

# Shocking Revelations Surface about Titan Mineral's Environmental Record in Peru Including Secret Burying of Cyanide-Bearing Tailings in the Dead of Night

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Keith Piggott, owning approximately 7% of the issued and outstanding shares of [Core Gold Inc.](#) ("Core Gold" or the "Company") (TSXV: CGLD, OTCQX: CGLDF) has uncovered additional disturbing details about ASX-listed [Titan Minerals Ltd.](#) ("Titan"; - ASX: TTM), its value-destructing track record including documented evidence of environmental damage, and potential liabilities in relation to Titan's Tulin processing plant in Peru.

Notably, Mr. Piggott has confirmed, through notarial sworn statements of witnesses, that Titan has tried to conceal their environmental damage at the Tulin processing plant by surreptitiously burying cyanide tailings outside the plant area in the dead of night.

"In just the past several days, since my press release exposing the alarming track record of Titan, an overwhelming number of shareholders have contacted me saying that they will vote AGAINST the Titan-Core deal," said Mr. Piggott. "Since then, I have travelled to Peru with boots on ground to get to the bottom of the allegations about the conduct of Titan's management. What I've discovered is that Titan allegedly concealed the burying of cyanide-bearing tailings outside, and within, the Tulin plant which could potentially cost a combined Titan-Core millions of dollars in liabilities. In addition, it appears that the Tulin plant has been over many years incurring, and paying fines for environmental, safety and occupational health violations. This provides further evidence that the Titan-Core arrangement would be a Titan-ic disaster for Core Gold shareholders."

## MORE SHOCKING REVELATIONS: TITAN SURREPTITIOUSLY BURYING CYANIDE-BEARING, EVIDENCE OF AN UNREPORTED CHEMICAL SPILL AFFECTING AN ARCHAEOLOGICAL ZONE

In June 2018, Titan acquired Andina Resources ("Andina") a gold and base metals exploration company which, through a subsidiary, operated the Tulin Plant in Peru.

Importantly, there was a clear link between the two companies: Andina directors Matthew Carr and Timothy Neesham held close to 2.5 million shares in Titan, while three Titan directors held shares in Andina; Matthew Carr was also executive director of both companies.

Reports from Peru indicate that Titan's Tulin Plant was marred with environmental violations as recently as 2018 and dating back to 2012.

In a report dated November 27, 2017, the Regional Directorate of Energy and Mines ("DREM") issued several penalties against the mine for a number of infractions including for deposits of cyanide bearing tailings outside the permitted area. The report also listed the many previous violations and fines paid, including for an incident involving a spill of "caustic soda used in activated carbon" which reached an archaeological zone. In connection with this incident, the DREM report stated: "It is worth mentioning that in the path of the spill there are Nazca lines and geoglyphs and that there are no documents in which the Ministry of Culture is informed of what happened."

DREM also noted that Tulin's tailings pads were located beyond the permitted area (by 40% in the case of tailings pad No. 2 and 5% for tailings pad No. 1) and that approximately 10 thousand bricks were manufactured using the cyanide-bearing tailings possibly mixed with cement and lime--potentially putting its

workers’ health at serious risk. These bricks had been used at the Tulin plant for the construction of warehouses, cyanide deposit, solid waste, industrial, and a scrap deposit.

DREM subsequently recommended the following actions:

- that a joint inspection be carried out with the OEFA (Organismo de Evaluación y Fiscalización Ambiental - Agency for Environmental Assessment and Control) so that a monitoring of the area can be made as the DREM lacks the technical equipment needed to analyze and monitor the tailings and the bricks
- that the Ministry of Culture be informed since a spill had occurred affecting an archaeological zone
- that the National Water Authority be contacted since the plant is located in an intermittent marginal belt with use restrictions

On February 12, 2018, the DREM inspected the Tulin Plant again, noting several violations and fined Titan, once again, for non-compliance.

Further, as described above, Mr. Piggott has learned, through eyewitness accounts, that Titan has tried to conceal their environmental damage by secretly burying cyanide-bearing tailings outside the plant area in the dead of night. These cyanide-bearing tailings were moved outside the Tulin plant over a period of approximately two weeks, purportedly to allow room for further tails in the plant area.

Witnesses have attested to this and the Peruvian authorities have been notified.

“The fact that these guys have tried to bury and conceal their tailings is outrageous, and could cost Titan millions of dollars in liabilities and loss of license to operate,” added Mr. Piggott. “Titan already has a poor track record with employees and with this latest revelation is jeopardizing its credibility with South American governments.”

#### WHERE’S THE DISCLOSURE?

Despite the many fines and rebukes by Peruvian environmental agencies regarding Titan’s principal operation, Titan and Andina have failed to make the appropriate disclosures in their respective annual reports.

