

Core Gold Announces Closing of US\$3 Million Private Placement and Reiterates Compelling Rationale for Merger With Titan

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VANCOUVER, March 25, 2019 - [Core Gold Inc.](#) ("Core Gold" or the "Company") (TSXV: CGLD, OTCQX: CGLDF) announces that it has successfully closed its US\$3 million non-brokered private placement (the "Private Placement") with [Titan Minerals Ltd.](#) ("Titan"), as part of the amending agreement announced on March 11, 2019 (the "Amending Agreement"). The amendment amended the terms of the previously announced arrangement agreement (the "Arrangement Agreement") between them pursuant to which Titan will acquire all of the issued and outstanding Core Gold common shares by way of a court-approved share exchange plan of arrangement (the "Merger").

The Private Placement was conducted at a price of C\$0.44 per Core Gold share, a 100.0% premium to the current Core Gold share price of C\$0.22 as of March 22, 2019, being the last trading date prior to this announcement. Under the Private Placement, the Company issued a total of 9,151,363 common shares to Titan for total subscription proceeds of US\$3 million (approximately C\$4 million), equal to approximately 5.7% of the now outstanding common shares of Core Gold. The proceeds of the Private Placement will be used by Core Gold for its general working capital requirements.

Mr. Mark Bailey, Core Gold's Interim CEO, commented, *"The Private Placement with Titan ensures we have access to funding to advance the Merger and deliver a compelling value opportunity to Core Gold shareholders. Following completion of the Merger and the associated A\$20 million equity financing, the combined company will be well funded and in a strong position to execute on our go-forward exploration and development plan in Ecuador. For too long, capital constraints have limited our ability to maximize the value of our assets and we look forward to completing the Merger with Titan and unlocking this value for our shareholders."*

Executed Voting and Support Agreements

As part of the Amending Agreement, all of the Directors and senior management of Core Gold (other than former CEO Keith Piggott) holding in aggregate 38,041,981 Core Gold shares, representing 25.1% of the currently issued and outstanding common shares of Core Gold, and 23.7% following the Private Placement, have entered into customary voting and support agreements that require those Directors and senior management to vote in favor of the Merger at the Core Gold shareholder meeting to be convened to approve the Merger. In addition, such Directors and senior management also hold 4,456,000 options, 8,842,974 warrants, and convertible securities convertible into 2,768,362 Core Gold common shares, which are also subject to the voting and support agreements. Together with Titan, these shareholders have agreed to vote their 29.4% collective common share position in Core in favor of the Merger.

Copies of the voting and supporting agreements are available on Core Gold's SEDAR page at [www.sedar.com](#).

Benefits of the Merger to Core Gold Shareholders

1. Access to Capital Allows for Balance Sheet Alleviation and Unlocking of Value from Assets in Ecuador – With an expected post-completion pro-forma cash position of ~C\$25 million (A\$27 million) and conversion of existing convertible debt, the Merger creates a combined company with a strong pro-forma balance sheet and provides significant access to capital to invest in the exploration and development of the Company's asset portfolio in Ecuador.

