



**Titanium Resources Group (“TRG” or “the Group”) raises \$74m (£41m) via a Placing of 87,151,553 common shares at a price of 47p per common share (“the Placing”) and is admitted to AIM**

25 August, 2005:

AIM: TXR.L) TRG announces that dealings in its common shares have commenced following completion of the Placing and admission of its issued share capital to trading on the AIM market of the London Stock Exchange (“AIM”). The Group has raised US\$74 million (£41 million) before expenses and at the Placing price the company has a market capitalisation of US\$158 million (£88 million).

Walter Kansteiner, Chairman of TRG, said:

“Our listing on AIM marks a new era for TRG and will provide access to a wider pool of capital to the benefit of the Group. We have a strong team and are on schedule to re-start production of high grade natural rutile and bauxite in the first quarter of 2006.”

“The strong demand for the Placing amongst institutions is recognition for our high quality assets and heralds a renewed confidence in the ability of TRG to again take its place as an important provider of high quality raw material to world markets.”

**Expected Timetable:**

Admission and dealings in the Common Shares commenced on AIM 8.00 a.m.	25 August 2005
CREST accounts credited in respect of Depositary Interests	25 August 2005
Where applicable, dispatch of definitive share certificates in respect of the Placing Shares to Placees by no later than	2 September 2005

**Placing Statistics:**

Placing Price	47p per share
Number of Placing Shares	87,151,553
Number of Common Shares in issue following the Placing	187,201,553
Percentage of the enlarged issued share capital subject to the Placing	46.6 per cent
Estimated net proceeds of the Placing	£37 million
Market capitalisation following Admission at the Placing Price	£88 million
Number of Options outstanding on Admission	9,905,962
ISIN number for the Common Shares	VGG889921059

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The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from it.

## **Notes to Editors**

### **Titanium Resources Group**

Titanium Resources is the holding company of a group of companies that are engaged in the mining, marketing and exploration of mineral resources. The Group owns two mining operations in the Republic of Sierra Leone – the Sierra Rutile Project and the SML Bauxite Project. Both mines operated for over 15 years until operations were suspended in 1995. The projects accounted for 75 per cent of the exports of Sierra Leone.

The Sierra Rutile Project will employ conventional dredging and processing methods to produce mineral sands in the southwest of Sierra Leone, where its production previously represented approximately 30 per cent of the world's annual supply of natural rutile. Natural rutile is a high titanium-bearing feedstock employed in the manufacture of titanium dioxide (TiO<sub>2</sub>) pigments that are used in paint, plastics, paper and pharmaceuticals and the production of titanium metal and welding rods. Ilmenite, a lower titanium-bearing feedstock, is also produced for similar markets and in the production of synthetic rutile. In addition, there is potential for additional revenue, given acceptable market conditions, from production of zircon, which is utilised in the production of refractories, ceramics and zirconium chemicals.

In close proximity to the Sierra Rutile mine is the SML Bauxite Project which successfully mined bauxite in the Mokanji area for over 30 years prior to the suspension of operations in 1995. Bauxite from the SML bauxite mine is premium grade metallurgical bauxite which is the primary feedstock used in the production of aluminium.

Both projects will employ proven mining and processing techniques and were profitable operations in the past. Rutile and bauxite from this region are both recognised for their high quality. The Group plans to restart operations at each mine in the first quarter of 2006.