Year Ending	Company	Statement on Environmental Issues
2018	Titan	Environmental Issues: The Company's operations comply with all relevant environmental laws and regulations and have not been subject to any actions by environmental regulators. (emphasis added)
2017	Titan	Environmental Issues: The Company's operations comply with all relevant environmental laws and regulations and have not been subject to any actions by environmental regulators. (emphasis added)
2017	Andina	ENVIRONMENTAL ISSUES: There were no known significant breaches of the Group’s license conditions or any environmental regulations to which it is subject (emphasis added)
2016	Andina	ENVIRONMENTAL ISSUES: There were no known significant breaches of the Group’s license conditions or any environmental regulations to which it is subject (emphasis added)
2015	Andina	ENVIRONMENTAL ISSUES: There were no known significant breaches of the Group’s license conditions or any environmental regulations to which it is subject (emphasis added)

#### TITAN CONTINUES TO MISLEAD SHAREHOLDERS, REGULATORY BODIES ABOUT SHOOTING INCIDENT AT THE TULIN PLANT

In his press release of May 13, 2019, Mr. Piggott revealed news reports of shooting incident at the Tulin plant allegedly involving individuals related to Titan that left two people wounded.

Based on Mr. Piggott’s further investigation while in Peru, the incident was in relation to expiration of Tulin Gold’s mining assignment agreement with a private owner, and Tulin Gold’s closure obligations, including removing tailings from the site.

In November 2018 things came to a head when the owner noticed that Tulin Gold had started to remove equipment from the plant, in contravention of Tulin Gold's contractual obligations. In response, the owner of the plant implemented a security plan, as contemplated in the agreement, to prevent the removal of additional equipment. Tulin Gold personnel departed from the plant on or about December 7, 2019.

Mr. Piggott has been informed that on December 14, 2018, a demonstration took place at the plant where the crowd threw stones and broke through a perimeter fence. Mr. Piggott was also informed that on Thursday December 20, 2018, a more serious incident took place where several dozen individuals, many armed, approached the plant but were unable to proceed further due to the presence of the security guards at their posts inside the plant. Two assailants were wounded by gunfire and many were arrested. Local media reported on the incident and presented the owner's views on the incident.

A report by Perú's Provincial Prosecutor's Office for the Prevention of Crime in Environmental Matters, dated February 6, 2019, makes reference to the Legal Technical Report prepared by the DREM in Ica following an inspection of Tulin Gold's activities at the Tulin plant that took place on November 15, 2017:

"...the tailings pads No. 1 one and No. 2 of the aforementioned beneficiation plant are full, so the operator should have applied the definitive closing of said pads; the company Tuling (sic) Gold Co SAC, has manufactured 10 thousands bricks approximately, using the tailings as a raw material possibly mixed with cement and lime; in slab No. 1 fresh tailings are being deposited after previously passing through a vacuum disk filter, being that the aforementioned slab lacks a geomembrane."

The owner of the plant is now faced with the costs of fixing the plant and closing and remediating the tailings pads, which were clearly obligations of Tulin Gold under its contract with the owner. It's expected that these costs will likely amount to many millions of dollars. It does not appear that Titan has made any provisions for such contingencies.

Finally, in light of the above information, it is worth revisiting Titan's disclosures about the expiration of the Tulin Plant mining assignment agreement:

"The strategy to establish expanded production for 2019 at the Company's wholly owned [Vista Gold Corp.](#) Plant tied in optimally with the expiry of lease at the Tulin Plant. The Tulin Plant, operated by Tulin Gold Co. SAC ("Tulin") was operated under a mining assignment agreement with a private owner negotiated by the previous management (refer to ASX release dated 23 May 2018) and as a result of the expiry of the plant lease, Tulin ceased processing ore at its Tulin plant facility. The extinguishment of lease payments for the Tulin Gold Plant provide a significant cost saving opportunity."

- Titan's 2018 Annual Report

Similarly, it appears that Titan has misled the Australian Securities Exchange ("ASX").

On April 23, the ASX issued a letter to Titan asking for responses on a number of questions. The ASX made reference to Note 5(b) at point 3 of the Independent Auditor's Report in the Full Year Statutory Accounts of Titan which states:

"The Tulin Plant, operated by Tulin Gold Co. SAC ("Tulin"), a subsidiary of Andina Resources Limited, was operating under a mining assignment agreement with a private owner and as a result of the expiry of the plant lease, Tulin has ceased processing ore at the facility. The expiry of the lease and the non-compliance has resulted in a dispute in finalising the termination of assignment. The Company is working with DREM ("The Dirección Regional De Energia Y Minas" or "The Regional Energy and Mines Institute") with a focus on the return of the facility back to the underlying owner. Until there is a resolution, the Company is restricted from accessing assets owned by the Company, including ore material stockpiles and operational equipment. As a result of the above, a provision for impairment amounting \$2,003,072 over the restricted assets have been raised."

