Titanium Resources Group
Interim Results

14 September 2009: Titanium Resources Group ("TRG" or "the Company") announces its interim results for the six months ended 30 June 2009 ("the Period").

Highlights

- Total sales of US$19.8 million (H1 2008 US$ 23.5 million[1])
- Costs of sales decreased by more than 50% to US$20.75 million (H1 2008 US$43.58 million[2])
- Loss after tax of US$ 4.95 million (H1 2008 loss after tax of US$ 20.2 million)
- New power plant and lower oil prices contributed to total reduction in fuel costs of US$ 9.9 million
- A gross insurance settlement of US$ 3.5 million was received from a reinsurer, following the capsize of Dredge D2
- Comparable rutile production of 31,418 tonnes in the Period (H1 2008 35,419 tonnes[3])
- Cash generated from operations of US$ 2.4 million (H1 2008 loss of US$ 2.9 million)
- Operating loss of US$ 959,000 (H1 2008 loss of US$ 11.1 million)
- Force majeure lifted on supply contracts and 2009 production fully sold.

Commenting on the results, TRG Chief Executive John Sisay said:

"The Company has made significant progress during the first half of 2009 and, whilst challenges remain, I am confident that our performance will continue to improve in the second half of the year."

"The completed commissioning of the new power plant at Sierra Rutile and the implementation of a number of other cost saving measures have enabled us to significantly reduce operating costs in the Period. TRG's costs of sales have fallen by more than 50% compared to a year ago and operating losses have narrowed by 91% over the same period. As a result we believe the Company is on track to achieve operating profitability for H2 2009."

---

[1] Excluding US$ 9 million of Bauxite sales in H1 2008. Total sales for H1 2008 were US$ 32.5 million

[2] H1 2008 included US$ 8.1 million cost of sales from SML bauxite mine (Disposed July 2008)

[3] Excluding 7,523 tonnes from D2 in H1 08. Total rutile production in H1 2008 was 42,942 tonnes.

“The Company has fully sold under contract all production for 2009 as well as almost all production for 2010. We are confident that demand for our product significantly exceeds our current production capacity”

TRG
John Sisay, Chief Executive
Walter Kansteiner, Non-executive Chairman
Tel: +44 (0) 207 321 0000

Nominated Adviser
Arbuthnot Securities
John Prior / Ed Burbidge
Tel: +44 (0) 20 7012 2000

Aura Financial
Michael Oke / Andy Mills
Tel: +44 (0) 207 321 0000

Chief Executive’s Review

The Company has made significant progress during the first half of 2009 and, whilst challenges remain, I am confident that our performance will continue to improve in the second half of the year.

The completed commissioning of the new power plant at Sierra Rutile and the implementation of a number of other cost saving measures have enabled us to significantly reduce operating costs in the Period. TRG’s costs of sales have fallen by more than 50% compared to a year ago and operating losses have narrowed by 91% over the same period. As a result we believe the Company is on track to achieve operating profitability for H2 2009.

The Company continues to work on long range mine planning and further mine development feasibility studies, in order to maximise the mine life of the reserve.

Production fell by 27% compared to the same Period of 2008, however stripping out the contribution of Dredge D2, production was down by only 11% on a like for like basis. Dredge D1 will be mining higher grade areas of the deposit in the second half of the year with expected grades of approximately 1.8-2% recoverable rutile and as a result we expect an improvement to production volumes.

In the absence of production from D2, the Company has assessed a variety of options in order to increase production at the Sierra Rutile mine. As a result, the Company now intends to complete the construction of D3 and upgrade certain mineral processing equipment to improve recovery rates as soon as is practicable. In order to initiate these works, the Company will require financing of approximately US$ 25 million. It is anticipated that it will take 1 year before D3 is fully operational, at which time it should be able to deliver an additional production capacity of 30,000 tonnes per annum. The upgrades to the mineral processing equipment are expected to increase rutile production by approximately 5,000 tonnes per annum.

Following the lifting of the Company's suspension from trading on AIM in January, and my appointment as Chief Executive in February, we have made a number of changes to the Company's Board and management. Lindberg Charles has been appointed Chief Financial Officer, following a number of years with the Company, François Colette has been appointed as a Non-Executive Director, and Raju Jaddoo has become a Non-Executive Director following his resignation as Chief Financial Officer.

Following the end of the period, the Company is pleased to announce the appointment of Mark Button as Chief Operating Officer. Mark has significant experience working in Africa in a variety of geological and management roles, most recently as Regional Geological Resources Manager at Anglo Coal. We are sure his significant experience in the mining industry will prove invaluable as we seek to develop our operations.

Dredge D2

The settlement agreement with one of our reinsurers, in April 2009 over claims relating to the capsize of Dredge D2 can now be disclosed as US$3.5 million, and appears in the accounts as an exceptional item.

