



ACN 117 790 897

**ADDENDUM TO NOTICE OF GENERAL MEETING
AND ACCOMPANYING EXPLANATORY MEMORANDUM**

**In respect to the General Meeting of the Company to be held at 10:00am (WST) on 13
January 2020**

at Suite 1, 295 Rokeby Road, Subiaco 6008

IMPORTANT INFORMATION

This document is an addendum to the notice of general meeting ("**Notice**") dated 30 October 2019 for the general meeting of Titan Minerals Limited originally scheduled to be held on 4 December 2019 and postponed to 13 January 2020 ("**Addendum**"). This Addendum varies the Explanatory Memorandum accompanying the Notice and should be read together with the Notice and Explanatory Memorandum. A new Proxy Form is enclosed with this Addendum.

ADDENDUM TO NOTICE AND EXPLANATORY MEMORANDUM

Titan Minerals Limited (ACN 117 790 897) (**Company**), gives notice to Shareholders:

- (a) that in relation to the notice of meeting dated 30 October 2019 (**Notice**) and accompanying explanatory memorandum (**Explanatory Memorandum**) for the general meeting of Shareholders, the Directors resolved to postpone the general meeting to 10.00am (WST) 13 January 2020 (refer to the ASX announcement dated 4 December 2019 for further details); and
- (b) of amendments to the Notice and accompanying Explanatory Memorandum.

Shareholders should note that the date of the Meeting has been changed to 10.00am (WST) on 13 January 2020 to allow Shareholders further time to consider the information in this Addendum. There is no change to the venue of the Meeting, which will be held at Suite 1, 295 Rokeby Road, Subiaco 6008.

Definitions in the Notice have the same meaning in this Addendum unless otherwise updated in this Addendum.

This Addendum is supplemental to the original Notice and Explanatory Memorandum and should be read together with the Notice and Explanatory Memorandum. To the extent of any inconsistency, this Addendum will prevail over the original Notice and Explanatory Memorandum.

BACKGROUND

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 the ASX announcements dated 16 September 2019 and 1 October 2019 for further details.

On 30 October 2019, the Company dispatched the Notice and Explanatory Memorandum to convene the Meeting to seek Shareholder approval for:

- (a) the issue of the Core Offer Shares under the Takeover Offer; and
- (b) the ratification of Shares issued under a placement on 7 August 2019.

Since the dispatch of the Notice the Company has:

- (a) increased the consideration under the Takeover Offer from 2.5 Shares for each (1) Core Gold Share to 3.1 Shares for each (1) Core Gold Share (refer to the ASX announcement dated 9 December 2019 for further details); and
- (b) entered into an underwriting agreement with Canaccord Genuity (Australia) Limited to underwrite an equity capital raising of A\$3.5 million, at an issue price of A\$0.16 per Share, to be undertaken subject to the satisfaction of certain conditions, including the Company obtaining Shareholder approval and the conditions under the Takeover Offer being satisfied (refer to the ASX announcements dated 9 December 2019 and 16 December 2019 for further details).

This Addendum is provided to Shareholders to (amongst other matters):

- (a) update Resolution 1 following the increase in the consideration under the Takeover Offer; and

- (b) propose an additional Resolution, being Resolution 3, in respect to the approval to issue Shares under the proposed underwritten equity capital raise.

IMPORTANT NOTICE

This Addendum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

VOTING BY PROXY

Enclosed with this Addendum is a new Proxy Form. Shareholders are advised that:

- If you have already completed and returned the Proxy Form which was enclosed with the Notice and you wish to have your vote counted by proxy in respect to Resolution 3, **you must complete and return the new Proxy Form** enclosed with this Addendum.
- If you have already completed and returned the Proxy Form which was enclosed with the Notice and you wish to change your vote, **you must complete and return the new Proxy Form** enclosed with this Addendum.
- If you have already completed and returned the Proxy Form which was enclosed with the Notice and do not wish to change your vote and do not wish to vote on Resolution 3, **you do not need to take any action** as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.
- If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions, please complete and return the Proxy Form enclosed with this Addendum.