ASX Question:

Given the Company chose to impair the Plant and Equipment the subject of the access restrictions as set out in Note 5(b) point 3 of the Full Year Statutory Accounts, on what basis does the Company consider the inventory to be recoverable, given the same access restrictions that apply to the Plant & Equipment appear to also affect the Inventory and those access restrictions were the reason cited for the inventory audit qualification?

Titan Response:

“For clarity, the access restrictions relate solely to inventory, plant and equipment at the Tulin Plant whereas the Inventory and Plant and Equipment reported in Note 23 covers the aggregate of inventory, plant and equipment at the Tulin Plant and the Vista Plant (at two separate locations). Due to the access restrictions detailed in Note 5(b) point 3, the inventory, plant and equipment at the Tulin Plant has been impaired. However, under the Australian accounting standards there is no requirement for the segregation of inventory (by location) and accordingly, the total inventory balance in the Full Year Statutory Accounts is subject to an inventory qualification. On this basis, TTM considers the Inventory to be recoverable.... TTM has been working with its Peruvian counsel to resolve the dispute concerning the access restrictions at the Tulin Plant, however, it is not in a position to undertake any additional steps at this stage to obtain an unqualified opinion. TTM anticipates that an unqualified opinion can be obtained once: (a) an additional year of trading has occurred (noting that TTM only exited external administration in October 2017); and (b) the aforementioned dispute has been resolved and Titan has the right to access the ore material stockpiles and operating equipment at the Tulin Plant.”

Notably, Titan fails to disclose—to its shareholders and to ASX—any information regarding the mess it allegedly left behind at the Tulin Plant and about the potential liabilities.

WHAT ELSE IS TITAN HIDING? BOTH [Core Gold Inc.](#) AND TITAN SHAREHOLDERS DESERVE TO KNOW THE TRUTH

ONLY YOUR VOTE CAN SAVE YOUR INVESTMENT

Shareholders will be receiving proxies in the mail shortly and are encouraged to vote AGAINST the Proposed Arrangement with Titan.

The Titan-Core arrangement is not in the best interest of [Core Gold Inc.](#) shareholders. Titan is a company with illiquid shares, questionable governance, and a track record of destroying shareholder value.

[Core Gold Inc.](#) shareholders need to understand that this deal threatens to destroy their investment.

Your vote AGAINST the Titan-[Core Gold Inc.](#) deal is important regardless of the number of shares you own.

INFORMATION IN SUPPORT OF PUBLIC BROADCAST SOLICITATION

Mr. Piggott is relying on the exemption under section 9.2(4) of National Instrument 51-102 — Continuous Disclosure Obligations (“NI 51-102”) to make public broadcast solicitations. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations.

This press release and any solicitation made by Mr. Piggott in advance of the Meeting is, or will be, as applicable, made by Mr. Piggott, and not by or on behalf of the management of [Core Gold Inc.](#). Mr. Piggott has filed a copy of this press release containing the information required in section 9.2(4) of NI 51-102 on [Core Gold Inc.](#)’s company profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Mr. Piggott has retained Kingsdale Advisors (“Kingsdale”) as his strategic shareholder and

proxy advisor. Kingsdale's responsibilities will principally include soliciting shareholders, providing strategic advice and advising Mr. Piggott with respect to the Meeting and proxy protocol. Any proxies solicited by or on behalf of Mr. Piggott, including by Kingsdale, may be solicited by way of public broadcast, including through press releases, speeches or publications and by any other manner permitted under applicable laws. All costs incurred for any solicitation will be borne by Mr. Piggott. The anticipated cost of Mr. Piggott's solicitation is estimated to be \$50,000.00, plus disbursements and customary fees.

A proxy may be revoked by instrument in writing executed by a shareholder or by his or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized or by any other manner permitted by law.

[Core Gold Inc.](#)'s office is located at Suite 1201 – 1166 Alberni Street, Vancouver, BC, V6E 3Z3. A copy of this press release may be obtained on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## ADVISORS

Mr. Piggott has retained Koffman Kalef LLP and Farris, Vaughan, Wills & Murphy LLP as his legal advisors and Kingsdale Advisors as his strategic shareholder, communications and proxy advisor.

## ABOUT KEITH PIGGOTT

Keith Piggott is a seasoned mining developer and operator with over 50 years of experience in Africa, Australia, Mexico and South America. Mr. Piggott as CEO, and as an investor, rescued Dynasty Metals and Mining from certain bankruptcy and the loss of all its assets in 2016. He has worked diligently for over two years to take the company, as [Core Gold Inc.](#) Inc., from a \$5 million market capitalization to over \$40 million market capitalization before the Titan proposal. He can be contacted at [kpiggott100@gmail.com](mailto:kpiggott100@gmail.com), by phone at 520-247-5753.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20190520005868/en/>

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