



TITANIUM
RESOURCES GROUP

Joint Titanium Resources Group and Government of Sierra Leone press release

Monday 18 July 2005,

Sierra Leone bauxite production to restart in 2006

The Government of Sierra Leone and Titanium Resources Group (“TRG” or “the Group”) are pleased to announce that restart operations have commenced with immediate effect at the Group’s wholly-owned bauxite operations, Sierra Mineral Holdings I, Ltd. (“SML”). Full bauxite mining and production, at a rate of 1.2 million tonnes per annum, is expected to begin in the first quarter of 2006. The Group has also entered into long-term sales agreements with Alcoa World Alumina LLC (Alcoa) and Glencore AG to sell the project’s full estimated annual production.

Today’s announcement follows the commitment of a further investment of approximately \$10 million by a company owned beneficially by Jean-Raymond Boule, a major private investor in a number of international mining and exploration operations and the 100% beneficial owner of TRG. Comprehensive restart plans are currently being implemented which involve rehabilitating existing assets and re-establishing infrastructure to support operations at the mine site including power and road systems, and upgrading port, residential and administrative facilities. Refurbishment activities are expected to take approximately 20 weeks with an additional four weeks for commissioning and will be contract managed by P.W. Mining International Limited (“PW”) on behalf of SML.

PW is a Mining, Civil Engineering and Marine group operating in West Africa for over thirty years. PW is well established in the mining sector having worked with Placer Dome, AngloAshanti, Resolute Mining, Goldenstar Resources, Goldfields and many other mining companies.

The operations

The SML mining lease covers approximately 580 square kilometres in the southwest of Sierra Leone, 150 km southeast of the capital Freetown. SML is situated on a high-grade ore body and employs proven, conventional mining and processing techniques.

In January 2005, SML was granted mining lease ML1/05 for a period of ten years with the option to renew for a further ten years. The bauxite operations will be subject to the Bauxite Mineral Prospecting and Mining Agreement executed between SML and the Government in May 2005.

Independent analysis of SML's existing bauxite reserves at Gbonge, Gondama, Jenega, Konta and Wunde are estimated at 12.4 million tonnes which should support production for approximately ten years at normal operating levels. It is envisaged that further exploration work will be undertaken to discover additional resources in the Gbonge Hills and the Gondama sector which lie within the mining lease area.

The bauxite from Gondama/Gbonge is highly prized gibbsitic bauxite which may be used as feed for low temperature and high temperature digestion as well as feed for sweetening digestion. This versatility creates significant marketing flexibility.

The mined bauxite will be processed locally and then loaded into barges of 2,000 tonne capacity and moved down the Sherbro River to the Atlantic Ocean to meet the ocean going carriers that are specially adapted with mobile lifting cranes to load the bauxite into the vessels holds.

Environment and social

An Environmental and Social Assessment ("ESA") of the SML Bauxite Project was completed and approved by the Government of Sierra Leone in 2003. The ESA outlined existing environmental and social conditions, identified potential impacts of the project and presented mitigation measures that SML will undertake.

Residential units will either be refurbished or replaced as part of the restart activities. The SML staff will also have access to the Group's community, medical and recreational facilities at the TRG owned Sierra Rutile mine site. In addition, employees will have access to two small satellite clinics or first aid posts that will be established at Gondama and Nitti for basic and emergency treatment.

Commenting on the re-opening, His Excellency President Kabba, said:

"We have long recognised the importance of our nation's mineral resources and their significance to the future development of the health and wealth of our economy and of our people. Today's announcement sends a clear signal to the international community that Sierra Leone is once again an attractive destination for investment.

This project is a shining example of real sustainable investment which has the potential to confer benefits on a generation of Sierra Leoneans by unlocking the value of the country's mineral reserves. The Sierra Minerals Bauxite Mine will employ approximately 200 people of which more than 90% will be from Sierra Leone. Stable long term employment from the mine will make a significant contribution to the prosperity and health of the region and Sierra Leone as a whole.

“Whilst underlining the continuing commitment of this Government to support this venture, I also urge the people of Sierra Leone to seize the opportunity which this example represents in terms of our ability to meet the environmental, safety and operating standards of modern mining.”

Commenting on the announcement, Max McGarvie, CEO of TRG, said:

“I am delighted to formally express our gratitude for the work which His Excellency the President and his government have undertaken so that TRG can re-open the mine. Restarting operations at this mine represents a valuable opportunity for the people of Sierra Leone.”

“The refurbishment programme has now started and we currently anticipate that production will commence at the end of this year. We look forward to making further announcements in relation to our development plans in due course.”

Enquiries:

Max McGarvie, John Sisay TRG

Press office of the Government of Sierra Leone

Michael Oke, Andrew Mills
Aura Financial
+44 207 321 0000
www.aura-financial.com