If you submit the new Proxy Form enclosed with this Addendum, any Proxy Form enclosed with the Notice which has been completed by you will be disregarded. The Company reserves the right to accept Proxy Forms dispatched with the Notice received from Shareholders in the event that a new Proxy Form enclosed with this Addendum is not provided by the relevant Shareholder.

Proxy Forms must be received by the Company no later than 10:00am (WST) on 11 January 2020, being at least 48 hours before the Meeting.

Should you wish to discuss the matters in this Addendum please do not hesitate to contact the Company Secretary on +61 8 6555 2950.

AMENDMENT TO RESOLUTION 1

Resolution 1 of the Notice is deleted and **replaced** with the following:

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 566,814,339 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).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person or proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary of the holder to vote in that way.

INSERT NEW RESOLUTION 3

Resolution 3 is inserted as follows:

Resolution 3 – Approval for the issue of Underwritten Placement 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 21,875,000 Shares, each at an issue price of A\$0.16, to raise A\$3,500,000, 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).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person or proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary of the holder to vote in that way.

AMENDMENTS TO THE EXPLANATORY MEMORANDUM

The 3rd paragraph of Section 2.1 of the Explanatory Memorandum is deleted and replaced with the following:

Proxy forms must be received by the Company by no later than 10am (WST) on January 11, 2020, being at least 48 hours before the Meeting.

The 1st paragraph of Section 3.1 of the Explanatory Memorandum is deleted and replaced with the following:

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 three and one-tenth (3.1) Shares for each (1) Core Gold Share, which may result in an issue of up to 566,814,339 Shares on a fully diluted basis (**Core Offer Shares**).

Insert new paragraph (e) in Section 3.1 of the Explanatory Memorandum as follows:

- (e) on 9 December 2019, Titan announced (amongst other matters) an increase to the consideration under the Takeover Offer (refer to the ASX announcement dated 9 December 2019 for further details).

Paragraph (a)(i) of Section 3.3 of the Explanatory Memorandum is deleted and replaced with the following:

- (i) each Core Shareholder will be offered three and one-tenth (3.1) Shares for every one (1) Core Share held by the Core Shareholder; and

Section 3.5 of the Explanatory Memorandum is deleted and replaced with the following:

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

	Shares	Options	Performance Rights
Current issued capital as at the date of this Notice ¹	296,566,718	4,500,000	9,550,000
Core Offer Shares to be issued on an undiluted basis ²	488,947,392 ³	-	-
Shares to be issued under the Underwritten Placement	21,875,000	-	-
Total	807,389,110	4,500,000	9,550,000
Core Offer Shares to be issued to Core Gold securityholders on a fully diluted basis	566,814,339 ⁴	-	-
Total	885,256,057	4,500,000	9,550,000

Note:

1. 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. Subject to the Company obtaining Shareholder approval under Resolution 1. Assumes 100% of the Core Shares are acquired under the Takeover Offer, noting that Titan could acquire an interest equal to or more than 50.1% but less than 100% and fewer Shares will be issued (refer to the risk factor in 1.1(b) of Schedule 4).
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 7,565,000 options and 17,553,370 warrants with varying exercise prices and expiry dates on issue (as at the date of this Addendum, 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 up to 885,256,057 Shares would be outstanding following the Takeover Offer and Underwritten Placement.

Inset new Section 3.13 as follows:

3.13 Underwritten Placement and Additional Financing

The Company is proposing to, subject to the Company obtaining Shareholder approval, undertake an equity capital raising via the issue of Shares, at an issue price of A\$0.16 per Share, to raise A\$3.5 million (before costs) (**Underwritten Placement**).

The Company has appointed Canaccord Genuity (Australia) Limited as underwriter and lead manager to the Underwritten Placement (**Lead Manager**). The Lead Manager has agreed to, subject to the satisfaction of certain conditions (refer below), underwrite the Underwritten Placement pursuant to an underwriting agreement dated 16 December 2019 (**Underwriting Agreement**).