We continue to negotiate with our insurers over the outstanding claims relating to Dredge D2. Whilst there can be no certainty about the likely timing for the conclusion of our legal action we believe we are in a strong position based upon the legal and technical merits of our claim.

As previously stated the project to repair Dredge D2 is expected to take 24 months and cost US$35 million, and we continue to assess a range of options in relation to the rehabilitation of the dredge.

Production

On a like for like basis rutile production in the Period fell by 11% to 31,418 tonnes compared to the 35,419 tonnes produced by Dredge D1 in the first half of 2008. The anticipated decline in production was as a result of Dredge D1 moving through lower grade material as it mined the border areas of the higher grade Lanti deposit, unforeseen operational difficulties and lost production hours as a result of bucket changes on the Dredge. We expect production volumes for the second half of the year to improve now Dredge D1 is mining higher grade areas of the deposit where recoverable rutile grades are between 1.8 and 2%.

Ilmenite production of 8,658 tonnes in the Period, was a decline of 2,065 tonnes compared to H1 2008, following the capsize of Dredge D2.

Financials

The financial performance of the Company in the Period improved significantly with operating losses falling by more than 90% from US$ 11.1 million in the same period of last year to US$ 959,000. Total sales during the Period were US$ 19.8 million, a decline of 16%. The Company reported a reduced loss after tax of US$ 4.95 million, compared to US$ 20.2 million in the first half of 2008.

This improved result was principally as a result of a significant decline in the cost of sales, which fell by 52% to US$ 20.7 million. Reduced overall fuel costs, the sale of the SML bauxite mine in H2 2008, improved procurement processes and reduced expenditure on overheads and salaries all contributed to this highly credible performance.

Net cash generated from operational activities was US$ 2.3 million, in comparison to a loss of US$ 2.9 million in the first half of 2008.

The exceptional gain of US$ 2.3 million includes the US$ 3.5 million received from the settlement with a reinsurer, less US$1.2 million in legal costs incurred thus far in the Company's continuing pursuit of total insurance monies and the settlement agreement concluded in April. Whilst legal costs will continue to be incurred we are confident the Company will secure significant additional receipts from the remaining reinsurers.

At 30 June 2009 the Company had cash and cash equivalents of US$ 4.5 million and net debt of US$ 48.2 million. As previously announced during 2008 the Company successfully negotiated with the Government of Sierra Leone a 2 year moratorium on interest payments on the Company's EU loan.

Cost Reduction

During the first half of the year a combination of reduced oil prices and operating efficiency improvements from the new powerhouse, which operated in line with forecasts, resulted in a total reduction in fuel costs of US$ 9.9 million.

The Company also achieved a reduction in overheads for the Period in excess of US$ 3.7 million, representing 8.5% of the company's total cost base. These savings were driven by the significant measures we have taken to reduce costs across the entire business through headcount reductions, salary cuts, improved procurement processes, and a reduction in contracted services

In addition to these cost cutting initiatives, an additional cost saving of US$ 8.1 million was realised as a result of the sale of the SML bauxite mine in July 2008.

Markets & Outlook

Titanium dioxide feedstock markets have been affected by the economic crisis with demand for certain grades of product falling in the first half of the year, however this has been mitigated by a number of factors which have supported demand for the

Company's high grade rutile. As a result, rutile prices were higher in the first half of 2009 than 2008.

Whilst pigment manufacturers have curtailed production and shut plants in response to global economic conditions, supply reductions and plant shut downs across the feedstock industry have more than offset this reduction in production capacity.

We continue to see increased demand for higher purity titanium feedstocks such as those produced by TRG. This is due to demand from both US, European and Asian chloride pigment manufacturers which we expect to remain robust in the second half of the year.

Demand for industrial grade rutile remains strong, particularly in Asian markets, with the Company's high grade product able to command a premium. Demand for industrial grade rutile for use in the welding rod sector grew by 15% in 2008 according to TZMI, and our research indicates that during 2009 it has continued to benefit from the significant infrastructure focussed government stimulus packages across the region.

The Company has also been successful in selling its ilmenite production during the first half of the year and is confident that this position will be maintained in the second half of 2009.

In February the Company lifted force majeure on its supply contracts. The Company has fully sold under contract all production for 2009 as well as almost all current planned production for 2010. We are confident that demand for our product significantly exceeds our current production capacity.

Whilst the outlook beyond 2010 is unclear given the significant uncertainty over the future growth of the global economy, we are confident that demand for our product will remain solid. Industry analysts forecast that rutile prices will continue to rise as a result of continued demand combined with a lack of significant new sources of supply.

