTrain;
- (mm) **“Securities Act”** means collectively the *Securities Act* (Ontario) as may be amended from time to time, and any successor thereto;
- (nn) **“Special Warrant”** means the special warrants issued or to be issued by GoldTrain pursuant to a private placement at a price of \$0.24 per Special Warrant, each such Special Warrant being exercisable, without additional consideration, into one Post-Consolidation GoldTrain Share on satisfaction of certain conditions, including completion of the Consolidation and the Amalgamation;
- (oo) **“Subco”** means GT Subsidiary Inc., a corporation existing under the laws of Ontario;
- (pp) **“Superior Proposal”** has the meaning ascribed thereto in Section 5.2 hereof;
- (qq) **“Superior Merger Proposal”** has the meaning ascribed thereto in Section 5.4 hereof;
- (rr) **“Subco Shares”** means the fully paid and non-assessable common shares in the capital of Subco;
- (ss) **“Tax Act”** means the *Income Tax Act* (Canada), as it may be amended from time to time, and any successor thereto; any reference herein to a specific section or sections of the Tax Act, or regulations promulgated thereunder, shall be deemed to include a reference to all corresponding provision of future law;
- (tt) **“Tax Laws”** shall mean the Tax Act and any applicable provincial, or foreign income taxation statute(s), as from time to time amended, and any successors thereto; and
- (uu) **“Third Party”** means any Person other than the parties to this Agreement.

1.2 **Currency.** Where indicated, “US\$” means United States dollars, the lawful currency of the United States. Unless otherwise indicated, all dollar amounts referred to in this Agreement as “\$” mean Canadian dollars, the lawful currency of Canada.

1.3 **Tender.** Any tender of documents or money hereunder may be made upon the parties or their respective counsel and money may be tendered by bank draft or by certified cheque.

1.4 **Number and Gender.** Where the context requires, words imparting the singular shall include the plural and *vice versa*, and words imparting gender shall include all genders.

1.5 **Headings.** Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.

1.6 **Schedules.** The Schedules to this Agreement shall be construed with and be considered an integral part of this Agreement to the same extent as if the same had been set forth *verbatim* herein. The following Schedules are attached hereto:

Schedule "A"	Idaho Champion Properties
Schedule "B"	Idaho Champion Material Contracts

1.7 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles.

Article II  
AMALGAMATION

2.1 **Agreement to Amalgamate.** The Amalgamating Corporations do hereby agree to amalgamate pursuant to the provisions of Section 175 of the Act as of the Effective Date and to continue as one corporation on the terms and conditions set out in this Agreement.

2.2 **Name.** The name of the amalgamated corporation, Amalco, shall be Idaho Champion Gold Mines Ltd. ("**Amalco**").

2.3 **Registered Office.** The registered office of Amalco shall be Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4.

2.4 **Authorized Capital.** Amalco shall be authorized to issue one class of shares consisting of an unlimited number of shares to be designated as "common shares".

2.5 **Number of Directors.** The board of directors of Amalco shall, until otherwise changed in accordance with the Act, consist of a minimum number of one (1) and a maximum number of nine (9) directors.

2.6 **Business.** There shall be no restrictions on the business which Amalco is authorized to carry on.

2.7 **Initial Director.** The first directors of Amalco shall be the person whose name and address appears below:

<b>Name</b>	<b>Address</b>	<b>Resident Canadian</b>
Jonathan Buick	Suite 2702, 401 Bay Street Toronto, ON M5H 2Y4	Yes
Bruce Reid	Suite 2702, 401 Bay Street Toronto, ON M5H 2Y4	Yes

Such director shall hold office until the next annual meeting of shareholders of Amalco or until his successor is elected or appointed.

2.8 **Issuance of Exchange Shares.** On the Effective Date, subject to Article III, the issued Idaho Champion Shares held by securityholders thereof shall be acquired by GoldTrain and immediately cancelled and such securityholders of Idaho Champion shall receive, and GoldTrain shall issue, securities of GoldTrain as set forth in Article III.

2.9 **By-Laws.** The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of Idaho Champion and a copy of such by-laws may be examined at Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4.

2.10 **Filing of Documents.** Upon the shareholders of each of the Amalgamating Corporations approving this Agreement by special resolution in accordance with the Act, and upon the other conditions precedent to the Amalgamation having been satisfied or waived, the Amalgamating Corporations shall jointly file with the Director, under the Act, articles of amalgamation and such other documents as may be required by the Act.

2.11 **Stated Capital.** The stated capital of Amalco, immediately after the Amalgamation becomes effective, shall be equal to the aggregate stated capital of each of the Amalgamating Corporations.

2.12 **Conversion of Subco Shares.** Upon the Amalgamation, the issued and outstanding shares in the capital of Subco shall be converted into issued and outstanding shares in the capital of Amalco, on a one for one basis.

2.13 **Initial Officers of Amalco.** The initial officers of Amalco shall, until such officers resign or are replaced by Amalco, be the officers of Idaho Champion.

2.14 **Termination of Agreement by Amalgamating Corporations.** At any time before the endorsement of the Certificate of Amalgamation, this Agreement may be terminated by the directors of an Amalgamating Corporation or by the directors of GoldTrain in accordance with the terms hereof, despite the approval of this Agreement by the shareholders of the Amalgamating Corporations and the shareholders of GoldTrain.

### **ARTICLE III ISSUANCE OF GOLDTRAIN SECURITIES**

3.1 **Issuance of Shares.** In consideration of the agreement of the parties and their respective shareholders to the actions set forth herein and the Amalgamation of Subco and Idaho Champion, on the Effective Date:

- (a) GoldTrain shall issue one (1) fully paid Exchange Share to Idaho Champion Shareholders for each one (1) Idaho Champion Share issued and outstanding as of the Effective Date;
- (b) Amalco shall issue to GoldTrain one common share of Amalco:
  - (i) for each common share of Subco issued and outstanding immediately prior to the Amalgamation; and
  - (ii) for each Exchange Share issued by GoldTrain.

3.2 **Fractional Shares.** No fractional securities shall be issued by GoldTrain pursuant to this Agreement. Any exchange that results in less than a whole number of securities shall be rounded up to the next whole number.

### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

4.1 **Representations and Warranties of GoldTrain.** GoldTrain hereby represents and warrants to Idaho Champion that:

- (a) GoldTrain and Subco are corporations incorporated and subsisting under the laws of Canada and the Province of Ontario, respectively, have all requisite corporate power to own their respective properties and to conduct their respective business as it is presently being conducted and are registered or otherwise qualified to carry on business in all jurisdictions in which the nature of their assets or business makes such registration or qualification necessary or advisable;
- (b) subject to obtaining any required regulatory approvals, as applicable, GoldTrain and Subco have full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the actions and transactions contemplated in this Agreement;
- (c) all necessary corporate action has been taken, or will be taken on or before the Effective Date, by or on the part of GoldTrain and Subco to authorize the execution and delivery of this Agreement, including:

- (i) in the case of Subco, approval of the Amalgamation by special resolution of its sole shareholder,
- (ii) in the case of Idaho Champion, approval of the Amalgamation by special resolution of the Idaho Champion Shareholders; and
- (iii) in the case of GoldTrain, approval of the Proposed Consolidation, this Agreement and other matters related to the transactions between the parties, by the shareholders of GoldTrain,

the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling their respective obligations hereunder;