In addition to the Underwritten Placement, the Company will also seek to enter into a credit committee approved term sheet or subscription commitments with a view to undertaking a debt financing to raise gross proceeds of not less than US\$10 million. The Underwritten Placement and the additional debt financing will enable the Company to satisfy the covenants under the lock-up arrangements in respect of the Takeover Offer. Refer to the ASX announcements dated 9 and 16 December 2019 for further details.

A summary of the key terms and conditions of the Underwriting Agreement are as follows:

(a) Fees

The Lead Manager will be entitled to:

- (i) an underwriting fee of 4.0% of the underwritten amount of A\$3.5 million; and
- (ii) a management fee of 2.0% of the underwritten amount of A\$3.5 million.

(b) Conditions Precedent

The Underwriting Agreement is subject to a number of conditions, including:

- (i) the approvals from the Company's shareholders being obtained on (or before) the date of the Meeting; and
- (ii) all conditions to completion of the Takeover Offer falling due for satisfaction on or before the settlement date having been satisfied (or waived) pursuant to the terms of the Bid Circular by the time required for their satisfaction (or waiver).

(c) Termination Events

The Lead Manager may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement, and be released from its obligations under it, on the occurrence of certain events prior to completion, including:

- (i) at any time the ASX/S&P 300 Metals and Mining Index or the S&P/TSX Composite Metals and Mining Industry Index closes on a business day before the settlement date at a level which is 10% or more below the level of that index at the close of trading on the business day before the date of the Underwriting Agreement;

- (ii) the price of gold by reference to the Nymex Comex Gold Price closes on a business day before the settlement date at a level which is 10% or more below the level of that price at the close of trading on the business day before the date of the Underwriting Agreement;
- (iii) the Takeover Offer or withdrawn;
- (iv) the Takeover Offer is varied in any material respect, other than in respect to the consideration under the Takeover Offer (refer to the ASX announcement dated 9 December 2019);
- (v) the Notice is withdrawn or materially amended by the Company, save in respect to this Addendum;
- (vi) the Company withdraws the Underwritten Placement;
- (vii) ASX announces that the Shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation (which, for the avoidance of doubt, does not include a trading halt requested to facilitate the Underwritten Placement);
- (viii) TSX announces that Core Gold's shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation, other than as contemplated by the Takeover Offer;
- (viii) any material adverse change or effect occurs, or an event occurs which is likely to give rise to a material adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of the Company or Core Gold from that existing at the date of the Underwriting Agreement;
- (x) the Company or one of its subsidiaries which represents 5% or more of the consolidated assets or earnings of the group (each a **Material Subsidiary**) or Core Gold or one of the Core group of companies becomes insolvent or there is an act or omission which may result in the Company or a Material Subsidiary becoming insolvent; or
- (xi) the Company is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty by the Company is or becomes false or incorrect.

(d) **Representations, Warranties and Undertakings**

The Underwriting Agreement also contains certain standard representations, warranties and undertakings by the Company to the Lead Manager.

The Company's undertakings include that it must each, after becoming aware, notify the Lead Manager of any breach of any obligation, representation, warranty or undertaking given by it under the Underwriting Agreement and keep the Lead Manager fully informed of the non-satisfaction of any of the conditions precedent under the Underwriting Agreement.

(e) **Indemnity**

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct, recklessness or gross negligence by the Lead Manager and its related bodies corporate (**Indemnified Parties**), the Company agrees to indemnify and hold harmless the Indemnified

Parties from and against all liabilities directly or indirectly suffered or incurred in connection with the Underwritten Placement."

The 1st paragraph of Section 4.1 of the Explanatory Memorandum is deleted and replaced with the following:

Resolution 1 seeks Shareholder approval for the issue of up to 566,814,339 Shares to Core Shareholders pursuant to the Takeover Offer.

