



**ACN 117 790 897**

## **NOTICE OF GENERAL MEETING**

**A General Meeting of the Company will be held at Suite 1, 295 Rokeby Rd, Subiaco WA 6008 on December 4, 2019, commencing at 10am (WST).**

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, investment advisor, accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 6555 2950.*

*Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.*

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# TITAN MINERALS LIMITED

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Titan Minerals Limited (**Titan** or the **Company**) will be held at Suite 1, 295 Rokeby Rd, Subiaco on December 4, 2019, at 10am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on December 2, 2019 at 10am (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 – Approval of the Issue of Core Offer Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 484,832,813 Shares to Core Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the proposed issue of the Shares and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, or any associate of that person (or those persons).

The Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 2. Resolution 2 – Ratification of Placement

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 40,000,000 Shares on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the Placement or any associate of that person (or those persons).

The Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BY ORDER OF THE BOARD**

**Mr Zane Lewis**  
Company Secretary

Dated: October 30, 2019

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# TITAN MINERALS LIMITED

ACN 117 790 897

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 1, 295 Rokeby Rd, Subiaco on December 4, 2019, at 10am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Overview
Section 4	Resolution 1 – Approval of the Issue of Core Offer Shares
Section 5	Resolution 2 – Ratification of Placement
Schedule 1	Definitions and Interpretation
Schedule 2	Core Gold Projects
Schedule 3	Pro-Forma Financial Information
Schedule 4	Risk Factors

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 Proxies

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10am (WST) on December 2, 2019, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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## 3. Overview

### 3.1 Background

Titan has made an offer to purchase all of the issued and outstanding common shares of Core Gold Inc. (**Core Gold**) (**Core Gold Shares**) that Titan does not own (including any Core Gold Shares issued upon the exercise of any Core Gold convertible securities) by means of takeover offer (**Takeover Offer**). The consideration being offered by Titan is two and a half (2.5) Shares for each (1) Core Gold Share, which may result in an issue of up to 484,832,813 Shares on a fully diluted basis (**Core Offer Shares**).

By way of background, prior to the Takeover Offer:

- (a) on 13 June 2019, Titan announced that the securityholders of Core Gold had voted in favour of Titan's proposed acquisition of all of the Core Gold Shares pursuant to a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (**BCBCA**);
- (b) on 4 July 2019, the British Columbia Supreme Court declined to approve Core Gold's proposed transaction with Titan concluding that Core Gold had failed to satisfy its burden of proof in establishing that the transaction was fair and reasonable (notwithstanding that securityholders of Core Gold had voted in favour of the proposed acquisition);
- (c) on 19 July 2019, the Titan announced that the parties have agreed to terminate the arrangement agreement in respect to the proposed acquisition (and have released each other from all obligations and liabilities) and that Titan was considering all potential avenues in respect to Core Gold; and
- (d) on 16 September 2019, Titan announced its intention to make the Takeover Offer and on 1 October 2019, Titan lodged a bid circular in respect to the Takeover Offer (**Bid Circular**). Refer to Section 3.3 for further details in respect to the terms and conditions of the Takeover Offer.

Refer to the Company's ASX announcements dated 16 September 2019 and the Bid Circular dated 30 September 2019 for further details in respect to the Takeover Offer.

### 3.2 Core Gold

Core Gold is:

- (a) a mineral exploration and development company in the business of acquiring, exploring and developing mineral concessions in Ecuador;
- (b) a company incorporated in British Columbia, Canada and governed by the BCBCA; and

- (c) currently listed on the TSXV under the symbol "CGLD".

Core Gold's principal mineral project is the Dynasty Goldfield Project, which forms part of the larger Dynasty Copper-Gold Belt Project, in Ecuador. A summary of Core Gold's projects, including the Dynasty Goldfield Project, is detailed in Schedule 2.

Refer to Core Gold's website <https://www.coregoldinc.com/> and <https://www.sedar.com/> for further details on Core Gold, including Core Gold's public disclosures on SEDAR.

### 3.3 Terms of the Takeover Offer

The Bid Circular provides for the following terms and conditions:

- (a) the Takeover Offer is being made to shareholders of Core Gold pursuant to statutory exemptions from the prospectus requirements under the *Securities Act* (British Columbia) and the regulations thereunder and all other applicable Canadian and United States securities laws and under the terms of the Takeover Offer:
- (i) each Core Shareholder will be offered two and a half (2.5) Shares for every one (1) Core Share held by the Core Shareholder; and
  - (ii) the Takeover Offer does not extend to holders of Core Gold convertible securities, including options, warrants (**Core Convertible Securities**) and any holder of Core Convertible Securities who wishes to accept the Takeover Offer must, to the extent permitted by the terms of the Core Convertible Security, exercise, convert or exchange the Core Convertible Securities into Core Shares; and
- (b) the conditions precedent to the Takeover Offer are (amongst other things) as follows:
- (i) not less than 50% of Core Gold Shares on issue being validly deposited under the Takeover Offer and not withdrawn;
  - (ii) Resolution 1 being passed by Shareholders;
  - (iii) all necessary regulatory and third party approvals being obtained;
  - (iv) Titan (A) filing a prospectus under the Corporations Act in connection with the issue of the Core Offer Shares and secondary share sale requirements under the Corporations Act; or (B) obtaining a waiver from ASIC of the requirement to comply with the prospectus and/or secondary share sale requirements of the Corporations Act for the Core Offer Shares; and
  - (v) Titan being satisfied, in its sole discretion, that there has not been a change in circumstance, development or occurrence that constitutes a material adverse effect.

If a 66 2/3% or greater acceptance level is achieved, Titan intends take steps to acquire all of the outstanding Core Gold Shares and other convertible securities to acquire Core Gold Shares.

Refer to the Bid Circular for further details in respect to Takeover Offer and the process in respect to the Takeover Offer. A copy of the Bid Circular can be obtained on the Company's ASX platform.