- (d) this Agreement has been duly executed and delivered on behalf of GoldTrain and Subco and constitutes a legal, valid and binding obligation of each of them, enforceable against each of them in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally and by principles of equity;
- (e) neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
  - (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of GoldTrain or Subco; or
    - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which GoldTrain or Subco is a party of or by which either of them is bound; or
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of GoldTrain or Subco or any party to any agreement to which GoldTrain or Subco is a party or by which GoldTrain or Subco is bound, except as shall have been obtained prior to Closing;
- (f) the authorized capital of GoldTrain consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series, of which, prior to the issuance of any GoldTrain Shares in connection with the conversion of any GoldTrain debt, 2,948,756 common shares (and no preferred shares) are presently issued and outstanding. Each of the presently issued and outstanding GoldTrain Shares has been validly allotted and issued and is outstanding as a fully-paid and non-assessable share;
- (g) the authorized capital of Subco consists of an unlimited number of common shares, of which one share is presently issued and outstanding, of which GoldTrain is the legal and beneficial owner;
- (h) no Person has, or on the Effective Date will have, any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from GoldTrain or Subco of any Post-Consolidation GoldTrain Shares (or any preferred shares of GoldTrain) or Subco Shares or for the subscription, allotment or issuance of any unissued shares in the capital of GoldTrain or Subco, except for the issuance of (i) up to 2,096,837

GoldTrain Shares (or up to 698,946 Post-Consolidation GoldTrain Shares, or a combination of GoldTrain Shares and Post-Consolidation GoldTrain Shares, as the case may be) to settle up to \$167,747 of outstanding liabilities of GoldTrain at a rate of \$0.08 per GoldTrain Share or at a rate of \$0.24 per Post-Consolidation GoldTrain Share, as the case may be, (plus up to 954,125 GoldTrain Shares or 318,042 Post-Consolidation GoldTrain Shares or any combination thereof which may be issued to settle up to \$76,330 of additional cash loans to GoldTrain prior to the Effective Date at a rate of \$0.08 per GoldTrain Share or \$0.24 per Post-Consolidation GoldTrain Share, as the case may be) and (ii) up to 5,000,000 Post-Consolidation GoldTrain Shares on the exercise of Special Warrants issued or to be issued by GoldTrain prior to the Effective Date at \$0.24 per Special Warrant;

- (i) the books and records of GoldTrain fairly and correctly set out and disclose in all material respects, the financial position of GoldTrain as at the dates thereof and all material financial transactions of GoldTrain relating to GoldTrain's Business have been accurately recorded in such books and records;
- (j) GoldTrain does not have any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of GoldTrain and, at Closing, GoldTrain will have originals or copies of all such records, systems, controls, data or information in its possession or control;
- (k) GoldTrain's Financial Statements fairly present the financial position of GoldTrain as at the dates indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with Generally Accepted Accounting Principles consistently applied throughout the period covered thereby. GoldTrain's books of account reflect all items of income and expense and all assets and liabilities and accruals required to be reflected therein;
- (l) save and except for matters which are disclosed in GoldTrain's Financial Statements or otherwise expressly set out in this Agreement, GoldTrain has not and Subco has not (nor has either of them agreed to nor shall either of them agree to do any of the following on or before the Effective Date):
  - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of its business and, more particularly, neither GoldTrain nor Subco shall incur any liabilities from December 31, 2017 up to the Effective Date in excess of \$50,000 in the aggregate (excluding (i) an interim loan of \$100,000 from Idaho Champion to GoldTrain and (ii) transactional costs related to the Amalgamation) without the express written consent of Idaho Champion;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on GoldTrain's Financial Statements, other than in the ordinary course of its business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
  - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible;
  - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets whether or not in the ordinary course of business;



- (vi) authorized or become liable for any compensation payable or to become payable to any of its officers, directors, consultants or employees, or in any bonus payment to or arrangement made with any officer, director, consultant or employee, or made any material changes in its personnel policies or employee benefits;
- (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a material adverse effect on its business, prospects or financial condition;
- (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under Generally Accepted Accounting Principles;
- (ix) changed its credit policy as to provision of services or collection of accounts receivable;
- (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting any of its properties, business or prospects;
- (xi) entered into any transaction, contract or commitment other than in the ordinary course of its business except for the transactions set forth in this Agreement;
- (xii) made or authorized any capital expenditures;
- (xiii) issued or sold any shares in its capital stock or other securities, or granted any options with respect thereto; or
- (xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects, and neither GoldTrain nor Subco has any knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects, and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise, save and except for the Proposed Consolidation;
- (m) the corporate records and minute books of GoldTrain and Subco as provided to Idaho Champion or its legal counsel contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of GoldTrain and Subco, respectively, including all by-laws and resolutions passed by the board of directors and shareholders of GoldTrain and Subco, respectively, since the incorporation of GoldTrain and Subco, respectively; and all such meetings were duly called and held. The shareholders' list maintained by GoldTrain's registrar and transfer agent is, to the best of GoldTrain's knowledge, complete and accurate in all respects and the sole shareholder of Subco is GoldTrain;
- (n) other than shares of Subco, GoldTrain does not hold or own, beneficially or otherwise, any securities of any other corporation or other entity;
- (o) GoldTrain does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than GoldTrain's Business, and Subco has no assets and no liabilities and has never operated or engaged in any business activities or operations of any nature or kind whatsoever;
- (p) except as expressly referred to in the GoldTrain Financial Statements,
  - (i) neither GoldTrain nor Subco has outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever or is bound under any agreement to

create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever, and

- (ii) neither GoldTrain nor Subco is a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.
- (q) since at least December 31, 2014, no payments have been made or authorized by GoldTrain or Subco to any of its respective officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any Person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in the GoldTrain Financial Statements or, for GoldTrain only, made in the ordinary course of its business;
- (r) GoldTrain has filed all tax returns required to be filed by it prior to the date hereof in all applicable jurisdictions and has paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by it at present. All such tax returns properly reflect, and do not in any respect understate the income, taxable income or the liability for taxes of GoldTrain in the relevant period and the liability of GoldTrain for the collection, payment and remittance of tax under applicable Tax Laws. No waivers have been filed by GoldTrain with any taxing authority;
- (s) adequate provision has been made in the GoldTrain Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by GoldTrain for all periods up to the date of the balance sheets comprising part of the GoldTrain Financial Statements;
- (t) GoldTrain has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including the date hereof;
- (u) there are no actions, suits or other proceedings, investigations or claims in progress or pending and, to the best of GoldTrain's belief and knowledge, there are no actions, suits or other proceedings or investigations or claims threatened, against GoldTrain in respect of any taxes, governmental charges or assessments and no waivers have been filed by GoldTrain with any taxing authority;
- (v) GoldTrain is conducting and has always conducted GoldTrain's Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which GoldTrain's Business has been carried on, is not currently in material breach of any such laws, rules or regulations and is duly licensed, registered or qualified in each jurisdiction in which GoldTrain owns or leases property or carries on GoldTrain's Business, to enable GoldTrain's Business to be carried on as now conducted;
- (w) to the best of GoldTrain's knowledge and belief, all private placements and other issuances of GoldTrain Shares have been completed in accordance with all applicable securities laws and regulations;
- (x) other than the filing of articles of amalgamation and any required regulatory approvals in connection with the Amalgamation, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by GoldTrain and no consent of any Third Party is required to be obtained by GoldTrain or Subco in connection with the execution, delivery and performance by GoldTrain of this Agreement or the consummation of the transactions contemplated hereby;