Section 4.3(a) of the Explanatory Memorandum is deleted and replaced with the following:

(a) The maximum number of Shares to be issued is 566,814,339.

Insert new Section 6 in the Explanatory Memorandum as follows:

6. Resolution 3 - Approval for the issue of Underwritten Placement Shares

6.1 General

Resolution 3 seeks Shareholder approval for the issue of 21,875,000 Shares pursuant to the Underwritten Placement (**Underwritten Placement Shares**).

The Board believes that Resolution 3 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

6.2 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 3 will be to allow the Directors to issue the Underwritten Placement 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.

6.3 Specific information required by Listing Rule 7.3

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

- (a) The maximum number of Shares to be issued as Underwritten Placement Shares is 21,875,000.
- (b) The Underwritten Placement 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 issue price of the Underwritten Placement Shares will be A\$0.16.
- (d) The Underwritten Placement Shares will be issued to sophisticated and professional investors identified by the Lead Manager.
- (e) The Underwritten Placement 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.
- (f) The Company intends to make a proportion of the funds raised under the Underwritten Placement available to Core Gold by way of loan or other arrangements to be utilised towards the exploration and development of the Dynasty Goldfield Project, the Southern Ecuador exploration programs, the Southern Peru regional exploration and development activities, the Zaruma mine study, maintenance and development activities and the Portovelo plant maintenance and the remaining funds raised under the Underwritten Placement will be utilised for ongoing general working capital requirements.
- (g) The issue of all of the Underwritten Placement Shares will occur on or around the date of issue of the Core Offer Shares.
- (h) A voting exclusion statement is included in the Notice for Resolution 3.

New definitions are added to Schedule 1 - Definitions and Interpretations as follows:

Underwritten Placement has the meaning given in Section 3.13.

Underwritten Placement Shares has the meaning given in Section 6.1.

Lead Manager has the meaning given in Section 3.13.

Indemnified Party has the meaning given in Section 3.13(e).

Material Subsidiary has the meaning given in Section 3.13(c).

Underwriting Agreement has the meaning given in Section 3.13.

Schedule 3 is deleted and replaced with the following:

**Titan Minerals Limited and Core Gold Inc
Pro Forma Condensed Consolidated Statement of Financial Position
(amount expressed in thousands of United States dollars, except where indicated)**

	Historic – As at September 30, 2019		Notes	Pro Forma	
	Titan	Core Gold		Adjustments	Total
Assets					
Current assets					
Cash and cash equivalent	2,987	8	2b	2,220	3,615

			2d	(1,600)	
Trade and other receivables	2,319	4,224		-	6,543
Inventory	775	1,491		-	2,266
Current tax asset	81	-		-	81
Asset classified as held for sale	1,076	-		-	1,076
	7,238	5,723		620	13,581
Non-current assets					
Trade and other receivables	54	-		-	56
Properties, plant and equipment	2,177	16,858		-	19,035
Exploration and evaluation properties	968	248		-	1,216
Financial assets	3,404	-	2e	(1,521)	-
			2f	(1,883)	
Intangible assets	8,068	-	2a	12,686	20,754
	14,671	17,106		9,282	41,359
Total assets	21,909	22,829		9,902	54,640
Liabilities					
Current liabilities					
Accounts payable and accruals	2,146	15,189	2c	-	17,335
Convertible debentures	-	1,000	2d	(1,000)	-
Loan Payable - current	4,987	2,819	2d	(1,500)	6,306
	7,133	19,008		(2,500)	23,641
Non-current liabilities					
Other long term liabilities	80	-		-	80
Derivative – warrant liability	-	244		-	244
Provision for closure and restoration	-	1,411		-	1,411
Loan payable – non current	1,869	-	2c	-	1,869
	1,949	1,655		-	3,604
Total liabilities	9,300	20,916		(2,500)	(27,245)
Shareholders' equity (deficiency)					
Share capital	83,401	110,949	2a	(85,621)	140,036
			2a	27,733	
			2b	2,220	
			2d	2,875	
			2e	(1,521)	
Reserves	1,216	16,462	2a	(1,216)	16,462
Deficit	(71,790)	(125,245)	2a	71,790	(129,103)
			2d	(4,475)	
			2e	617	
Total shareholders' equity (deficiency)	12,827	2,166		12,402	27,395
Total liabilities and shareholders' equity (deficiency)	21,909	22,829		9,902	54,640

