

# Core Gold Shareholder Keith Piggott Files Proxy Circular; Issues Letter Urging Fellow Shareholders to Vote Against the Value-Destructing Titan-Core Deal

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Keith Piggott, owning approximately 7% of the issued and outstanding shares of [Core Gold Inc.](#) ("Core Gold Inc." or the "Company") (TSXV: CGLD, OTCQX: CGLDF) announced today that he has filed a proxy circular (the "Circular") and form of Proxy in relation to the Company's upcoming Special Meeting of the shareholders, warrant holders and option holders on June 12, 2019 (the "Meeting").

Mr. Piggott is urging his fellow shareholders to join him in voting AGAINST the value-destructing plan of arrangement pursuant to which [Titan Minerals Ltd.](#) ("Titan") will acquire all of the issued and outstanding commons shares of Core Gold in a dilutive all-share deal.

The Circular, which will be mailed to shareholders and is available on the Company's SEDAR profile, includes a letter to shareholders highlighting Titan's disturbing track record of destroying shareholder value, misleading disclosures, and environmental damage. The letter also addresses Core Gold's board of directors' obstruction of other value maximizing transactions.

The letter is included below in its entirety.

## VOTE TODAY

Mr. Piggott is aware of the desperate and misleading press release from Core Gold issued this morning.

As securityholders are well aware, the Titan-Core Gold plan of arrangement requires the support of 66 2/3% of total votes at the Meeting. To date, Mr. Piggott has received indications of support from enough securityholders to block this deal.

Titan and Core Gold's attempt to bully securityholders into voting for this deal will not stand.

As their desperation increases and our support grows, Mr. Piggott encourage all shareholders to vote AGAINST the proposed transaction on the GOLD proxy today.

Discard any proxy you receive from Core Gold. Even if you have already voted on the proxy card sent to you by Core Gold, you can still change your vote using the enclosed GOLD proxy. Only your latest dated proxy will count.

The deadline to vote is Friday, June 7, 2019 at 5:00 pm (Vancouver time).

If you have any questions, or need help voting, contact Kingsdale Advisors at 1-866-851-4179 or [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com). There is a team standing by to assist you.

## LETTER TO SHAREHOLDERS

Dear fellow Shareholder,

Shareholders of Core Gold Inc. ("Core Gold" or the "Company") are being asked to vote on a coercive paper for paper deal with [Titan Minerals Ltd.](#) Ltd. ("Titan") which, I, Keith Piggott, one of the largest shareholders, director, and former CEO of [Core Gold Inc.](#), believe will be a TITAN-IC DISASTER and destroy your investment.

Pursuant to the proposed Arrangement with Titan (the "Proposed Arrangement"), [Core Gold Inc.](#) shareholders will exchange their [Core Gold Inc.](#) shares for Titan's inflated paper, handing over our world-class assets for highly diluted ownership in an Australian-based company with questionable governance, environmental and ethical practices, a notorious track record of depleting—not creating—value and no mining experience in Ecuador, the location of [Core Gold Inc.](#)'s core assets.

In order for the Titan deal to happen, however, [Core Gold Inc.](#) needs the support of 66 2/3 of all the votes cast on the special resolution at the meeting. Worried as they are about the prospect of securing their vote, some members of the [Core Gold Inc.](#) board have resorted to disgraceful tactics including calling shareholders to promise to buy back their shares after the transaction is approved.

They have also claimed that the Company will collapse if the deal is voted down. This is false.

There are far better options for the Company, and I have an achievable plan to restore [Core Gold Inc.](#) and create meaningful value.

Earlier this year, I had brought to the [Core Gold Inc.](#) board of directors a value-maximizing opportunity from an international firm with exploration, mining, processing and smelting operations, primarily focusing on the gold industry.

The firm, listed on a major international stock exchange with a market capitalization above US \$3 billion, agreed to a CDN \$4,000,000 subscription for 8,888,888 common shares of [Core Gold Inc.](#) at CDN \$0.45 per share and was prepared to place an additional US\$12 million at C\$0.45 in equity, US\$20 million for a 20% initial earn-in into [Core Gold Inc.](#)'s Dynasty Gold project, and invest a further US\$62 million to build a 2,000 ton per day underground mine leaving [Core Gold Inc.](#) with a 40% carried interest. Unfortunately, the [Core Gold Inc.](#) board sabotaged the deal in favour of the Titan deal.

This international firm is still interested in investing in [Core Gold Inc.](#), under similar terms, IF the current board and management—notably CFO Sam Wong, and directors Gregg Sedun, Leonard Clough, and Mark Bailey (the "Core Four")—are no longer involved with the Company.

In addition, in my position as a shareholder, I have been contacted by four other parties who are interested in investing in [Core Gold Inc.](#), in transactions that are far superior to the Titan deal, with better terms and better value.

Together, we can stop the coercive Titan deal and choose a different path; a path to realize the true value of [Core Gold Inc.](#)'s outstanding assets.