- (y) there is no action, lawsuit, claim, proceeding or investigation pending or, to the best knowledge of GoldTrain, threatened against, relating to or affecting GoldTrain or Subco before any court, government agency, or any arbitrator of any kind, and GoldTrain is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against GoldTrain or Subco any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting GoldTrain;
- (z) there is not now outstanding any arrangement (contractual or otherwise) between GoldTrain or Subco and any Person which will or may be, terminated or, to the best of the knowledge of GoldTrain or Subco, prejudicially affected as a result of the Amalgamation contemplated herein;
- (aa) GoldTrain has no employees, Subco has no employees and neither of them has ever had any employees and no individual claiming to be an employee has made any claim or, to the best of GoldTrain's knowledge, has any basis for any action or proceeding against GoldTrain or Subco, arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (bb) neither GoldTrain nor Subco has made any agreements with any labour union or employee association or made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (cc) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of GoldTrain's employees or any of Subco's employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (dd) other than GoldTrain's lease of certain mineral exploration properties pursuant to standard lease agreements made with the government of Ontario pursuant to the *Mining Act* (Ontario), neither GoldTrain nor Subco is a party to any lease or agreement in the nature of a lease, whether as lessor or lessee;
- (ee) neither GoldTrain nor Subco currently owns any insurable assets or currently maintains any policies of insurance;
- (ff) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee, officer, director, consultant, contractor or service provider of GoldTrain or Subco, nor is either of them a party to any outstanding oral contracts of employment or services which are not terminable on the giving of reasonable notice in accordance with applicable law, all of which will be terminated on or before the Effective Date. There are no pension or retirement plans established by or for GoldTrain for the employees, officers, directors or other service providers of GoldTrain's Business or by Subco;
- (gg) except as set out in GoldTrain's Financial Statements and this Agreement, there are no outstanding written or oral arrangements, commitments, agreements or contracts between either GoldTrain or Subco, on the one hand, and any Third Party, except for those with GoldTrain's registrar and transfer agent, GoldTrain's or Subco's legal counsel and GoldTrain's accountant and auditors;
- (hh) GoldTrain is a "reporting issuer" under the Securities Act and is not in default of any requirement of such Securities Act; and
- (ii) no representation or warranty made by GoldTrain or by Subco in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement,

contains, or will contain on the Effective Date, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. Neither GoldTrain nor Subco knows of any fact which, if known to Idaho Champion, would deter Idaho Champion from consummating the transactions contemplated herein.

4.2 No investigations made by or on behalf of Idaho Champion at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by GoldTrain or Subco herein or pursuant hereto and no waiver by Idaho Champion of any condition, in whole or in part, shall operate as a waiver of any other conditions.

4.3 **Representations and Warranties of Idaho Champion.** Idaho Champion hereby represents and warrants to GoldTrain and Subco that:

- (a)
  - (i) Idaho Champion is a corporation incorporated and subsisting under the laws of the Province of Ontario,
  - (ii) Idaho Champion Gold Mines USA Inc. is a corporation incorporated under the laws of the state of Idaho,
  - (iii) Idaho Champion Gold Mines LLC is a company formed under the laws of the state of Idaho, and
  - (iv) Idaho Champion Cobalt Mines USA Inc. is a corporation incorporated under the laws of the state of Idaho,

and each of them has all legal capacity and requisite corporate power to own its properties and to conduct its business as it is presently being conducted, and is duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;

- (b) all necessary corporate action has been taken, or will be taken prior to the Closing, by or on the part of Idaho Champion to authorize the execution and delivery of this Agreement and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling its obligations hereunder, including approval of the Amalgamation by special resolution of its shareholders, and Idaho Champion will use its bests efforts to obtain approval by special resolution of its shareholders;
- (c) the Idaho Champion Shareholders are the registered and beneficial owners of all of the issued and outstanding Idaho Champion Shares, which Idaho Champion Shares constitute all of the issued and outstanding shares in the capital of Idaho Champion, free and clear of all liens, charges, pledges, security interests, demands, adverse claims, rights or any other encumbrances whatsoever and no Person has any right, option, agreement or arrangement capable of becoming an agreement for the acquisition of any of the Idaho Champion Shares or any interest therein from Idaho Champion; and
  - (i) Idaho Champion owns all of the issued and outstanding shares of Idaho Champion Cobalt Mines USA Inc.; and
  - (ii) Idaho Champion owns all of the issued and outstanding shares of Idaho Champion Gold Mines USA Inc. which owns all of Idaho Champion Gold Mines LLC;

and no Person has any right, option, agreement or arrangement capable of becoming an agreement for the acquisition of any shares or interests in any of the foregoing except as set out herein;

- (d) Idaho Champion has the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill its obligations under this Agreement;
- (e) this Agreement has been duly executed and delivered by Idaho Champion and this Agreement constitutes a legal, valid and binding obligation of Idaho Champion enforceable against Idaho Champion in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally and by principles of equity;
- (f) neither the execution nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
  - (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of Idaho Champion or any of its subsidiaries; or
    - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which Idaho Champion or any of its subsidiaries is a party or by which Idaho Champion or any of its subsidiaries is bound; and
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of Idaho Champion or any party to any agreement to which Idaho Champion is a party or by which Idaho Champion is bound, except as shall have been obtained prior to Closing;
- (g) except for the Idaho Champion Material Contracts, no person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any unissued shares in the securities of Idaho Champion or any of its subsidiaries, save and except in respect of the Current Financing or the Proposed Financing;
- (h) the authorized capital of Idaho Champion is an unlimited number of common shares of which 22,825,000 shares are presently validly issued and outstanding as fully paid and non-assessable shares in the capital of Idaho Champion;
- (i) the books and records of Idaho Champion and each of its subsidiaries fairly and correctly set out and disclose in all material respects, the financial position of Idaho Champion and each of its subsidiaries as at the dates thereof and all material financial transactions of Idaho Champion and each of its subsidiaries have been accurately recorded in such books and records;
- (j) Idaho Champion does not have, and none of its subsidiaries has, any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of Idaho Champion;

- (k) save and except for matters which are disclosed in the Idaho Champion Financial Statements or otherwise expressly set out in this Agreement, Idaho Champion has not (nor has it agreed to) and none of its subsidiaries has:
- (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on the Idaho Champion Financial Statements, other than in the ordinary course of business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
  - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than royalty interests granted to vendors of mineral exploration properties in the ordinary course of business;
  - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets;
  - (vi) increased materially the compensation payable or to become payable to any of its officers, directors, consultants or employees, or in any bonus payment to or arrangement made with any officer, director, consultant or employee, or made any material changes in the personnel policies or employee benefits;
  - (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a material adverse effect on its business, prospects or financial condition;
  - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under Generally Accepted Accounting Principles or other regulatory guidelines;
  - (ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable;
  - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the properties, business or prospects of Idaho Champion;
  - (xi) entered into any transaction, contract or commitment other than in the ordinary course of business except for the transactions set forth in this Agreement;
  - (xii) made or authorized any capital expenditures in excess of \$100,000 in the aggregate except for commitments made in respect of the acquisition of or options to acquire Idaho Champion Properties or the acquisition of other exploration properties in accordance with Idaho Champion Material Contracts;
  - (xiii) except for the Current Financing and the Proposed Financing or as set out in the Idaho Champion Material Contracts, issued or sold any shares in its capital stock or other securities, or granted any options rights or warrants or entered into any agreements for the issuance of shares from the treasury of Idaho Champion in addition to the 22,825,000 Idaho Champion Shares currently issued and outstanding; or