Under applicable Canadian securities laws, the Takeover Offer will be open for acceptance for a minimum of 105 days from the date of lodgement of the Bid Circular, subject to the ability of the Core Gold board of directors to shorten the deposit period in certain circumstances, provided that the minimum deposit period can never be less than 35 days from the date of the Takeover Offer. The Takeover Offer will be extended for a period of no less than 10 days after Titan first takes up Core Gold Shares under the Takeover Offer.

### 3.4 Indicative Timetable

The expected timing in respect to the Takeover Offer is as follows:

<b>Event</b>	<b>Indicative Date<sup>1</sup></b>
Lodgement and Dispatch of the Bid Circular	1 October 2019
Offer Opens	1 October 2019
Dispatch of Notice to Shareholders	22 October 2019
Offer Closes	14 January 2020
Issue of Core Offer Shares	Late January 2020

Note:

- The above dates are indicative only and may be varied without prior notice (subject to any regulatory requirements).

### 3.5 Indicative Capital Structure

The capital structure of the Company following implementation of the Takeover Offer will be as follows:

	<b>Shares</b>	<b>Options</b>	<b>Performance Rights</b>
Current issued capital as at the date of this Notice <sup>1</sup>	296,566,718	4,500,000	9,550,000
Core Offer Shares to be issued on an undiluted basis <sup>2</sup>	394,312,413 <sup>3</sup>	-	-
<b>Total</b>	<b>690,879,131</b>	<b>4,500,000</b>	<b>9,550,000</b>
Core Offer Shares to be issued to Core Gold securityholders on a fully diluted basis	484,832,813 <sup>4</sup>	-	-
<b>Total</b>	<b>781,399,531</b>	<b>4,500,000</b>	<b>9,550,000</b>

Note:

- Based on the current issued capital as at the date of this Notice and does not include (i) 9,920,000 Shares to be issued to third parties for the provision of consultancy and advisory services; and (ii) the issue of Shares to Bacchus Capital Advisers Limited (at Titan's election), such issue to occur following completion of the Takeover Offer. Refer to the Bid Circular for further details.

2. Assumes 100% of the Core Shares are acquired under the Takeover Offer. Subject to the Company obtaining Shareholder approval under Resolution 1.
3. Based on available information to date in respect to Core Gold's issued securities, excluding 9,151,363 Core Gold Shares held by Titan and assuming that Titan acquires 100% of the issued share capital of Core Gold and no options, warrants or convertible instruments in Core Gold are exercised.
4. Titan understands that Core Gold presently has 9,148,000 options and 27,060,160 warrants with varying exercise prices and expiry dates on issue (as at the date of this Notice, some of the Core Gold options and warrants have exercise prices above the current trading price in Core Gold Shares). In the event that all of these options and warrants are exercised during the Takeover Offer period (notwithstanding the prevailing Core Gold Share trading price), a total of 781,399,531 Titan Shares would be outstanding following the Takeover Offer.

### 3.6 Financial Information

A copy of Core Gold's most recent audited annual financial statement for the period ending 31 December 2018 and for the six months ended 30 June 2019 can be obtained at [www.sedar.com](http://www.sedar.com).

The pro forma statement of financial position of the Combined Entity following implementation of the Takeover Offer is detailed in Schedule 3.

### 3.7 Board Changes

With effect from completion of the Takeover Offer, it is proposed that the Combined Entity's board of directors will comprise of seven directors, being Messrs Laurence Marsland, Michael Hardy, Matthew Carr and Nicholas Rowley (existing Directors) and three nominees of Core Gold (such nominees to be determined by Board following completion of the Takeover Offer).

### 3.8 Advantages and Disadvantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a Shareholders decision on how to vote on Resolution 1:

- (a) Titan and Core Gold post the Takeover Offer (together the **Combined Entity**) will be a more robust company with a larger pro-forma balance sheet, an enhanced presence in capital markets, increased trading liquidity and a strengthened shareholder base;
- (b) Shareholders will gain exposure to the Dynasty Goldfield Project in addition to continued exposure to Titan's existing interests;
- (c) the Combined Entity will have a stronger a more diverse board and management team that can execute the merged group's strategy going forward;
- (d) Shareholders will benefit from a strengthened and more diverse members register through the amalgamation of shareholders of Core Gold and Titan; and
- (e) Shareholders will benefit from potential synergies, including potential costs reductions.

However, the Directors note the following non-exhaustive list of disadvantages which may also be relevant to a Shareholders decision on how to vote on Resolution 1:

- (a) existing Shareholders will be diluted following completion of the Takeover Offer (and therefore will have reduced control over the Company's direction and the outcome of its operational decisions);
- (b) potential synergies with Core Gold, including potential costs savings, may not be realised, or realised to the full extent anticipated; and



- (c) potential advantages identified in respect to the Takeover Offer, including an enhanced presence in capital markets and increased liquidity, may not be realised or realised to the full extent anticipated.

### **3.9 Risk Factors**

Shareholders should be aware that if Resolution 1 is approved, the conditions precedents satisfied and the Takeover Offer is completed, the Company will be subject to various risk factors of Core Gold and Titan, being the Combined Entity. These risks are both specific to the industry in which the Company operates and also relate to the general business and economic environment in which the Company will operate. Based on the information available, a non-exclusive list of these risk factors is detailed in Schedule 4. Refer to the Bid Circular for additional risk factors in respect to the Takeover Offer.

### **3.10 Plans for the Company if the Takeover Offer is not completed**

If the Company does not complete the Takeover Offer, the Company will remain as a minority shareholder in Core Gold and will continue with its current business activities and will investigate, and as required, undertake due diligence on, new opportunities to complement its existing business.

