



Titanium Resources Group (“TRG” or “the Group”) to Acquire Rotifunk Mineral Sands Prospect in Sierra Leone for US\$120,000

21 December, 2005: TRG announces that it has entered into an agreement with Gondwana (Investments) S.A. (“Gondwana”) to acquire the Rotifunk mineral sands prospect located in Sierra Leone for a consideration of US\$120,000 cash payable on completion, subject to satisfactory due diligence by TRG. Gondwana is a private company which is wholly owned by Mr. Jean Raymond Boule. Mr. Boule is a related party and holds a 43.6% interest in TRG. The purchase price represents Mr. Boule’s approximate expenditures on the Rotifunk mineral sands prospect over the period 2002-2005. Although not required by the AIM Rules since this proposed acquisition represents less than 5% of any of the AIM class tests, the Directors have consulted with TRG’s nominated adviser and consider the terms of the transaction to be fair and reasonable as far as TRG’s shareholders are concerned.

The Rotifunk mineral sands prospect is the second largest known mineral sands deposit in Sierra Leone (after TRG’s Sierra Rutile mine). It is located 65 km southeast of Freetown and lies approximately 40 km northwest of the Sierra Rutile mine. Records of work undertaken by both Bayer-Preussag and Hazcare have provided inferred mineral resource estimates of 207 million tonnes at 0.49% rutile and 163 million tonnes at 0.48% rutile, respectively. Exploration work undertaken in 2003-2004 by Gondwana has identified 170 million tonnes of inferred mineral resource at 0.70% rutile, 0.84% ilmenite and 0.06% zircon.

Following acquisition of the Rotifunk prospect, TRG will evaluate its potential to further augment Sierra Rutile’s projected production levels. Selective mining of high grade areas combined with maximum utilisation of existing process infrastructure at Sierra Rutile will form the focus of investigations into the most effective means of economically mining this prospect.

Walter Kansteiner, Chairman of TRG, said:

“Today’s announcement underlines an element of the Group’s stated strategy, set out at the time of our IPO in August this year, to identify new resources and evaluate potential opportunities for acquisition of further mineral properties in Africa. The Rotifunk prospect represents a low cost resource acquisition opportunity for TRG and a possible supplement to the Group’s main operations at the nearby Sierra Rutile mine. If the prospect is deemed viable following further evaluation by TRG, it could represent a further source of production for the Group.”

Ends

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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 (TiO₂) pigments that are used in paint, plastics, paper and pharmaceuticals and the production of titanium metal and welding rods.

In close proximity to the Sierra Rutile mine is the SML Bauxite Project which successfully mined bauxite in the Mokbanji 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.