- (xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and Idaho Champion has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and it has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (l) the Idaho Champion Financial Statements fairly present the financial position of Idaho Champion as at the date thereof and fairly present the results of operations for the periods ended on such dates, all in accordance with Generally Accepted Accounting Principles consistently applied throughout the period covered thereby, save and except as stated therein. Idaho Champion's books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;
- (m) the corporate records and minute books of Idaho Champion as and each of its subsidiaries as made available to GoldTrain or its legal counsel contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of Idaho Champion and each of its subsidiaries, including all by-laws and resolutions passed by the board of directors and shareholders of Idaho Champion and each of its subsidiaries, since the date of its incorporation and all such meetings were duly called and held; the shareholders' lists maintained by Idaho Champion and each of its subsidiaries (as made available to GoldTrain) is complete and accurate in all respects;
- (n) Idaho Champion does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than the Idaho Champion Business and, except for holding all of the issued and outstanding shares of (i) Idaho Champion Gold Mines USA, Inc., an Idaho corporation (which owns all of Idaho Champion Gold Mines LLC) and (ii) Idaho Champion Cobalt Mines USA Inc., does not hold or own, beneficially or otherwise, any securities of any other corporation or entity;
- (o) except as expressly referred to in the Idaho Champion Financial Statements,
  - (i) Idaho Champion does not have, and none of its subsidiaries has, outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and Idaho Champion is not, and none of its subsidiaries is, bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and
  - (ii) Idaho Champion is not, and none of its subsidiaries is, a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (p) since the date of its incorporation, no payments have been made or authorized by Idaho Champion or any of its subsidiaries to their respective officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, contained in the Idaho Champion minute book, or reflected in the Idaho Champion Financial Statements, or otherwise made in the ordinary course of business;
- (q) Idaho Champion and each of its subsidiaries has filed all tax returns required to be filed prior to the date hereof in all applicable jurisdictions and has paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by Idaho Champion or any of its subsidiaries at present.

All such tax returns properly reflect, and do not in any respect understate, the income, taxable income or the liability for taxes of Idaho Champion and each of its subsidiaries in the relevant period and the liability of Idaho Champion and each of its subsidiaries for the collection, payment and remittance of tax under applicable Tax Laws. No waivers have been filed by Idaho Champion or any of its subsidiaries with any taxing authority;

- (r) adequate provision has been made in the Idaho Champion Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by Idaho Champion and each of its subsidiaries, for all periods up to the date of the balance sheets comprising part of the Idaho Champion Financial Statements;
- (s) Idaho Champion and each of its subsidiaries has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including the date hereof;
- (t) Idaho Champion and each of its subsidiaries is conducting and has always conducted the Idaho Champion Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which the Idaho Champion Business is carried on, is not currently in material breach of any such laws, rules or regulations and is duly licensed, registered or qualified, in each jurisdiction in which Idaho Champion or any of its subsidiaries owns or leases property or carries on the Idaho Champion Business, to enable the Idaho Champion Business to be carried on as now conducted;
- (u) all private placements and other issuances of Idaho Champion Shares and each of its subsidiaries have been completed in accordance with all applicable securities laws and regulations;
- (v) Idaho Champion does not have, and none of its subsidiaries has, and none of them has ever had any employees and no person claiming to be an employee has made any claim or has any basis for any action or proceeding against Idaho Champion, arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (w) Idaho Champion has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (x) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees of Idaho Champion by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (y) there is no material (either alone or in the aggregate) action, lawsuit, claim, proceeding, or investigation pending or, to the best knowledge of Idaho Champion, threatened against, relating to or affecting Idaho Champion or any of its subsidiaries before any court, government agency, or any arbitrator of any kind. Idaho Champion is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against Idaho Champion or any of its subsidiaries any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting Idaho Champion or any of its subsidiaries, the Idaho Champion Assets or the Idaho Champion Business.
- (z) there is not now outstanding any arrangement (contractual or otherwise) between Idaho Champion or any of its subsidiaries and any Person which will or may be terminated or, to the best knowledge of Idaho Champion, prejudicially affected as a result of the Amalgamation contemplated herein;



- (aa) Idaho Champion is not a “reporting issuer” (or the equivalent) under the securities legislation of any jurisdiction;
- (bb) all property (including the Idaho Champion Properties listed in Schedule “A”) which is necessary or incidental to the conduct of the Idaho Champion Business as the same is presently being carried on is valid and subsisting and held by Idaho Champion and its subsidiaries, with good and marketable title to any mineral exploration claims which are patented and rights to explore for minerals in respect of any claims which are unpatented; all such claims are in good standing free and clear of all security interests, claims, liens, objections and infringements of every nature and kind (other than applicable royalty interests, assessment work obligations and taxes) and all registrations therefor have been kept renewed and are in full force and effect. No claim has been made that the conduct of the business of Idaho Champion infringes or breaches any property rights of any person, nor has Idaho Champion or any of its subsidiaries received any notice that the conduct of the business, including the use of the property owned or used by Idaho Champion or any of its subsidiaries, infringes upon or breaches any property rights of any person, and, to the best of the knowledge of Idaho Champion, there has been no infringement or violation of any of the rights of Idaho Champion or any of its subsidiaries in any such property. Idaho Champion is not aware of any state of facts which casts doubt on the validity or enforceability of any of the property rights owned or used by Idaho Champion or any of its subsidiaries;
- (cc) Idaho Champion is not, and none of its subsidiaries is, in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or by which it is bound, and there exists no state of facts which, after notice or lapse of time or both, would constitute such to be a default or breach. All such contracts, agreements, commitments, indentures and other instruments are now in good standing and in full force and effect without amendment thereto, Idaho Champion and its subsidiaries are entitled to all benefits thereunder and, to the best of the knowledge of Idaho Champion, the other parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder. There are no contracts, agreements, commitments, indentures or other instruments under which the rights of Idaho Champion or any of its subsidiaries or the performance of its obligations are dependent upon or supported by the guarantee of, or any security provided by, any other Person. Set forth in Schedule "B" hereto is an accurate and complete list of all material written contracts, agreements, commitments, indentures and other instruments to which Idaho Champion or any of its subsidiaries is a party or by which Idaho Champion or any of its subsidiaries is bound;
- (dd) there are reasonable grounds for believing that (i) Idaho Champion is, and Amalco will be, able to pay its liabilities as they become due, (ii) the realizable value of Amalco's assets will not be less than the aggregate of its liabilities and stated capital of all classes and (iii) no creditor of Idaho Champion will be prejudiced by the Amalgamation; and
- (ee) no representation or warranty made by Idaho Champion in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. Idaho Champion does not know of any fact which, if known to the other parties hereto, would deter them from consummating the transactions contemplated herein.

4.4 No investigations made by or on behalf of GoldTrain or Subco at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by Idaho Champion herein or pursuant hereto and no waiver by GoldTrain or Subco of any condition, in whole or in part, shall operate as a waiver of any other condition.

