

# Core Gold Board Makes No Recommendation in Response to the Increased Unsolicited Takeover Bid From Titan Minerals

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VANCOUVER, Jan. 03, 2020 - [Core Gold Inc.](#) ("Core Gold" or the "Company") (TSX-V: CGLD, OTCQX: CGLDF) announces that it has today filed a Supplemental Directors' Circular in response to the increased amended offer (the "Titan Offer") set forth in the Notice of Change and Variation dated December 17, 2019 from [Titan Minerals Ltd.](#) ("Titan") for all of the issued and outstanding common shares of Core Gold ("Core Shares"). On December 17, 2019, Titan amended the original Titan Offer by increasing the consideration to 3.1 Titan ordinary shares per Core Share.

The Board of Directors of Core Gold (the "Board"), after consultation with its independent legal advisors, by majority vote, has determined to make NO RECOMMENDATION as to whether holders of Core Shares ("Core Shareholders") should accept or reject the Titan Offer. Mr. Keith Piggott declined to approve such a non-recommendation.

The Board encourages Core Shareholders, including those who may have already accepted the Titan Offer and who may lawfully withdraw their deposited Core Shares, to consider the Titan Offer and the information contained in the Supplemental Directors' Circular carefully and make their own decisions regarding whether or not to accept the Titan Offer. Unless extended, the Titan Offer expires at 9:00 a.m. (Toronto time) on January 14, 2020.

## Reasons for Making No Recommendation

The reasons why the Board is making NO RECOMMENDATION to Core Shareholders as to whether to accept or reject the Titan Offer are as follows:

- **Expected Satisfaction of the Minimum Tender Condition.** Titan has disclosed that it has entered into lock-up agreements with Core Shareholders (the "Locked-Up Shareholders") that own or control, directly or indirectly, approximately 81.6 million Core Shares representing approximately 51.7% of the outstanding Core Shares, excluding any Core Shares beneficially owned, or over which control or direction is exercised, by Titan. That means that, in the absence of an event which would allow the Locked-Up Shareholders not to tender to (or to withdraw from) the Titan Offer, the minimum tender condition required by law and the Titan Offer is expected to be satisfied, and, assuming that all other conditions to the Titan Offer are satisfied or waived, Titan will be in a position to acquire more than 50% of the outstanding Core Shares under the Titan Offer. Such Core Shareholders have already agreed to lock-up (and tender) in the absence of any recommendation from the Board.
- **Independent Fairness Opinion.** The Board has obtained an independent fairness opinion ("Independent Fairness Opinion") from Fort Capital Partners ("Fort Capital"). Fort Capital is qualified and independent of all interested parties to the Titan Offer within the meaning of Part 6 of Multilateral Instrument 61-101 -

*Protection of Minority Security Holders in Special Transactions.* The Independent Fairness Opinion is not a recommendation as to how any Core Shareholder should react with respect to the Titan Offer. Rather, it was procured by the Board to assist it in considering the Titan Offer, and is provided to Core Shareholders in the Supplemental Directors' Circular to assist them in their consideration of the Titan Offer. In the Independent Fairness Opinion, Fort Capital has opined that in its professional judgement, and subject to the assumptions and qualifications contained in the Independent Fairness Opinion, that the consideration to be received in the Titan Offer is fair, from a financial point of view, to Core Shareholders.

- **Board Decision Making.** The Board considers that any decision it may make regarding a recommendation will be perceived as not being impartial or without conflict of interest. One director who is a shareholder (together with additional Core Shareholders) has filed a complaint against the Titan Offer with the British Columbia Securities Commission ("BCSC") seeking to delay or cease trade the Titan Offer. Persons or entities associated with two other directors have entered into lock-up agreements with Titan. The fourth director of Core Gold is its Chief Executive Officer. This leaves a single director. The actions of the three first-mentioned directors and/or their associates, may lead to the perception of lack of impartiality or a conflict of interest relating to the Titan Offer, although the Board does not consider there to be an actual conflict of interest as these Directors have acted solely in their capacity as Core Shareholders. Accordingly, the Board considers it more appropriate to make NO RECOMMENDATION on the basis that any determination by the Board may be considered to not have been impartially made given these events.
- **Outstanding Due Diligence.** The Board has also been undertaking an updated due diligence review of Titan and its business, assets and liabilities, and other changes subsequent to the termination of the original arrangement with Titan as of July 19, 2019. While the due diligence is largely completed, a complaint has been filed by one director who is a shareholder (together with additional Core Shareholders) against the Titan Offer with the BCSC which raises certain disclosure questions of Titan. The Board has asked Titan to provide it with its response to the BCSC letter and to otherwise respond to the disclosure questions raised in the BCSC letter, which relate to Titan's Vista Plant and its Torrecillas Project. The Board has not been provided with Titan's response to the BCSC letter. The Independent Fairness Opinion was delivered as of December 27, 2019 based on information as of that date. As set out in the "Assumptions and Limitations" section of the Independent Fairness Opinion, in the event that there is any material change in any fact or matter affecting the Independent Fairness Opinion after the date it was delivered (including as a result of the BCSC letter), Fort Capital reserves the right to change, modify or withdraw the Independent Fairness Opinion.

Information regarding both accepting the Titan Offer and withdrawing from the Titan Offer is contained in the Supplemental Directors' Circular as well as the Titan Offer. No Core Shareholder is required to accept or tender their Core Shares to the Titan Offer. A Core Shareholder is entitled to do nothing and not accept the Titan Offer.

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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