### **3.11 Recommendation and intention of the Directors**

The Directors are of the view that Core Gold's business and assets will complement the existing business of the Company will assist the Company to achieve its growth objectives. Accordingly, each of the Directors considers that the Takeover Offer is in the best interests of the Company and recommend that Shareholders approve Resolution 1.

The existing Directors intend to cast all of their votes attached to their respective shareholdings in favour of Resolution 1.

### **3.12 Forward Looking Statement**

The forward looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the incoming Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Explanatory Memorandum. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

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## **4. Resolution 1 – Approval of the Issue of Core Offer Shares**

### **4.1 General**

Resolution 1 seeks Shareholder approval for the issue of up to 484,832,813 Shares to Core Shareholders pursuant to the Takeover Offer.

The Board believes that Resolution 1 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1 .

## 4.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Core Offer Shares during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

## 4.3 Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Shares as follows:

- (a) The maximum number of Shares to be issued is 484,832,813.
- (b) The Core Offer Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Core Offer Shares will be issued to the Core Shareholders (and/or their nominees), in proportion to their respective holdings, none of whom are a related parties or associates of related parties of the Company.
- (d) The Core Offer Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (e) No funds will be raised from the issue of the Core Offer Shares as they are being issued for nil cash consideration but consideration for the Takeover Offer.
- (f) The issue of the Core Offer Shares will occur following completion of the Takeover Offer, anticipated to occur on or around 27 January 2020.
- (g) A voting exclusion statement is included in the Notice for Resolution 1.

## 4.4 Directors' Recommendation

The Directors recommend that Shareholders approve Resolution 1.

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# 5. Resolution 2 - Ratification of Placement

## 5.1 Placement Background

On 7 August 2019, the Company issued 40,000,000 Shares (**Placement Shares**) at an issue price of A\$0.15 per Share to sophisticated and professional investors under a placement to raise a total of A\$6,000,000 (**Placement**).

Proceeds from the Placement will be used to fund the Company's strategic initiatives in respect to Core Gold (including the Takeover Offer) and for working capital purposes.

## 5.2 General

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of Shares under the Placement did not breach Listing Rule 7.1.

The effect of passing Resolution 2 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

### **5.3 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) 40,000,000 Shares were issued to sophisticated and professional investors identified by the Company on 7 August 2019.
- (b) The Placement Shares were issued at an issue price of A\$0.15 to raise a total of A\$6,000,000.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and were issued on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the Company's existing Shares on issue.
- (d) The funds raised pursuant to the Placement were used to fund the Company's strategic initiatives in respect to Core Gold (including the Takeover Offer) and for working capital purposes.
- (e) A voting exclusion statement is included in the Notice for Resolution 2.

### **5.4 Director Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

## SCHEDULE 1 – DEFINITIONS AND INTERPRETATION

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$ or A\$** means Australian Dollars.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**BCBCA** has the meaning given in Section 3.1(a).

**Bid Circular** means the bid circular in respect to the Takeover Offer dispatched to the Core Shareholders dated 30 September 2019.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Combined Entity** has the meaning given in Section 3.8(a).

**Company** or **Titan** means Titan Minerals Limited (ACN 117 790 897).

**Core Gold** or **Core** has the meaning given in Section 3.1.

**Core Gold Shares** or **Core Shares** means a common share in Core Gold.

**Core Offer Shares** has the meaning given in Section 3.1.

**Core Meeting** has the meaning given in Section 3.3.

**Core Shareholder** means a holder of a Core Share.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Dynasty Goldfield Project** has the meaning given in Schedule 2.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum that forms part of the Notice.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means the notice of meeting, which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Option** means an option to acquire a Share.

**Placement** has the meaning given in Section 5.1.

**Placement Shares** has the meaning given in Section 5.1.

**Performance Right** means a right to a Share.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Takeover Offer** has the meaning given in Section 3.1.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**TSXV** means the TSX Venture Exchange.

**VWAP** means volume weighted average price as the term is defined in the Listing Rules.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia

## SCHEDULE 2 - CORE GOLD PROJECTS

### Dynasty Goldfield Project - Ecuador:

The Dynasty Goldfield project (100% owned), located in the Loja Province in southwestern Ecuador (**Dynasty Goldfield Project**), is an advanced stage gold project with a Canadian Institute of Mining, Metallurgy and Petroleum compliant mineral resource estimate of:

Category	Tonnes (Thousands)	Au (g/t)	Ag (g/t)	Contained Au (1,000 ozs)	Contained Ag (1,000 ozs)
Indicated	6,622	4.65	36	991	7,673
Inferred	7,824	4.42	36	1113	9,151

*Table 1: Mineral Resource Estimation as per Core press release dated 7 May 2019 for the Canadian NI 43-101 Technical Report titled "Dynasty Goldfield Project, Celica, Loja Province, Ecuador" with mineral resource estimation effective 31 December 2018. The information in this Schedule that relating to Mineral Resource Estimates for the Dynasty Goldfield Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.*

Dynasty Goldfield is currently operating as a small-scale open pit mining operation and is the first fully permitted open pit gold mine in Ecuador. The Dynasty Goldfield project consists of 3 mining concessions at altitudes ranging from 1,100 – 1,800m above sea level and covers an area of approximately 6,700 hectares. 120+ major veins have been identified in 6km strike, predominantly drilled to less than 100m vertical extent. Cerro Verde small scale mining has exploited only 6 of 120 veins and has identified an additional 6 'blind' veins' in ongoing development work.

As at the time of this Notice, Titan is not in possession of any new information or data relating to the foreign estimate that materially impacts on the reliability of the estimates or the mining entity's ability to verify the foreign estate as minerals resources in accordance with the JORC Code.