## ARTICLE V COVENANTS

5.1 **General Covenants of GoldTrain.** GoldTrain covenants and agrees that, unless otherwise contemplated herein, GoldTrain shall, and if applicable shall cause Subco to:

- (a) take all requisite action to:
  - (i) approve this Agreement;
  - (ii) duly call and hold a meeting of shareholders of GoldTrain to approve, among other things:
    - (1) the issuance of the Exchange Shares;
    - (2) a change of name of GoldTrain to “Idaho Champion Gold Mines Canada Inc.”, or such other name as the board of directors of GoldTrain may determine and is acceptable to the board of directors of Idaho Champion;
    - (3) the Proposed Consolidation;
    - (4) an increase in the number of directors currently comprising the board of directors of GoldTrain to a number of directors designated by Idaho Champion of not less than three (3) and up to six (6) directors, as at and from the Effective Date, and the delegation to the board of directors of GoldTrain of authority to set the number of directors of GoldTrain from time to time between the minimum of three and the maximum of eleven set out in the articles of GoldTrain provided the corporate laws of the governing jurisdiction so permit at the applicable time;
    - (5) a change of auditors to UHY McGovern Hurley, LLP as at and from the Effective Date; and
    - (6) the continuance of GoldTrain into the jurisdiction of Ontario at a date chosen by the board of directors of GoldTrain following the Effective Date;
  - (iii) approve the Amalgamation; and
  - (iv) approve such actions as Idaho Champion may determine to be necessary or desirable for the purposes hereof;
- (b) assuming receipt of the required shareholder approval at the meeting contemplated in Section 5.1(a)(ii), to file, immediately following the meeting, and in any event prior to the Closing, Articles of Amendment under the *Canada Business Corporations Act* in the requisite form to effect the Proposed Consolidation, the change of name and any other matters approved by the GoldTrain shareholders for inclusion in its Articles;
- (c) co-operate fully and on a timely basis with Idaho Champion and its counsel in the preparation and filing with the Exchange and the securities commissions and the mailing to GoldTrain of a principal disclosure document for GoldTrain on a pre-Closing and post-Closing basis;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use its best efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be

required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;

- (e) upon GoldTrain receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to Idaho Champion;
- (f) in consultation with Idaho Champion and its counsel, forthwith use its best efforts to obtain all necessary regulatory approvals and to make application to an Exchange designated by Idaho Champion for listing of Post-Consolidation GoldTrain Shares following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;
- (g) take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (h) use its best efforts to maintain GoldTrain's status as a "reporting issuer" in Ontario, Alberta and British Columbia;
- (i) take all steps necessary to arrange and implement agreements with GoldTrain's creditors on or before the Closing:
  - (i) to obtain releases for accounts payable and convertible debt of not less than \$342,327 or other confirmation that such debt is statute-barred;
  - (ii) to settle unbilled accounts for legal fees at \$88,000 (plus HST) and obtain agreement(s) to convert same (excluding HST which shall be paid in cash) into GoldTrain Shares at \$0.08 per share or into Post-Consolidation GoldTrain Shares at \$0.24 per share; and
  - (iii) to obtain agreements to convert not less than \$79,747 of recent cash loans advanced by directors and companies related to such directors into GoldTrain Shares at \$0.08 per share or into Post-Consolidation GoldTrain Shares at \$0.24 per share;
- (j) cause each of the officers and directors of GoldTrain and Subco designated by Idaho Champion to tender their resignations as such to be effective on acceptance by the respective boards of directors of GoldTrain and Subco;
- (k) on the Effective Date, accept sequentially the resignations of Frank Smeenk and Carl McGill as directors of GoldTrain and cause the appointment of Bruce Reid and Jonathan Buick (and such other individual as may be designated by Idaho Champion prior to the Effective Date) as directors of GoldTrain (the "**New GoldTrain Board**") to sequentially fill each vacancy created by such resignations and any additional vacancies which will be created on the Effective Date;
- (l) on the Effective Date, accept the resignations of Frank Smeenk as an officer of GoldTrain;
- (m) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to agreements and other contracts;

- (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities and securities regulatory authorities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities and securities regulatory authorities in connection with the Amalgamation;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vi) cooperate with the other parties to this Agreement in connection with the performance by GoldTrain and Subco of their respective obligations hereunder; and
  - (vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (n) not incur any liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which GoldTrain or Subco may become liable before, on or after the Closing, except as set out in the GoldTrain Financial Statements and except for up to \$25,000 plus public company and transactional costs and additional cash loans of up to \$76,330 contemplated by paragraph 4.1(h) hereof, incurred prior to Closing, all of which will be disclosed in writing to Idaho Champion on or before Closing;
- (o) validly issue the Exchange Shares hereunder as fully paid and non-assessable Post-Consolidation GoldTrain Shares in the capital of GoldTrain, free and clear of all mortgages, liens, charges, security deposits, adverse claims, pledges, encumbrances, options, warrants, rights, privileges and demands whatsoever;
- (p) file, duly and timely, all tax returns required to be filed by GoldTrain or by Subco and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency;
- (q) neither declare nor pay any dividends or other distributions or returns of capital on GoldTrain Shares or Post-Consolidation GoldTrain Shares from the date of this Agreement until the Closing without the prior consent of Idaho Champion; and
- (r) on the Closing, issue 500,000 Post-Consolidation GoldTrain Warrants (with a term of 5 years and an exercise price of \$0.50 per Post-Consolidation GoldTrain Share) to Sheldon Exeuctive Services Inc. (or as it may otherwise direct) as payment for advisory services.

5.2 **GoldTrain's Covenant Regarding Non-Solicitation.** GoldTrain shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding an Acquisition Proposal, provided that nothing contained in this Section 5.2 or other provisions of this Agreement shall prevent the board of directors of GoldTrain from considering, negotiating, approving or recommending to its shareholders an agreement in respect of an unsolicited *bona fide* written Acquisition Proposal (i) in respect of which the board of directors of GoldTrain

determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be necessary for such board of directors to take such action in order to avoid breaching its fiduciary duties, and (ii) in respect of which the board of directors of GoldTrain determines in good faith, after consultation with financial advisors, if consummated in accordance with its terms, would result in a transaction more favourable to its shareholders than the transaction contemplated hereby (any such Acquisition Proposal that satisfies clauses (i) and (ii) above being referred to herein as a “**Superior Proposal**”).

GoldTrain shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Acquisition Proposal.

GoldTrain shall immediately notify the other parties hereto (both orally and in writing) of any future Acquisition Proposal of which GoldTrain's directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to GoldTrain in connection with an Acquisition Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs GoldTrain that such person or entity is considering making an Acquisition Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as the other parties hereto may reasonably request, including, without limitation, the identity of the person and controlling person, if any, making such proposal, inquiry or contact.

GoldTrain shall not accept, approve, or recommend or enter into any agreement in respect of an Acquisition Proposal on the basis that it constitutes a Superior Proposal unless (i) GoldTrain has provided the other parties hereto with a copy of the Acquisition Proposal document which has been determined to be a Superior Proposal, with such deletions as are necessary to protect confidential portions of such Acquisition Proposal document, provided that the material terms, conditions and the identity of the person and controlling person, if any, making the Acquisition Proposal may not be deleted, and (ii) five (5) Business Days (the “**Notice Period**”) shall have elapsed from the later of the date on which Idaho Champion received notice of GoldTrain’s determination of its intention to accept, approve or recommend an agreement in respect of such Acquisition Proposal and the date on which Idaho Champion received a copy of the Acquisition Proposal document. During the Notice Period, GoldTrain shall provide a reasonable opportunity to Idaho Champion to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would enable GoldTrain to determine not to proceed with its recommendation to security holders with respect to the Acquisition Proposal, provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of GoldTrain will review in good faith any offer made by the other parties hereto to amend the terms of this Agreement in order to determine, in the board's discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Superior Proposal ceasing to be a Superior Proposal. If the board of directors of GoldTrain determines that the Superior Proposal would cease to be a Superior Proposal, it will so advise Idaho Champion and will accept the offer by Idaho Champion to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Acquisition Proposal or a Superior Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 5.2 and shall require a five (5) Business Day Notice Period from the date such amendment is communicated to the other parties hereto, other than an amendment to improve upon a Superior Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such Superior Proposal has not ceased to be a Superior Proposal prior to the proposed amendment.