To do so, please vote AGAINST the Proposed Arrangement on the enclosed GOLD proxy well in advance of the voting deadline of Friday, June 7, 2019 at 5:00 pm (Vancouver time).

Every vote counts, no matter how many shares you own.

Momentum Against the Titan-Core Deal Builds as New Revelations of Titan's Value-Destructing Track-Record Surface

Many long-term shareholders have reached out to me about their concerns about our Company, and the

awful Titan deal.

Like you, they invested in [Core Gold Inc.](#) because of our outstanding assets in Ecuador and the opportunity to build significant and sustained value for all shareholders. Now, the Core Four have put their interests ahead of minority shareholders and are tossing [Core Gold Inc.](#)'s great potential away.

Consummating the Titan deal would be a TITAN-IC DISASTER for the shareholders of [Core Gold Inc.](#).

Here's why:

- Titan, led by Executive Chairman Matthew Carr, has a track record of destroying shareholder value.
  - Titan's share price has dramatically declined over the past year. Since May 11, 2018, Titan shares have dropped by approximately 44.12%.
  - Titan is not profitable. A review of Titan's income statements (2010-2018), show that Titan has lost money every year, except for 2017 where Titan received a one-time windfall for a loan forgiveness.
- Paper for paper deal with Titan's paper is NOT a premium offer for [Core Gold Inc.](#) shareholders.
  - Titan's shares are highly illiquid, and the company has a history of dilutive share issuances. Since 2018, Titan has increased its issued capital by 56.8%, adding almost 1 billion shares. If, the Proposed Agreement is approved by shareholders and Titan does not consolidate its share capital before the Proposed Arrangement completes, Titan's share count will jump to a whopping 6,746,302,678 shares (that's 6.7 Billion shares!).
- Titan's assets pale in comparison with [Core Gold Inc.](#)'s assets.
  - Titan has a 150 tpd tolling mill that has yet to receive final approvals.
  - Compare that to [Core Gold Inc.](#), which has:
    - a premium Copper Duke property, permitted for drilling,
    - the Linderos property with major structures and high-grade gold,
    - a 2,000 tpd nameplate capacity fully permitted mill,
    - a fully permitted open pit mine on the Dynasty Goldfield Project with current resources of 2.1MM oz gold, and
    - at least 13 known porphyry targets on these concessions with surface showings similar to Sol Gold, which is further north along the same mineral belt.
- Titan's management has a history of misleading disclosures that should raise the ire of securities regulators.
  - In 2017, Titan issued a prospectus for an offering in Australia falsely claiming that a well-respected mining professional—who was instrumental in the discovery of Yanacocha an approximately 50-million ounce gold deposit—was their CEO.
  - Titan has consistently misled potential investors about its assets. For example, in fundraising documents published in 2017, May 2018, Feb. 2019, Titan described its Torrecillas Project as an “advanced exploration” project. And now, in its most recent financial statements and a May 2019 investor presentation, Titan says that Torrecillas is an “early-stage exploration project.”
- Titan's history in Peru is a tale of lies, deceit, and questionable practices.
  - News reports indicate that individuals allegedly linked to Titan have been involved in questionable activities related to an incident involving firearms at the Tulín plant in Perú where people were wounded.
  - The same news reports allege environmental violations at the Tulin plant relating to spillage of toxic chemicals and tails. These investigations were found to be true and several fines were levied on Tulin Gold (Titan) by the local authorities, over a period of several years. I have also confirmed, through notarial sworn statements of witnesses, that Titan has tried to conceal environmental damage at the Tulin processing plant by surreptitiously burying cyanide tailings outside the plant area.
  - It is also reasonable to assume that the ASX is not aware of these problems.
- Titan has become too toxic to partner with.
  - The allegations outlined above makes Titan a radioactive stock to any well-governed fund.
  - Associating [Core Gold Inc.](#)'s assets with Titan's unacceptable environmental, safety and occupational health record, would make us a pariah in Ecuador, a country that prides itself in following and enforcing high ethical and environmental standards.
  - In the unlikely event that Core and Titan receive shareholder approvals for the Proposed Arrangement, Titan, will not be able to be rid of its past sins. The company will be mired in litigation and will be pilloried as the unacceptable face of mining.

[Core Gold Inc.](#) DIRECTORS – WHAT ARE THEIR MOTIVES?

Shareholders are appropriately asking why the [Core Gold Inc.](#) board of directors are handing over their assets to Titan, a company with such a revolting track record.

Are they ignoring Titan's misdeeds, or do they have their heads in the sand?

Why haven't the Core Four done any further due diligence given the latest revelations?