The information in this Notice relating to mineral resource estimates for the Dynasty Goldfield Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

### Linderos Project - Ecuador:

The Linderos project (100% owned) is a new high-grade gold discovery identified by Core during its 2017 exploration efforts (**Linderos Project**). Core's four contiguous Linderos Project concessions total 14,317 hectares and are located approximately 45km southwest of the Dynasty Goldfield Project.

### Copper Duke - Ecuador:

The Copper Duke project (100% owned) is an early stage gold-copper exploration project comprised of 11 mineral concessions covering a number of gold and copper porphyry occurrences in an area of approximately 100km<sup>2</sup>. The project is located approximately 18km east of Core's Dynasty Goldfield Project and 40km south of its Portovelo mill and processing plant. To date, Core has identified a potential major copper-gold porphyry complex, El Huato, and four additional coppergold anomalies. Core received the environmental license (drilling permit) in January 2019.

### Portovelo Mill and Processing Plant – Ecuador:

The Portovelo mill and processing plant (100% owned) (**Portovelo Plant**, formerly known as the "Zaruma Mill) hosts a conventional crush, mill, leach, Carbon-in-Pulp (**CIP**), elution and electrowinning circuit. The Portovelo Plant has a nameplate capacity of 2,000 tonnes per day. The Portovelo Plant currently processes all ore mined from Core's Dynasty Goldfield Project with one of its two available ball mills. Core is currently planning to conduct a refurbishment program on the Portovelo Plant in H1 2019 to increase recoveries and throughput.

#### Zaruma - Ecuador:

The Zaruma project (100% owned) is Core's legacy high-grade gold project in southern Ecuador, 3km from the town of Zaruma (**Zaruma Project**). The Zaruma Project is currently on care and maintenance as Core evaluates strategic alternatives for the asset. The Zaruma Project initially commenced production in 2013 and ceased production in 2016 producing over 60,000 ounces of gold averaging >8g/t Au. The existing underground 5m x 5m decline portal is located 7.5km from the Portovelo Plant. This district is a significant, high-grade goldfield, having produced over 5 million ounces of gold historically. The Zaruma Project has numerous underground veins available for exploitation.

#### **Competent Persons Statement**

Mr Travis Schwertfeger confirms that the technical information in this Notice and information provided in this Notice relating to the Mineral Resource Estimate for the Dynasty Goldfield Project is based on information contained in the ASX announcement titled "Corporate Presentation May 2019" dated 13 May 2019 ("**Announcement**").

Pursuant to Listing Rule 5.13, Titan confirms that it is not in possession of any new information or data in respect to the Dynasty Goldfield Project and the supporting information provided in the Announcement continues to apply and has not materially changed.

Pursuant to the requirements of Listing Rule 5.12.9, the Company provides the following cautionary statement:

1. The Mineral Resource Estimates for the Dynasty Goldfield Project is not reported in accordance with the JORC Code 2012.
2. A competent person has not done sufficient work to classify the foreign estimate as mineral resources in accordance with the JORC Code 2012.
3. It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

The information in this Notice that relates to the Foreign Resource estimate is based on information compiled by Mr Schwertfeger, who is a Member of the Australian Institute of Geoscientists and is Titan's Chief Geologist. Mr Schwertfeger has sufficient experience relevant to the style of mineralisation and type under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Schwertfeger consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

**SCHEDULE 3 - PRO FORMA FINANCIAL INFORMATION**

	Historic – As at June 30,		Notes	Pro Forma	
	Titan	Core Gold		Adjustments	Total
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalent	1,991	297	2b 2c 2d	3,955 (1,887) (1,152)	3,204
Restricted cash	953	-	2b	(953)	-
Trade and other receivables	1,581	3,915		-	5,496
Inventory	937	1,312		-	2,249
Current tax asset	132	-		-	132
Asset classified as held for sale	1,275	-		-	1,275
	6,869	5,524		(37)	12,356
<b>Non-current assets</b>					
Trade and other receivables	56	-		-	56
Properties, plant and equipment	2,162	16,933		-	19,095
Exploration and evaluation	893	248		-	1,141
Other assets	-	138		-	138
Financial assets	1,604	-	2e	(1,604)	-
Intangible assets	8,382	-	2a	14,619	23,001
	13,097	17,319		13,015	43,431
<b>Total assets</b>	19,966	22,843		12,978	55,787
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accruals	2,409	14,522	2c	(953)	15,978
Convertible debentures	-	1,000	2d	(1,000)	-
Loan Payable - current	4,688	3,428	2d	(1,500)	6,616
	7,097	18,950		(3,453)	22,594
<b>Non-current liabilities</b>					
Other long term liabilities	84	-		-	84
Derivative – warrant liability	-	592		-	592
Provision for closure and restoration	-	1,374		-	1,374
Loan payable – non current	2,119	-		-	2,119
	2,317	1,966		-	4,169
<b>Total liabilities</b>	9,300	20,916		(3,453)	26,763
<b>Shareholders' equity (deficiency)</b>					
<b>Share capital</b>	82,777	110,897	2a 2a 2b 2e 2d	(86,732) 29,240 3,955 (1,604) 1,152	139,685
<b>Reserves</b>	1,279	16,435	2a	(1,279)	16,435
<b>Deficit</b>	(73,390)	(125,405)	2a	73,390 (2,303) 612	(127,096)
<b>Total shareholders' equity (deficiency)</b>	10,666	1,927		16,431	29,024
<b>Total liabilities and shareholders' equity (deficiency)</b>	19,966	22,843		12,978	55,787