Titan Minerals Limited and Core Gold Inc
Pro-forma Condensed Statement of Profit or Loss and Other Comprehensive Income
(all amounts expressed in thousands of United States dollars, except where indicated)

(all amounts expressed in thousands of United States dollars, except where indicated)	Historical		Note	Pro Forma	
	Year ended September 30, 2019			Adjustments	Total
	Titan	Core			
Revenue	6,415	16,584		-	22,999
Operating Costs	(5,790)	(13,817)		-	(19,607)
	625	2,767		-	3,392
Expenses					
Depreciation	(112)	-		-	(112)
General and administration	(3,088)	(5,817)		-	(8,905)
Foreign exchange	(108)	(23)		-	(131)
Finance cost	(360)	(673)		-	(1,033)
Share-based compensation	(141)	(144)		-	(285)
Gain on derivative liabilities	-	(750)		-	750
Other revenue	11	-		-	11
Other expense	(53)	-		-	53
Transaction costs	-	-	2d 2e	(4,475) 617	(3,858)
Net loss after tax	(3,226)	(3,140)		(3,858)	(10,224)
Income from discontinued operations	(811)	-		(811)	(811)
Net loss	(4,037)	(3,140)		(3,858)	(11,035)
Other comprehensive income	(1,694)	-		(1,694)	(1,694)
Net loss and comprehensive loss for the	(5,731)	(3,140)		(3,858)	(12,729)

Notes to the Pro Forma Financial Statements
(amount expressed in thousands of United States dollars, except where indicated)

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 inclusion in the Company's unsolicited bid to acquire 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 September 30, 2019 gives effect to the Acquisition by Titan as if it had occurred as at September 30, 2019. The unaudited pro forma condensed consolidated statements of operations and comprehensive loss for the year ended September 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 September 30, 2019; and
2. Titan's consolidated financial statements as at and for the period ended September 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

In December, 2019, Titan announced that it has raised its offer to acquire 100% of Core Gold. The offer is to include 3.1 fully paid ordinary shares of Titan for each Core Gold common share.

In connection with the offer, Titan will conduct a placement of new Titan shares to certain eligible institutional and high net worth investors to raise a minimum of A\$3.5 million.

Prior to the completion of the offer, Titan will also enter into a credit committee approved term sheet or subscription commitment with a view to undertaking an additional financing to raise gross proceeds of US\$10 million. The additional financing may be comprised of a credit facility or other borrowing structure or facility.

Notes to the Pro Forma Financial Statements

(amount expressed in thousands of United States dollars, except where indicated)

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 September 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 September 30, 2019 is \$27,733. The preliminary allocation of estimated consideration transferred is subject to change and is summarised as follows:

	September 30, 2019
Purchase price	27,733
Total consideration	27,733
Less: net asset of Titan	
Cash and cash equivalents	5,207
Trade and other receivables – current and non current	2,373
Inventory	775
Current tax assets	81
Asset classified as held for sale	1,076
Property, plant and equipment	2,177
Exploration and evaluation assets	968
Financial assets	3,404
Intangible assets	8,068
Trade and other payables – current and non current	(2,226)
Borrowing – current and non current	(6,856)
Total Titan net assets	15,047
Goodwill	12,686

b) Titan Minerals Limited - AUD \$3.5m Placement

In connection with the offer, Titan will conduct a placement of new Titan shares to certain eligible institutional and high net worth investors to raise a minimum of A\$3.5 million at an issue price of A\$0.16.