Clearly, the board of directors is looking after its own interests not the interests of all shareholders as evidenced by the following:

- Insiders will continue to have jobs with Titan. [Core Gold Inc.](#) directors Mark Bailey, Gregg Sedun, and Javier Reyes will all be directors of the new company and are therefore incentivized to promote the deal. Luis Zapata, who is working for [Core Gold Inc.](#) in an IR capacity, is promoting the Titan-Core deal incentivized by being given 180,000 options by the Company. Notably, he had told several people that he would have received a \$500,000 finder's fee on the first Titan proposal to [Core Gold Inc.](#) in December 2018. Is Mr. Zapata receiving a finder's fee for this deal? This appears to be a common thread whereby directors and some employees of [Core Gold Inc.](#) are putting their interests ahead of shareholder interests.
- [Core Gold Inc.](#)'s board and management obstructed a less dilutive and more value-enhancing deal. I had initially voted in favour of the Titan deal, in February 2019, strictly because of a 60-day go-shop provision and a reasonable break-fee of \$500,000 which provided the Company a legitimate opportunity to solicit superior offers. That's what I did: A short time later, I brought to the board of directors a less dilutive deal with an international mining company with a market cap of over \$3 billion and approximately \$300 million in the bank, that would have saved the Company. What did the Core board do? They terminated me "for cause", increased their Titan break fee to \$3 million and terminated the go-shop period. Does this sound like a board that puts shareholder interests first?
- Stacking the vote in favour of the Titan deal: The board of directors have fired me as CEO and stripped me of my options because I won't go along with the Titan deal. They threatened me by saying that if I voted for the Titan deal I could keep my options, and if I didn't support their deal I would be fired for cause. I said it sounded like a threat and refused.

Meanwhile they've also taken the following steps to increase their vote count in favour of the Proposed Arrangement:

- They are allowing warrants and options, excluding mine, to be voted, even though they have not been exercised and without requiring a separate vote of shareholders only – which is contrary to the law.
- They are converting debt to shares for the purposes of diluting your vote.
- The [Core Gold Inc.](#) board of directors appears to want to waive Titan's condition of raising AUD\$20 million. In the Company's February 24, 2019 press release, it specifies that Titan commit to a minimum AUD\$20 million equity financing as a condition of the Titan-Core deal. For an unknown reason, [Core Gold Inc.](#) has opened the door to abandoning this requirement.

"Core may choose to waive any or all of the above conditions and complete the arrangement if Titan has not completed the Titan Private Placement at all or if the gross proceeds of the Titan Private Placement are less than A\$20 Million."

- [Core Gold Inc.](#)'s Management Information Circular (Page 43)

Why would they do this? If this financing condition is waived

By focusing solely on their narrow interests and ignoring the questionable track record of Titan, the [Core Gold Inc.](#) board of directors are destroying value for the majority of shareholders who cannot use board privilege to benefit their own interests.

It is of great concern to me, as a shareholder of [Core Gold Inc.](#), that the board of directors has yet to provide

its position on the many misrepresentations that Titan has made including claims of its non-existent CEO while raising AUD\$6 million or contradictory disclosures about its Torrecillas project while raising AUD\$11 million.

And this very week, days after news surfaced about Titan's long, miserable environmental track record in Perú, the Company's board of directors again remain silent.

Why are they ignoring these allegations of illegal acts?

I encourage my fellow directors, and all shareholders, to carefully ponder on the implications of proceeding with the Titan deal in light of the facts uncovered and the allegations that have surfaced.

As they say&hellip;where there is smoke, there is fire.

## THE CORRECT PATH TO RESTORE VALUE AT CORE GOLD

I have been fighting hard to return [Core Gold Inc.](#) from certain bankruptcy, by complying with my fiduciary duty to protect ALL shareholders, rather than the insiders.

When I took over as CEO at [Core Gold Inc.](#) in September 2016 the Company was two weeks away from being declared bankrupt and losing all its concessions. In just two years, during my tenure, the Company's debt owed to former employees, the tax office and the social security office was mostly extinguished. Of the remaining debt, trade payables and loans can be negotiated or deferred until a major value-maximizing transaction comes to fruition.

I believe we can continue to manage cash flows while we pursue a value maximizing alternative to the Titan Deal—among the many superior alternatives available to us.

As mentioned above, I am continuing to pursue and explore strategic alternatives that will benefit [Core Gold Inc.](#) shareholders in both the short and long-term. In my capacity as a shareholder, I have been approached by at least five different parties interested in [Core Gold Inc.](#) and its assets. These are credible companies considering superior proposals including mergers, reverse mergers, loans, and gold streaming agreements.

This interest demonstrates the strength of our assets.

Immediately, following the shareholder vote on June 12, I will work with my advisory group—consisting of international mining professionals to solidify proposals and present them to shareholders.

We can restore value to [Core Gold Inc.](#).

But the first step is to say NO to the Titan deal.

I encourage all shareholders to join me and vote AGAINST the Proposed Arrangement with Titan and avoid a TITAN-IC DISASTER that will destroy the value in our Company.

Sincerely,

&ldquo;Keith Piggott&rdquo;

KEITH PIGGOTT

## ADVISORS

Mr. Piggott has retained Koffman Kafele 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.

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