(all amounts expressed in thousands of United States dollars,				
<b>Revenue</b>	3,417	10,143	-	13,560
<b>Operating Costs</b>	(3,094)	(9,328)	-	(12,422)
	<b>323</b>	<b>815</b>		<b>1,138</b>
<b>Expenses</b>				
Depreciation	-	(73)	-	(73)
General and administration	(3,881)	(2,021)	-	(5,902)
Foreign exchange	(42)	56	-	14
Finance cost	(483)	(325)	-	(808)
Share-based compensation	(117)	(41)	-	(158)
Gain on derivative liabilities	408	-	-	408
Other revenue	-	8	-	8
Other expense	-	(44)	-	(44)
Transaction costs	-	-	2d 2c	(2,303) 612
<b>Net loss after tax</b>	<b>(2,117)</b>	<b>(3,300)</b>		<b>(1,691)</b>
<b>Income from discontinued operations</b>	<b>(893)</b>	<b>-</b>		<b>(893)</b>
<b>Net loss</b>	<b>(3,010)</b>	<b>(3,300)</b>		<b>(1,691)</b>
<b>Other comprehensive income</b>	<b>(1,650)</b>	<b>-</b>		<b>(1,650)</b>
<b>Net loss and comprehensive loss for</b>	<b>(4,660)</b>	<b>(3,300)</b>		<b>(1,691)</b>

## 1 Basis of presentation

These unaudited pro forma condensed consolidated financial statements (the "Pro Forma Statements") of Titan Minerals Limited ("Titan" or "the Company") have been prepared for in respect to the Company's proposed acquisition of all of the issued and outstanding shares of Core Gold ("Core Gold") (the "Acquisition"), and are for illustrative purposes only and give effect to the Acquisition and other transactions pursuant to the assumptions described in the Notes below. Despite the legality of the Acquisition, these unaudited pro forma was accounted for based on reverse acquisition accounting (see Note 2(a) for details). The unaudited pro forma condensed consolidated statement of financial position as at June 30, 2019 gives effect to the Acquisition by Titan as if it had occurred as at June 30, 2019. The unaudited pro forma condensed consolidated statements of operations and comprehensive loss for the year ended June 30, 2019 gives effect to the Acquisition as if it had occurred as at January 1, 2019, respectively. The preparation of these Pro Forma Statements is based on the historical financial statements of Core Gold and Titan, where both Core Gold and Titan's financial statements were prepared using International Financial Reporting Standards as issued by the International Accounting Standards Board. Based on the review of the accounting policies of Core Gold and Titan, it is the management of Titan's opinion that there are no material accounting differences among the accounting policies of Core Gold and Titan.

These Pro Forma Statements have been prepared from the information derived from, and should be read in conjunction with the following:

1. Core Gold's consolidated financial statements as at and for the period ended June 30, 2019; and
2. Titan's reviewed consolidated financial statements as at and for the period ended June 30, 2019.

These Pro Forma Statements are not indicative of the operating results or financial condition that may have been achieved if the Acquisition had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or financial position of the consolidated entities for any future period or as of any future date. These Pro Forma Statements do not reflect any historical cost savings, operating synergies, or enhancements that the combined company may have achieved as a result of the Acquisition.

These Pro Forma Statements include adjustments and allocations of the Acquisition's purchase price consideration which are based on preliminary estimates of the fair value of the consideration paid, assets acquired, and liabilities to be assumed. The Company is in the process of finalizing the fair value of the consideration transferred and the net assets acquired, therefore these figures are subject to change. In addition, if new information obtained within one period of the Acquisition date about facts and circumstances that existed at the Acquisition date identifies adjustments to the below amounts, or any additional provisions that existed at the Acquisition date, then the accounting for the Acquisition will be revised. As a result, the final purchase price allocation may be materially different from the preliminary estimated allocations presented in these Pro Forma Statements.

## **Proposed bid**

### *Overview*

On September 16, 2019, Titan announced its intention to make a formal offer to acquire 100% of Core Gold. The offer is to include 2.5 fully paid ordinary shares of Titan for each Core Gold common share.

Titan has acquired all of Core Gold's secured debt in the principal amount of US \$2.5 million in order to ensure the long term success of the Core Gold Assets.

## **2 Pro Forma Assumptions and Adjustments**

### a) Reverse acquisition accounting

The unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions and adjustment which gives effect to the amalgamation of Core Gold and Titan as if it had occurred on June 30, 2019.

In accordance with reverse acquisition accounting:

- (i) The assets and liabilities of Core Gold are included in the unaudited pro forma consolidated financial position at their historic value.
- (ii) The net assets of Titan are included at fair value;
- (iii) Share capital, reserves and deficit of Titan are eliminated.

Despite the legality of the Acquisition, these unaudited pro forma was accounted for based on reverse acquisition accounting because of the expected post-merger control of the combined entity.

Fair value of the shares issued to acquire Core Gold was based on the market capitalisation of Core Gold as at June 30, 2019 is \$29,240. The preliminary allocation of estimated consideration transferred is subject to change and is summarised as follows:

	<b>June 30, 2019</b>
Purchase price	29,240
<b>Total consideration</b>	<b>29,240</b>
Less: net asset of Titan	
Cash and cash equivalents	4,059
Trade and other receivables – current and non current	1,344
Inventory	937
Current tax assets	132
Asset classified as held for sale	1,275
Property, plant and equipment	2,162
Exploration and evaluation assets	893
Financial assets	3,492
Intangible assets	8,382
Trade and other payables – current and non current	(1,540)
Borrowing – current and non current	(6,807)
<b>Total fair value of identifiable net assets</b>	<b>14,621</b>
<b>Goodwill</b>	<b>14,619</b>

b) Titan Minerals Limited - Capital raising on August 7, 2019

On August 7, 2019 Titan completed a placement to raise AUD \$6 million via the issue of 40,000,000 shares in Titan. Furthermore, application funds received in advance as at June 30, 2019 were either returned to the applicant or applied against this capital raising.

c) Titan Minerals Limited – Acquisition of Core Gold’s secured debt

On August 8, 2019 Titan assumed all of the outstanding interest bearing secured debt with a total principal amount US \$2.5 million from the holder for US \$1.89 million. The secured debt is made up of the following:

- i. promissory notes issued by Core Gold in the aggregate principal of US \$1.5 million plus all accrued interest; and
- ii. convertible promissory notes issued by Core Gold in the aggregate principal of US \$1.0 million plus all accrued interest

On completion of the transaction, the financial instruments would represent inter-entity balances that would eliminate upon consolidation of the combined entity. The difference between the amount paid by Titan to acquire the secured debt and the carrying amount of the secured debt in Core Gold has been recognised in the profit or loss.

d) Transaction cost

*Bacchus Capital Advisers:*

In connection with the Merger, Titan is to pay a fee to Bacchus Capital Advisers (Titan’s advisor) a fee based on 2.5% of the combined enterprise value of Titan and Core Gold, based on the Titan’s share price immediately prior to the announcement to bid and the offer price of Core Gold, totalling \$2,303. It is expected that 50% of this fee will be paid in cash and 50% paid in shares. Based on Titan’s share price immediately prior to the announcement, the number of shares has been assumed to be 8,876 million

e) Treasury shares

As announced on 12 March 2019, Titan and Core entered into any arrangement agreement whereby Titan agreed to purchase 9,151,363 common shares of Core Gold on a private placement basis, at a price of C\$0.44 per share for total subscription proceeds of approximately US \$3.0 million. Subsequent to the Merger, Titan will hold 22,878,408 of Treasury shares.

### 3 Pro Forma Share Capital:

Share capital as at June 30, 2019 in the unaudited pro forma consolidated statement of financial position is comprised of the following:

	Shares	Share Capital	Reserves
Share capital and Convertible debenture	166,873,000 (166,873,000)	110,897 -	16,435 -
Shares issued for the reverse acquisition	417,182,500	29,240	-
Shares inherited from Titan from reverse acquisition	296,566,718	-	-
Transaction fee (note 2d)	8,876,013	1,152	-
Treasury shares held	-	(1,604)	-
	<b>722,625,231</b>	<b>139,685</b>	<b>16,435</b>

### 4 Pro Forma Loss Per Share

Pro Forma basic and diluted loss per share for the year ended June 30, 2019, has been calculated based on the number of Core Gold shares outstanding for the period and the number of shares issued under the Acquisition:

	Shares (Pre-consolidation)
<i>Numerator</i>	
<b>Pro forma net loss available to shareholders</b>	<b>\$ 9,651</b>
<i>Denominator (in '000 common shares)</i>	
Share reversal for the reverse acquisition	417,183
Shares issued for the reverse acquisition	296,567
Shares inherited from Titan from reverse acquisition	8,876
<b>Pro forma weighted average shares outstanding</b>	<b>722,626</b>
<b>Basic and diluted pro forma loss per share</b>	<b>\$ (0.01)</b>

### 5 Translation of Titan

The financial statement of Titan are report in Australian Dollars ("AUD"). Below is a schedule that translates the statements of Titan as at June 30, 2019 into US Dollars. The financial statements were translated from AUD to US Dollars. The financial statements were translated from AUD to US Dollar at the June 30, 2019 exchange rate of 0.7061.

	Titan as at June 30, 2019 (AUD Dollars)	Titan as at June 30, 2019 (US Dollars)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalent	2,839	1,991
Restricted cash	1,359	953
Trade and other receivables	1,837	1,288
Prepayments	418	293
Inventory	1,336	937
Current tax asset	188	132
Asset classified as held for sale	1,818	1,275
	9,795	6,869
<b>Trade and other receivables</b>	80	56
<b>Properties, plant and equipment</b>	3,083	2,162
<b>Exploration and evaluation properties</b>	1,273	893
<b>Financial assets</b>	2,287	1,604
<b>Intangible assets</b>	11,952	8,382
<b>Total assets</b>	<b>28,471</b>	<b>19,966</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	3,436	2,409
Loan Payable	6,685	4,688
	10,120	7,097
<b>Other long term liabilities</b>	120	84
Loan payable – non current	3,022	2,119
<b>Total liabilities</b>	<b>13,262</b>	<b>9,300</b>
<b>Shareholders' equity</b>		
<b>Share capital</b>	118,034	82,777
<b>Reserves</b>	1,824	1,279
<b>Deficit</b>	(104,649)	(73,390)
<b>Total shareholders' equity</b>	<b>15,209</b>	<b>10,666</b>
<b>Total liabilities and shareholders'</b>	<b>28,471</b>	<b>19,966</b>

	Year ended June 30, 2019	
	AUD Dollars	USD Dollars
<b>Revenue</b>	4,839	3,417
<b>Operating Costs</b>	(4,382)	3,094
	<b>457</b>	<b>323</b>
<b>Expenses</b>		
Depreciation and Amortization	(103)	(73)
General and administration	(2,862)	(2,021)
Foreign exchange	79	56
Finance cost	(460)	(325)
Share-based compensation	(58)	(41)
Other revenue	11	8
Other expense	(45)	(32)
<b>Net loss after tax</b>	<b>(2,998)</b>	<b>(2,117)</b>
<b>Income from discontinued operations</b>	(1,265)	(893)
<b>Net loss</b>	<b>(4,263)</b>	<b>(3,010)</b>
<b>Other comprehensive income</b>	(2,337)	(1,650)
<b>Net loss and comprehensive loss for the year</b>	<b>(6,600)</b>	<b>(4,660)</b>

## SCHEDULE 4 - RISK FACTORS

The below list of risk factors ought not to be taken as exhaustive of the risks faced by the Combined Entity and the Company or by Shareholders should the Takeover Offer be completed. The risk factors below, and others not specifically referred to below, may in the future materially affect the financial performance of the Combined Entity and the value of the Company's securities. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated. The Company cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors. Refer to the Bid Circular for additional risks in respect to the Takeover Offer.