**5.3 General Covenants of Idaho Champion.** Idaho Champion covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement;
  - (ii) duly call and hold a meeting of shareholders of Idaho Champion to approve the Amalgamation; and

- (iii) approve such actions as GoldTrain may determine to be necessary or desirable for the purposes hereof;
- (b) in consultation with GoldTrain and its counsel, prepare and file with the Exchange a principal disclosure document for GoldTrain on a post-Closing basis;
- (c) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and management as a group and to maintain its business relationships;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use its best efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (e) upon Idaho Champion receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to GoldTrain;
- (f) in consultation with GoldTrain and its counsel, forthwith use its best efforts to obtain all necessary regulatory approvals and to assist GoldTrain to make application to an Exchange designated by Idaho Champion for listing of Post-Consolidation GoldTrain Shares following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;
- (g) take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (h) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to agreements and other contracts, including, without limitation, the Idaho Champion Material Contracts;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities and securities regulatory authorities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities and securities regulatory authorities in connection with the Amalgamation;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement;

- (vi) cooperate with the other parties to this Agreement in connection with the performance by Idaho Champion of its obligations hereunder; and
- (vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (i) not incur, or permit any of its subsidiaries to incur, any material liabilities out of the ordinary course of business, whether or not accrued and whether or not determined or determinable, in respect of which Idaho Champion or any of its subsidiaries may become liable on or after the Closing, except as set out in the Idaho Champion Financial Statements and except for transactional costs incurred prior to Closing and property acquisition costs; and
- (j) file and cause its subsidiaries to file, duly and timely, all tax returns required to be filed by Idaho Champion or any of its subsidiaries and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency.

5.4 **Idaho Champion's Covenant Regarding Non-Solicitation.** Idaho Champion shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding a Merger Proposal, provided that nothing contained in this Section 5.4 or other provisions of this Agreement shall prevent the board of directors of Idaho Champion from considering, negotiating, approving or recommending to its shareholders an agreement in respect of an unsolicited *bona fide* written Merger Proposal (i) in respect of which the board of directors of Idaho Champion determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be necessary for such board of directors to take such action in order to avoid breaching its fiduciary duties, and (ii) in respect of which the board of directors of Idaho Champion determines in good faith, after consultation with financial advisors, if consummated in accordance with its terms, would result in a transaction more favourable to its shareholders than the transaction contemplated hereby (any such Merger Proposal that satisfies clauses (i) and (ii) above being referred to herein as a "**Superior Merger Proposal**").

Idaho Champion shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Merger Proposal.

Idaho Champion shall immediately notify GoldTrain (both orally and in writing) of any future Merger Proposal of which Idaho Champion's directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to Idaho Champion in connection with a Merger Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs Idaho Champion that such person or entity is considering making a Merger Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as GoldTrain may reasonably request, including without limitation, the identity of the person and controlling person, if any, making such proposal, inquiry or contact.

Idaho Champion shall not accept, approve or recommend or enter into any agreement in respect of a Merger Proposal on the basis that it constitutes a Superior Merger Proposal unless (i) it has provided GoldTrain with a copy of the Merger Proposal document which has been determined to be a Superior Merger Proposal, with such deletions as are necessary to protect confidential portions of such Merger Proposal document, provided that the material terms, conditions and the identity of the person and controlling person, if any, making the Merger Proposal may not be deleted, and (ii) five (5) Business Days (the "**Notice Period**") shall have elapsed from the later of the date on which GoldTrain received notice of Idaho Champion's determination of its intention to accept, approve or recommend an agreement in respect of such Merger Proposal and the date on which GoldTrain received a copy of the Merger Proposal document. During the Notice Period, Idaho Champion shall provide a reasonable opportunity to GoldTrain to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would

enable Idaho Champion to determine not to proceed with its recommendation to security holders with respect to the Merger Proposal, provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of Idaho Champion will review in good faith any offer made by GoldTrain to amend the terms of this Agreement in order to determine, in the board's discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Superior Merger Proposal ceasing to be a Superior Merger Proposal. If the board of directors of Idaho Champion determines that the Superior Merger Proposal would cease to be a Superior Merger Proposal, it will so advise GoldTrain and will accept the offer by GoldTrain to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Merger Proposal or a Superior Merger Proposal shall constitute a new Merger Proposal for the purposes of this Section 5.4 and shall require a five (5) Business Day Notice Period from the date such amendment is communicated to the other party hereto, other than an amendment to improve upon a Superior Merger Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such Superior Merger Proposal has not ceased to be a Superior Merger Proposal prior to the proposed amendment.

## ARTICLE VI CONDITIONS TO CLOSING

6.1 **Conditions Precedent to Obligations of Idaho Champion.** The obligations of Idaho Champion to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Idaho Champion and may be waived by Idaho Champion in whole or in part on or before the Closing):

- (a) Idaho Champion shall on or before the Closing have received from GoldTrain and Subco all documents and instruments as Idaho Champion may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (b) all of the representations and warranties of GoldTrain and Subco made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business) and Idaho Champion shall have received certificates dated as at the Effective Date in form satisfactory to Idaho Champion and its solicitors, acting reasonably, signed by a senior officer or director of GoldTrain and Subco on behalf of GoldTrain and Subco, respectively, certifying (without personal liability) as at the Effective Date the truth and correctness in all material respects of the representations and warranties of GoldTrain and Subco set out in this Agreement;
- (c) GoldTrain and Subco will have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it on or before the Closing;
- (d) at the Closing, there shall have been no material adverse change in the condition (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of GoldTrain from that shown on or reflected in GoldTrain's Financial Statements;
- (e) all necessary corporate actions and proceedings shall have been taken by GoldTrain to permit the due and valid issuance by GoldTrain of the Exchange Shares at the Closing and upon the completion of the transactions contemplated hereunder such shares will be issued and outstanding as fully paid and non-assessable;
- (f) except as disclosed in this Agreement, neither GoldTrain nor Subco shall have any outstanding options, convertible securities, warrants or other convertible obligations, agreements or other commitments to allot, reserve, set aside, create, issue or sell any securities or any of its unissued share capital;



