



## **Disposal of SML bauxite mine for US\$40 million**

25 July, 2008: Titanium Resources Group ("TRG" or "the Company") is pleased to announce the disposal of Global Aluminium Limited to Vimetco N.V. for a total cash consideration of US\$40 million. Global Aluminium Limited, a wholly owned subsidiary of the Company, owns 100% of Sierra Mineral Holdings 1, Ltd ("SML"), the operating company for the Company's SML bauxite mine in Sierra Leone.

The disposal, which is due to complete today, follows a decision by the Board of TRG to review its options with regard to non-core operations. As part of the review, the Board considered a number of methods for improving the competitiveness of SML in global markets, including expansion, sale and partial sale. Following the review, the Board decided that a complete sale of the Company's bauxite operations would be in the best interests of its shareholders.

The SML bauxite mine has a production capacity of 1.2 million tonnes per annum of bauxite and, according to 2005 estimates by Mine Development Associates, proven and probable reserves of 12.4 million tonnes. Furthermore, the Directors estimate that SML holds a non-JORC compliant mineralisation base of approximately 31 million tonnes of bauxite. In the financial year ended 31 December 2007 SML recorded a gross profit of US\$2.4 million.

Cash generated from the disposal will be used to strengthen the Company's balance sheet at a time when it intends to increase its mineral sands reserves and resources.

The consideration of US\$40 million includes repayment of an intra-group loan of approximately US\$10 million and is subject to adjustments for working capital and a contingency payment of US\$500,000.

Commenting on the announcement, Len Comerford, the Chief Executive of TRG said:

"Following the successful conclusion of our review of non-core operations we are pleased to have reached agreement for the disposal of our bauxite operations on very favourable terms. The proceeds of this transaction will be used to continue the development of our significant mineral sands business."

Ends

For further information:

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## **Notes to editors**

The information pertaining to resources in this announcement has been reviewed by Mr C. P. Mortimer (BSc (Hons Geology), MSc, DUC, MAusIMM) who is a member of The Australasian Institute of Mining and Metallurgy and a full time employee of Titanium Resources Group. Mr Mortimer has sufficient experience which is relevant to this style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code).

## **Titanium Resources Group**

Titanium Resources Group is a mining company with operations in the Republic of Sierra Leone. The Group is the country's largest private sector employer and produces rutile and, ilmenite for use in industrial applications. The Group operations historically accounted for over 65 per cent of the exports of Sierra Leone.