### 1.1 Specific Risks Associated with the Takeover Offer

#### (a) Launch and Conditions of the Takeover Offer

The Takeover Offer is subject to a number of conditions, including without limitation: (i) there being deposited under the Takeover Offer, and not withdrawn, at least 50.1% of the issued and outstanding Core Gold common shares (calculated on a fully diluted basis), excluding any Core Gold common shares already held by Titan; (ii) Titan obtaining shareholder approval in respect to the issue of Titan securities pursuant to the Takeover Offer; (iii) receipt of all governmental, regulatory and third party approvals that Titan considers necessary or desirable in connection with the Takeover Offer; and (iv) no material adverse change having occurred in the business, affairs, prospects or assets of Core Gold.

These conditions, some of which are outside the control of Titan, must either be satisfied or waived before accepting Core Gold shareholders can receive the consideration under the Takeover Offer. There is no certainty, nor can Titan provide any assurance, that these conditions will be satisfied or waived and, if not, Titan will not proceed to acquire common shares in Core Gold pursuant to the Takeover Offer.

#### (b) Level of Acceptances and Compulsory Acquisition of Core Gold

Whilst the Takeover Offer is for 100% of all the issued and outstanding common shares in Core Gold, there is no certainty that Titan will achieve ownership of a 100% of the common shares in Core Gold. It is possible, under the Takeover Offer, that Titan could acquire an interest equal to or more than 50.1% and less than 66 2/3% in Core Gold. If so, Titan's level of control in respect of Core Gold and its activities will be limited (including, but not limited to, Titan's ability to approve certain actions requiring the approval of Core Gold shareholders).

If Titan achieves a 90% or greater acceptance level (noting that if Titan achieves a 66 2/3% or greater acceptance level, it intends to take steps to acquire all of the outstanding Core Gold common shares and other convertible securities), Titan intends to acquire all of the issued and outstanding common shares in Core Gold using the statutory compulsory acquisition provisions under applicable Canadian law (**Compulsory Acquisition**). There is no assurance that the Compulsory Acquisition by Titan of all of Core Gold's outstanding common shares can be completed in a timely manner or at all.

#### (c) Integration Risks

If Titan completes the acquisition of Core Gold, there is a risk that (amongst other matters):

- (i) the synergies expected to arise from the combination of Titan and Core Gold may fail to materialise or take longer than expected to materialise;
- (ii) the combined entity may not achieve its financial and strategic goals due to delays or difficulties occurring during the integration of the two businesses;

- (iii) Titan may incur greater than anticipated implementation costs during the integration of the businesses of Titan and Core Gold;
- (iv) a delay or difficulty encountered in the operations of Core Gold's Dynasty Goldfield Project could materially and adversely affect the combined entity's financial condition and financial sustainability; or
- (v) material adverse changes in government policies, legislation or shifts in political attitude in Australia, Peru, Ecuador or any other jurisdiction in which Titan and Core Gold operate may occur which may affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project.

Refer to the Bid Circular for further details in respect to the specific risks to the Combined Entity. If any of the above risks materialise or occur, this may affect the operations and performance of the combined entity.

In addition, if Titan is unable to acquire at least 90% of the common shares in Core Gold and cannot, or does not, complete the Compulsory Acquisition, it will not be able to fully and efficiently integrate Core Gold into its business. There is no assurance that the operational or other synergies that Titan anticipates to be realised in the combined entity will ultimately be realised, or that the integration of the two companies' operations will be timely or effectively accomplished, or will ultimately result in cost reductions.

(d) Dissident Shareholder Action

Certain shareholders in Core Gold may seek to disrupt the Takeover Offer, through various legal, regulatory or other means, which may impact the outcome of the Takeover Offer and/or result in delays. Alternatively, if Titan does not complete the acquisition of a 100% of Core Gold under the Takeover Offer, these dissenting Core Gold shareholders may remain as shareholders in Core Gold and may exercise their rights as minority shareholders and undertake other activities which may have an adverse impact on the operations and performance of Core Gold. Titan will seek to address these matters as a matter of priority, as and when they arise, however there is no certainty that these matters will be resolved or resolved in a timely manner.

## 1.2 Specific Risks Associated with the Company

(a) Vista Plant

Any adverse changes or developments affecting the Company's Vista Plant, such as, but not limited to, Titan's inability to successfully complete any of the development projects, work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on Titan's financial performance, results of operations and liquidity.

The Company has incurred significant losses in the past, ultimately resulting in the appointment of administrators and a deed of company arrangement recapitalisation. It is not possible to evaluate the Company's future prospects based on past performance. The past performance should not impact the future opportunities of the Company. While the Directors have confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.



(b) Contract and Joint Venture Risks

Titan may enter into agreements and undertakings with third parties from time to time. If Titan is unable to satisfy the conditions of these agreements and undertakings, or if it defaults on its obligations under these agreements and undertakings, Titan's interest in their subject matter may be jeopardised. Further, if the third parties default on their obligations under the agreements and undertakings, Titan may be adversely affected.

In addition, there is a risk of financial failure or default by a participant in any joint venture to which Titan is or may become a party or the insolvency or managerial failure by any of the contractors used by Titan in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Titan for any activity.

(c) Uncertainty and Future Profitability

Titan has incurred significant losses in the past, ultimately resulting in the appointment of administrators and a deed of company arrangement recapitalisation. It is not possible to evaluate Titan's future prospects based on past performance. The past performance should not impact the future opportunities of Titan. While the Directors have confidence in the future revenue-earning potential of Titan, there can be no certainty that Titan will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities

(d) Dependence on Key Personnel

The success of Titan will to an extent depend on the directors' and key management personnel's ability to successfully manage Titan's performance and exploit new opportunities. The loss of service of these personnel could have an adverse effect on the proposed operations of Titan.