2. Provides Significant Immediate and Up-Front Premium ‐ Based on the closing price of Titan Shares on the Australian Stock Exchange (“ASX”) on February 15, 2019, Core Gold shareholders receives an immediate and up-front premium of:
 - 44.7% based on the closing price of Core Gold shares on the TSX Venture Exchange (“TSXV”) on February 22, 2019 of C\$0.31;
 - 53.8% based on the 20-day volume weighted average price (“VWAP”) of Core Gold shares on the TSXV as of February 22, 2019; and
 - 65.3% to the 30-day VWAP of Core Gold shares on the TSXV as of February 22, 2019.
 - 100.0% based on the closing prices of Core Gold of C\$0.22 on the TSXV and Titan of A\$0.021 on the ASX on March 22, 2019, being the last trading date prior to this announcement.
3. Independent Strategic Review ‐ A Special Committee of independent members of the Board of Directors (the “Special Committee”) was established in September 2018 to review and consider all strategic options for the Company. The Special Committee appointed PI Financial Corp. (“PI”) to act as its financial advisor in connection with exploring various options. Over the course of several months, the Special Committee evaluated a number of available options, including non-core asset sales, joint ventures, equity and debt financing and the sale of the company, in addition to the Merger with Titan. After review, the Merger with Titan provided the most attractive and deliverable opportunity to maximize value for all Core Gold shareholders taking into account the Company’s financial, operational and management circumstances, including its cash position and liabilities, as well as the prevailing market conditions for equity financing available to the Company.
4. Exposure to the Mining-Friendly Australian Stock Exchange (ASX) ‐ The combined company will be listed on the ASX where the Core Gold Directors believe more attractive valuations will be afforded to the Company’s asset base. The ASX has seen strong recent performance of junior gold companies and Australia is home to large diversified mining companies that have been aggressively investing in mining in Ecuador. The Directors believe the combined company will attract an enhanced capital markets profile in Australia providing the potential for a value re-rating in line with ASX-listed precious metals peers.
5. Continues Significant Core Board Representation in Combined Company ‐ As part of the Merger, Core Gold will have appointed three nominees (Mark Bailey, Gregg Sedun and Javier Reyes) to the Board of Directors of the combined company, in addition to the three nominees from Titan (Nicholas Rowley, Matthew Carr and Laurence Marsland). The Chairman, who is to be appointed at a later date, will be selected from among the Core Gold nominees. Under Titan’s constitution, the Chair will be entitled to a casting vote.
6. Enhanced Capital Markets Profile ‐ The Titan principals were part of the growth behind ASX-listed lithium producer [Galaxy Resources Ltd.](#) (A\$810 million market capitalization as at March 22, 2019 according to Bloomberg) and [Cobalt One Ltd.](#) (formerly ASX-listed prior to its \$140 million merger with TSX-listed [First Cobalt Corp.](#) in December 2017). Since October 4, 2017 when control of Titan was passed to the current Directors of Titan, Titan has completed equity capital financings totaling A\$17 million to sophisticated and institutional shareholders, which include Terra Capital and Tribeca Investment Partners, led by Canaccord Genuity (Australia) Limited. With an expected pro-forma market capitalization (post-financing of A\$20 million) of approximately A\$150 million after closing of the Merger, the larger pro-forma company also provides potential for increased liquidity, a re-rating in line with ASX-listed peers and enhanced access to capital.
7. Additional Management Expertise ‐ As part of the Merger, the combined company is expected to benefit from an enhanced and experienced operating and management team, including the appointment of the proposed Managing Director & CEO Laurence Marsland and Chief Geologist Travis Schwertfeger. Laurence Marsland, a Chartered Professional Engineer, has 30 years of experience and was formerly Chief Operating Officer and Executive Vice President of Dundee Precious Metals. Travis Schwertfeger (current Chief Operating Officer of Titan) has over 20 years of experience, primarily in gold and copper projects in positions across South America, Africa, Australia and North America, including production, mine development and exploration roles with Newmont, Hecla Mining and Golden Predator. It is proposed that the operational teams in Ecuador will remain in place.

As part of the Merger with Titan, the Company would like to reiterate the compelling rationale of the Merger for Core Gold shareholders and the Board will recommend that its shareholders vote in favor of the Merger at the upcoming Core Gold shareholder meeting in late May 2019.

About Core Gold Inc.

The Company is a Canadian based mining company involved in the mining, exploration and development of mineral properties in Ecuador. The Company is currently focused on gold production at its wholly-owned Dynasty Goldfield project. Mineral is treated at the Company’s wholly-owned Portovelo treatment plant. The Company also owns other significant gold exploration projects including the Linderos and Copper Duke area in southern Ecuador all of which are on the main Peruvian Andean gold-copper belt extending

into Ecuador.

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