- (g) the authorized capital of GoldTrain shall consist of an unlimited number of common shares and an unlimited number of preferred shares of which immediately prior to the issuance of the Exchange Shares and the Post-Consolidation GoldTrain Warrants contemplated by Section 5.1(r), not more than 2,000,000 Post-Consolidation GoldTrain Shares (fully diluted) (and no preferred shares) shall be duly issued and outstanding as fully paid and non-assessable shares of GoldTrain, and the authorized capital of Subco consists of an unlimited number of common shares of which one common share of Subco shall be duly issued and outstanding;
- (h) there are currently no options outstanding under the GoldTrain stock option plan; the new GoldTrain board of directors may from time to time grant, under GoldTrain's incentive stock option plan, to officers, directors, employees and consultants of GoldTrain, options to acquire an aggregate number of Post-Consolidation GoldTrain Shares as is equal to 10% of the issued and outstanding Post-Consolidation GoldTrain Shares, on a post-transaction basis, at a price to be determined in compliance with the requirements of the GoldTrain stock option plan and any Exchange having jurisdiction;
- (i) the distribution of the Exchange Shares to the shareholders of Idaho Champion shall be exempt from the registration and prospectus requirements of the *Securities Act* (Ontario) or other applicable securities legislation in Canada and the United States;
- (j) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by GoldTrain in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Effective Date;
- (k) GoldTrain shall be a "reporting issuer" in good standing in the Provinces of Ontario, Alberta and British Columbia and neither GoldTrain nor its shares shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (l) GoldTrain shall have received the resignations of Frank Smeenk as an officer of GoldTrain and of Frank Smeenk and Carl McGill as directors of GoldTrain, shall have appointed Bruce Reid and Jonathan Buick and any other individuals be nominated by Idaho Champion as directors of GoldTrain and shall have appointed Bruce Reid as Chairman, Jonathan Buick as Chief Executive Officer and Julio DiGirolamo as Chief Financial Officer of GoldTrain;
- (m) upon Closing, all regulatory requirements shall have been or shall be capable of being satisfied, including satisfaction of the minimum listing requirements of an Exchange;
- (n) GoldTrain shall deliver, or cause to be delivered, to Idaho Champion on or before the Closing such other certificates, agreements or documents as may reasonably be required by Idaho Champion or its solicitors, acting reasonably, to give full effect to this Agreement;
- (o) at or prior to Closing, GoldTrain and Subco shall have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and shall have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at such time, which tax returns shall properly reflect, and shall not in any respect understate the income, taxable income or the liability for taxes of GoldTrain or Subco in the relevant period and the liability of GoldTrain or Subco for the collection, payment and remittance of tax under applicable Tax Laws;
- (p) completion of the Current Financing in such amount as Idaho Champion and GoldTrain may agree upon for aggregate gross proceeds of up to such amount as may be determined by Idaho

Champion with the consent of GoldTrain at a price of not less than US\$0.20 per Idaho Champion Share;

- (q) completion of the GoldTrain Concurrent Financing in such amount as Idaho Champion and GoldTrain may agree upon for aggregate gross proceeds of up to such amount as may be determined GoldTrain with the consent of Idaho Champion at a price of not less than \$0.24 per Special Warrant;
- (r) GoldTrain having liabilities of not more than \$25,000 (exclusive of \$100,000 owed to Idaho Champion and exclusive of transactional and other costs incurred since December 31, 2017) and no other liabilities on the Effective Date;
- (s) approval of this Agreement by the boards of directors of Idaho Champion and GoldTrain by ordinary resolution and of the Amalgamation by the shareholders of Idaho Champion and Subco by special resolution;
- (t) approval by the shareholders of GoldTrain of the matters set forth in paragraph 5.1(a)(ii) hereof;
- (u) issuance of a Certificate of Amendment of GoldTrain under the *Canada Business Corporations Act* prior to the Closing effecting the Proposed Consolidation and the change of name;
- (v) upon Closing, GoldTrain and Subco shall have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including the Effective Date; and
- (w) GoldTrain shall have delivered or caused to be delivered to Idaho Champion on or before the Closing such other certificates, agreements or documents as may reasonably be required by Idaho Champion or its solicitors, acting reasonably, to give full effect to this Agreement.

**6.2 Conditions Precedent to Obligations of GoldTrain.** The obligation of GoldTrain to complete the transactions contemplated hereunder shall be subject to the satisfaction of or compliance with, at or before the Closing, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of GoldTrain and may be waived by GoldTrain in writing, in whole or in part, on or before the Closing):

- (a) GoldTrain shall, on or before the Closing, have received from Idaho Champion all other documents and instruments as GoldTrain may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (b) the representations, warranties and covenants of Idaho Champion made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business) and GoldTrain shall have received a certificate of a senior officer of Idaho Champion dated as at the Effective Date in form satisfactory to GoldTrain's solicitors, acting reasonably, certifying (without personal liability) the truth and correctness in all material respects of the representations, warranties and covenants of Idaho Champion set out in this Agreement;
- (c) Idaho Champion shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Closing;
- (d) at the Closing, there shall have been no material adverse change in the condition (financial or otherwise), properties, assets, liabilities, earnings or business operations or prospects of Idaho Champion and its subsidiaries from that shown on or reflected in the Idaho Champion Financial Statements;

- (e) except as disclosed herein, Idaho Champion and its subsidiaries shall have outstanding no options, convertible securities, warrants or other convertible obligations, agreements or other commitments to allot, reserve, set aside, create, issue or sell any securities or any of its unissued share capital;
- (f) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by Idaho Champion in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Closing;
- (g) upon Closing, all regulatory requirements shall have been or shall be capable of being satisfied, including satisfaction of the minimum listing requirements of an Exchange;
- (h) completion of the Current Financing in such amount as Idaho Champion and GoldTrain may agree upon for aggregate gross proceeds of up to such amount as may be determined by Idaho Champion with the consent of GoldTrain at a price of not less than US\$0.20 per Idaho Champion Share;
- (i) completion of the GoldTrain Concurrent Financing in such amount as Idaho Champion and GoldTrain may agree upon for aggregate gross proceeds of up to such amount as may be determined GoldTrain with the consent of Idaho Champion at a price of not less than \$0.24 per Special Warrant;
- (j) approval of this Agreement by the boards of directors of Idaho Champion and GoldTrain by ordinary resolution and of the Amalgamation by the shareholders of Idaho Champion and Subco by special resolution;
- (k) approval by the shareholders of Idaho Champion of the matters set forth in paragraph 5.3(a)(ii) hereof; and
- (l) Idaho Champion shall have delivered or caused to be delivered to GoldTrain on or before the Closing such other certificates, agreements or documents as may reasonably be required by GoldTrain or its solicitors, acting reasonably, to give full effect to this Agreement.

## **ARTICLE VII TERMINATION**

### **7.1 Termination**

- (a) This Agreement may be terminated prior to the Effective Date:
  - (i) by the agreement of Idaho Champion and GoldTrain; or
  - (ii) by GoldTrain or by Idaho Champion if any condition in Article VI is not satisfied in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such terminating party; or
  - (iii) by GoldTrain or by Idaho Champion at any time after the Outside Date.
- (b) This Agreement shall be automatically terminated upon GoldTrain or Idaho Champion, as the case may be, entering into an agreement or arrangement with respect to a Superior Proposal or a Superior Merger Proposal, as the case may be, where the party entering into the agreement or arrangement complied with its obligations under Section 5.2 or 5.4 as applicable.

- 7.2 **Effect of Termination.** If this Agreement is terminated in accordance with Section 7.1, no party shall have any further liability to perform its obligations hereunder except as provided in Section 8.1 and as otherwise expressly contemplated hereby provided that neither the termination of this Agreement nor anything contained in Section 7.1 shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations or warranties or any non-performance by it of its covenants made herein.
- 7.3 **Break Fee.** In the event that this Agreement is terminated in accordance with Section 7.1 hereof, the loan received by GoldTrain from Idaho Champion in the amount of \$100,000 shall be forfeited to GoldTrain as a break fee and Idaho Champion shall be deemed to have released GoldTrain from any and all liability in respect thereof.