(e) Metal Price Volatility

As an exploration, development and toll treatment company, Titan's ability to raise capital may be significantly affected by changes in the market price of gold, silver and other minerals. Titan's possible future revenues may be derived primarily from mining commodities, processing commodities and/or from revenue royalties gained from joint ventures or from mineral projects sold. Consequently, Titan's potential future earnings could be closely related to the price of commodities it commercially exploits. Gold and other mineral prices fluctuate on a daily basis and are affected by numerous factors beyond the control of Titan including demand, forward selling by producers, production cost levels in major producing regions and macroeconomic factors (e.g., inflation, interest rates, currency exchange rates) and global and regional demand for, and supply of, the relevant commodity.

If the market price of any commodity sold by Titan were to fall below the costs of production and remain at such a level for any sustained period, Titan would experience losses and could have to curtail or suspend some or all of its proposed mining activities. In such circumstances, Titan would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

(f) Shortages and Price Volatility

Titan is dependent on various input commodities (such as diesel fuel, electricity, natural gas, steel and concrete) and equipment (including parts) to conduct its exploration activities. A shortage of such input commodities or equipment or a significant increase in their cost could have a material adverse effect on Titan's ability to carry out its exploration and therefore limit, or increase the cost of, discovery. Titan is also dependent on access to and supply of water and electricity

to carry out its exploration, and such access and supply may not be readily available. Market prices of input commodities can be subject to volatile price movements, which can be material, occur over short periods of time and are affected by factors that are beyond Titan's control. An increase in the cost, or decrease in the availability, of input commodities or equipment may affect the timely conduct and cost of Titan's exploration objectives. If the costs of certain input commodities consumed or otherwise used in connection with Titan's exploration were to increase significantly, and remain at such levels for a substantial period, Titan may determine that it is not economically feasible to continue exploration on some or all of its current projects, which could have an adverse impact on Titan's financial performance and share price.

(g) Future Capital Requirements

Titan's ongoing activities may require substantial further financing in the future for its business activities. Any additional equity financing may be dilutive to Titan Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit Titan's operations and business strategy. Although the directors believe that additional capital may be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Titan or at all. If Titan is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on Titan's activities and could affect Titan's ability to continue as a going concern or remain solvent.

(h) Insurance

Insurance against all risks associated with mineral exploration and production is not always available or affordable. Titan will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be undertaken because either such cover is not available or because the Directors consider that the associated premiums are excessive having regard to the benefits from the cover.

The occurrence of an event that is not covered or is only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of Titan. There is no assurance that Titan will be able to maintain adequate insurances in the future at rates that the Directors consider reasonable.

(i) Acquisitions

Titan may also review and consider other business opportunities. Consequently, this strategy may result in Titan making acquisitions of, or significant investments in, complementary or alternative companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions which are not identified in Titan's due diligence or the acquisitions may not prove to be successful. Further, risks associated with such acquisitions will also arise from Titan's ability to execute the acquisition and then to correctly manage the business operations and growth strategies moving forward.

(j) Incomplete Records

Titan's shares were suspended from trading on ASX from August 19, 2015, and Titan was placed into voluntary administration on August 25, 2015. This resulted in the previous directors and officers ceasing to have control of Titan's activities. The current directors consider that Titan's corporate records may be incomplete for the period surrounding the commencement of the voluntary administration because of, among other things, the turnover of previous staff and officers and the appointment

of administrators to Titan. Consequently, there may be actions that were taken by the previous directors and officers of Titan or its subsidiaries of which the Directors are unaware. While the current directors consider that the deed of company arrangement process has dealt with any outstanding liabilities relating to Titan, there is a risk that previous unknown actions may adversely affect the operations and financial position of Titan or its subsidiaries.

(k) Competition

Titan competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than Titan has and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that Titan can compete effectively with these companies.

### 1.3 Mining Industry Risks

Mineral exploration, mining and the processing of minerals may be hampered by circumstances beyond the control of the Company and are speculative operations which are by their nature subject to a number of inherent risks, including the following (the risks below will extend to the expanded business of the Company following the completion of the acquisition of Core Gold):

(a) Exploration Risks

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining concessions and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining concessions may be unsuccessful, resulting in a reduction of the value of those concessions, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining concessions.

(b) Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value. As at the date of the Notice, the Company has not reported any resource estimates.

(c) Ability to Exploit Successful Discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

(d) Mining and Development Risks

Profitability depends on successful exploration and/or acquisition of resources / reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(e) Title Risks

The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the mineral concessions in which the Company has or acquires an interest. Maintenance of the Company's concessions is dependent on, among other things, the Company's ability to meet the licence conditions imposed by the relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the concessions in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. .

Interests in mineral concessions in Peru are governed by legislation in their respective jurisdictions and are evidenced by the granting of mining concessions. Consequently, the Company could lose title to or its interest in concessions if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(f) Environmental Risks

The Company's operations and activities are subject to certain regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with most exploration projects, mining and processing operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(g) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees

(through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

#### **1.4 General Risks**

The following risks have been identified as being some general risks associated with an investment in the Company, noting its publicly listed status:

(a) **Stock Market Conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below the price paid for those Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Litigation Risks**

Legal proceedings may be brought against Titan, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on Titan's financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result Titan may be subject to expenses of investigations and defense, and fines or penalties for violations if proven, Titan may potentially incur cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings.

(c) **Liquidity Risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. Equity capital market conditions in Australia are currently in a parlous state. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(d) **Securities Investment Risk**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

(e) Changes in Legislation and Government Regulation

Government legislation in Peru or any other relevant jurisdiction in which the Company may operate in the future, such as changes to the taxation system, foreign investment regulations and the mining regulatory system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(f) Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors, which are beyond the control of the Company and its Directors.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

## Vote by Proxy: TTM

Your proxy voting instruction must be received by **10.00am (WST) on Monday, 2 December 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

#### Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