c) Titan Minerals Limited – USD \$10m Credit Facility

Prior to the completion of the offer, Titan will also enter into a credit committee approved term sheet or subscription commitment with a view to undertaking an additional financing to raise gross proceeds of US\$10 million. The additional financing may be comprised of a credit facility or other borrowing structure or facility. The pro-forma financial statements do not include the draw down of the facility.

d) Transaction costs

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 \$3.2 million^{2,549}. 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 10,491,781 million

Consultant shares:

In connection with the Merger, Titan is to issue to various consultants 10,500,000 shares.

e) Shares in Core Gold Inc. held by Titan Minerals Limited

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. As part of the bid offer, no shares are to any Core Gold Inc. shares held by Titan Minerals Limited.

f) Promissory and Convertible Notes

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.

3. Pro Forma Share Capital:

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

	Shares	Share Capital	Reserves
Share capital and contributed surplus	166,873,000	110,949	16,462
Convertible debenture conversion	(166,873,000)	-	-
Shares issued for the reverse acquisition	488,947,392	27,733	-
Shares inherited from Titan from reverse acquisition	316,011,162	-	-
Transaction fee (note 2d)	23,780,712	2,875	-
Treasury shares held	-	(1,521)	-
	828,239,266	140,036	16,462

4 Pro Forma Loss Per Share

Pro Forma basic and diluted loss per share for the year ended September 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
<i>Numerator</i>	
Pro forma net loss available to shareholders	\$ 12,729
<i>Denominator (in '000 common shares)</i>	
Shares issued for the reverse acquisition	488,947
Shares inherited from Titan from reverse acquisition	316,011
Shares issued relating to transaction fees	23,281
Pro forma weighted average shares outstanding	828,239
Basic and diluted pro forma loss per share	\$ (0.015)

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 September 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 September 30, 2019 exchange rate of 0.6749.

	Titan as at September 30, 2019 (AUD Dollars)	Titan as at September 30, 2019 (US Dollars)
Assets		
Current assets		
Cash and cash equivalent	4,426	2,987
Trade and other receivables	2,974	2,007
Prepayments	462	312
Inventory	1,148	775
Current tax asset	120	81
Asset classified as held for sale	1,594	1,076
	10,725	7,238
Trade and other receivables	80	54
Properties, plant and equipment	3,226	2,177
Exploration and evaluation properties	1,434	968
Financial assets	11,954	8,068
Intangible assets	5,044	3,404
Total assets	32,463	21,909
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	3,180	2,146
Loan Payable	7,389	4,987
	10,569	7,133
Other long term liabilities	119	80

	Titan as at September 30, 2019 (AUD Dollars)	Titan as at September 30, 2019 (US Dollars)
Loan payable – non current	2,769	1,869
Total liabilities	13,457	9,082
Shareholders' equity		
Share capital	123,575	83,401
Reserves	1,802	1,216
Deficit	(106,371)	(71,790)
Total shareholders' equity	19,006	12,827
Total liabilities and shareholders' equity	32,463	21,909

	9 months ended September 30, 2019	
	AUD Dollars	US Dollars
Revenue	9,505	6,415
Operating Costs	(8,579)	(5,790)
	926	625
Expenses		
Depreciation and Amortization	(166)	(112)
General and administration	(4,576)	(3,088)
Foreign exchange	(160)	(108)
Finance cost	(534)	(360)
Share-based compensation	(209)	(141)
Other revenue	16	11
Other expense	(50)	(34)
Net loss after tax	(4,780)	(3,226)
Income from discontinued operations	(1,202)	(811)
Net loss	(5,982)	(4,037)
Other comprehensive income	(2,510)	(1,694)
Net loss and comprehensive loss for the year	(8,492)	(5,731)

BY ORDER OF THE BOARD

Zane Lewis
Company Secretary
Dated: 16 December 2019

Enquiries: Shareholders should contact the Company Secretary on +61 8 6555 2950 if they have any queries in respect to this Addendum.

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, 11 January 2020**, 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.