## ARTICLE VIII GENERAL

8.1 **Confidentiality & Public Notices.** Except where compliance with this Section 8.1 would result in a breach of applicable law, all notices, releases, statements and communications to Third Parties, including employees of the parties and the press, relating to transactions contemplated by this Agreement will be made only in such manner as shall be authorized and approved by Idaho Champion, Idaho Champion when required, shall use its best efforts to provide such authorization and approval to GoldTrain in a timely manner as shall permit compliance by GoldTrain with all continuous disclosure to any regulatory authority or obligations under any applicable securities regulations. GoldTrain and Idaho Champion shall maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement. In the event that the Amalgamation and the issuance of the Exchange Shares provided for in this Agreement are not consummated, each party shall return any confidential schedules, documents or other written information to the party who provided same in connection with this Agreement. Idaho Champion agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to GoldTrain or GoldTrain's Business discovered or acquired by it, its representatives or accountants as a result of GoldTrain making available to it, its representatives and accountants, any information, books, accounts, records or other data and information relating to GoldTrain or GoldTrain's Business and Idaho Champion agrees that it will not disclose, divulge or communicate orally, in writing or otherwise (directly or indirectly), any such information or confidential data so discovered or acquired by any other Person. GoldTrain agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to Idaho Champion or the Idaho Champion Business discovered or acquired by it, its representatives or accountants as a result of Idaho Champion making available to it, its representatives or accountants, any information, books, accounts, records or other data and information relating to Idaho Champion or the Idaho Champion Business and GoldTrain agrees that it will not disclose, divulge or communicate orally, in writing or otherwise, any such information or confidential data so discovered or acquired to any other Person.

8.2 **Notices.** All notices or other communications required to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by registered mail or by transmittal by telecopier or other form of recorded communication addressed to the recipient as follows:

(a) **To GoldTrain and Subco:**

141 Adelaide Street West  
Suite 420  
Toronto, ON M5H 3L5

Attention: Frank Smeenk, Chief Executive Officer  
Fax: 416-363-7875

**with a copy to:**

Dickinson Wright LLP

199 Bay Street, Suite 2200  
Commerce Court West  
Toronto, ON M5L 1G4

Attention: Donald A. Sheldon  
Fax: 416-865-1398

(b) **To Idaho Champion:**

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

Attention: Jonathan Buick, Chief Executive Officer  
Fax: 647-722-9652

**with a copy to:**

Petersen McVicar LLP  
Suite 806  
390 Bay Street  
Toronto ON M5H 2Y2

Attention: Dennis Petersen  
Fax: (416) 352-5693

or to such other address, telecopier number or individual as may be designated by notice given by either party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by telecopier or other form of recorded communication, shall be deemed given and received on the date of such transmission if received prior to 5:00 p.m. (local time at the offices of the recipient) and on the next Business Day if it is received after 5:00 p.m. (local time at the offices of the recipient) on the date of its transmission. If the party giving any such communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such communication shall not be mailed but shall be given by personal delivery or by telecopier transmittal or other form of recorded communication.

8.3 **Expenses.** Except as otherwise provided herein, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

8.4 **No Personal Liability.**

- (a) No officer or director of GoldTrain or Subco shall have any personal liability whatsoever to Idaho Champion under this Agreement or pursuant to any other document delivered on behalf of GoldTrain in connection with this Agreement or the Amalgamation in the absence of fraud, fraudulent misrepresentation or wilful misconduct.
- (b) No officer or director of Idaho Champion shall have any personal liability whatsoever to GoldTrain or Subco under this Agreement or pursuant to any other document delivered on behalf of Idaho Champion in connection with this Agreement or the Amalgamation in the absence of fraud, fraudulent misrepresentation or wilful misconduct.

8.5 **Time of the Essence.** Time shall be of the essence hereof.

8.6 **Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party

shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.

8.7 **Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the non-exclusive jurisdiction of the Courts of Ontario in any dispute that may arise hereunder.

8.8 **Counterparts.** For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile or telecopied copy of this Agreement shall be effective and valid proof of execution and delivery.

8.9 **Entire Agreement.** This Agreement, including the Schedules attached hereto, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties.

8.10 **Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained, and this Agreement shall be construed as if such invalid or unenforceable provision or covenant were omitted.

8.11 **Enurement.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto.

8.12 **Waivers.** The parties hereto may, by written agreement:

- (a) extend the time for the performance of any of the obligations or other Act of the parties hereto;
- (b) waive any inaccuracies in the warranties, representations, covenants or other undertakings contained in this Agreement or in any document or certificate delivered pursuant to this agreement; or
- (c) waive compliance with or modify any of the warranties, representations, covenants or other undertakings or obligations contained in this Agreement and waive or modify performance by any of the parties thereto.

8.13 **Form of Documents.** All documents to be executed by GoldTrain and Subco and delivered to Idaho Champion on the Closing shall be in form and substance satisfactory to Idaho Champion acting reasonably. All documents to be executed by Idaho Champion and delivered to GoldTrain on the Closing shall be in a form and substance satisfactory to GoldTrain, acting reasonably.

8.14 **Construction Clause.** This Agreement has been negotiated and approved by counsel on behalf of all parties hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

**IDAHO CHAMPION GOLD MINES LTD.**

*“Jonathan Buick”*

Per: \_\_\_\_\_

Name: Jonathan Buick

Title: Chief Executive Officer

*I have authority to bind the corporation.*

**GT SUBSIDIARY INC.**

*“Frank Smeenk”*

Per: \_\_\_\_\_

Name: Frank Smeenk

Title: Chief Executive Officer

*I have authority to bind the corporation.*

**GOLDTRAIN RESOURCES INC.**

*“Frank Smeenk”*

Per: \_\_\_\_\_

Name: Frank Smeenk

Title: Chief Executive Officer

*I have authority to bind the corporation.*

## Schedule 'A' – Idaho Champion Properties

1. **Baner Property** -- 11 mining claims (the “**Baner Project**”) in north central Idaho covering approximately 105 hectares (260 acres) and has staked approximately 204 mining claims covering more than 1,700 hectares of adjoining exploration ground (six of those mining claims (sometimes referred to as the “Sally Claims” covering the former Black Lady mine and former Lucky Strike mine areas) are currently disputed and alleged to have been staked at an earlier time by another prospector).
  
2. **Staked Ground** -- Idaho Champion Cobalt USA, Inc. (“**Cobalt Subco**”), a wholly owned subsidiary of Idaho Champion, has entered into an agreement pursuant to which it may acquire up to approximately 822 mining claims in northern Idaho covering approximately 6,871 hectares (16,975 acres) (the “**Cobalt Project**”).
  
3. **Property Subject to Agreement** -- Idaho Champion Gold Mines USA Inc., a wholly-owned subsidiary of Idaho Champion, in February of 2018 staked the Champagne Project covering 112 mineral claims near Idaho Falls covering approximately 936.3 hectares (2,313 acres). The Champagne project was a producing open pit heap leach mine from 1990 to 1993 by BEMA Gold. The Corporation does not consider the Champagne Project to be a material project.



**Schedule 'B' – Idaho Champion Material Contracts**

1. Letter Agreement dated November 20, 2017 between Idaho Champion Gold Mines Ltd. and GoldTrain regarding the business combination of the two companies pursuant to a three-conrened amalgamation.
2. Purchase and Sale Agreement dated April 12, 2018, 2018 between American Cobalt Corp. and Idaho Champion Cobalt USA, Inc. regarding certain mining claims in the state of Idaho.