TITANIUM RESOURCES GROUP LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEET - JUNE 30, 2009

	June 30, 2009	December 31, 2008	June 30, 2008
ASSETS	USD'000	USD'000	USD'000
Non-current assets			
Property, plant and equipment	126,596	125,503	155,953
Intangible assets	13,277	13,311	13,139
Non-current receivables	753	753	753
Deferred tax assets	-	-	86,879
	140,626	139,567	256,724
Current assets			
Inventories	14,211	14,482	19,065
Trade and other receivables	20,933	23,258	22,384
Current tax assets	-	70	135
Cash and cash equivalents	4,556	7,362	4,360
	39,700	45,172	45,944
Total assets	180,326	184,739	302,668
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	238,026	238,026	237,041
Revenue deficit	(128,081)	(123,128)	(16,065)
Owners' interest	109,945	114,898	220,976
LIABILITIES			
Non-current liabilities			
Borrowings	48,180	45,073	48,504
Provision for liabilities and charges	3,261	3,261	2,940
	51,441	48,334	51,444
Current liabilities			
Trade and other payables	18,868	21,499	29,078
Current tax liabilities	29	-	-
Borrowings	43	8	1,170
	18,940	21,507	30,248
Total liabilities	70,381	69,841	81,692
Total equity and liabilities	180,326	184,739	302,668

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2009

	6 months to June 30, 2009	Year ended December 31, 2008	6 months to June 30, 2008
	USD'000	USD'000	USD'000
Sales	19,792	49,417	32,488
Cost of sales	(20,751)	(72,315)	(43,588)
Gross loss	(959)	(22,898)	(11,100)
Other income	19	518	279
Administrative and marketing expenses	(3,227)	(7,932)	(3,205)
	(4,167)	(30,312)	(14,027)
Exceptional item	2,320	(7,707)	-
Finance costs	(3,007)	(2,338)	(5,866)
Loss before taxation	(4,854)	(40,357)	(19,892)
Taxation	(99)	(86,925)	(327)
Loss for the period/year attributable to equity holders of the group	(4,953)	(127,282)	(20,219)
Loss per share (USD)			
- basic	(0.02)	(0.52)	(0.08)
- diluted	(0.02)	(0.52)	(0.08)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2009

	Share capital	Revenue deficit	Total
	USD'000	USD'000	USD'000
Balance at January 1, 2009	238,026	(123,128)	**114,898**
Loss for the period	-	(4,953)	**(4,953)**
Balance at June 30, 2009	**238,026**	**(128,081)**	**109,945**
Balance at January 1, 2008	237,041	4,154	241,195
Employee share options:			
- Options vested	985	-	985
Loss for the year	-	(127,282)	(127,282)
Balance at December 31, 2008	**238,026**	**(123,128)**	**114,898**
Balance at January 1, 2008	237,041	4,154	**241,195**
Loss for the period	-	(20,219)	**(20,219)**
Balance at June 30, 2008	**237,041**	**(16,065)**	**220,976**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2009

	6 months to June 30, 2009	Year ended December 31, 2008	6 months to June 30, 2008
	USD'000	USD'000	USD'000
Operating activities			
Cash generated from/(absorbed in) operations	2,351	(23,986)	(2,912)
Interest received	7	436	279
Interest paid	(10)	(1,241)	(22)
Tax paid	-	(351)	(251)
Net cash from/(used in) operating activities	2,348	(25,142)	(2,906)
Investing activities			
Purchase of property, plant and equipment	(5,220)	(32,803)	(18,351)
Purchase of intangible assets	-	(210)	(12)
Proceeds from disposal of plants	30	99	-
Proceeds from disposal of subsidiaries	-	28,676	-
Net cash used in investing activities	(5,190)	(4,238)	(18,363)
Financing activities			
Proceeds from repayment of loan	-	11,147	-
Net cash from financing activities	-	11,147	-
Net decrease in cash and cash equivalents	(2,842)	(18,233)	(21,269)
Movement in cash and cash equivalents			
At January 1,	7,354	25,587	25,587
Decrease	(2,842)	(18,233)	(21,269)
At June 30/ December 31,	4,512	7,354	4,318

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009

1. GENERAL INFORMATION

Titanium Resources Group Ltd (TRG) is a limited liability company incorporated and domiciled in the British Virgin Islands. The address of its registered office is at P.O.Box 4301, Trinity Chambers, Road Town, Tortola, British Virgin Islands.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention. The interim financial statements for the half year ended June 30, 2009 are unaudited. The accounting policies used in the preparation of the interim unaudited financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2008, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued now effective. The interim financial statements comply with IAS 34.

3. LOSS PER SHARE

	6 months to June 30, 2009	Year ended December 31, 2008	6 months to June 30, 2008
	USD	USD	USD
(a) Basic loss per share			
Loss attributable to equity holders of the group (thousand)	(4,953)	(127,282)	(20,219)
Weighted average number of ordinary shares in issue	246,076,181	245,621,354	245,342,848
Basic loss per share	(0.02)	(0.52)	(0.08)

(b) Diluted loss per share

Loss attributable to equity holders of the group used to determine diluted loss per share (thousand)	**(4,953)**	**(127,282)**	**(20,219)**
Number of shares			
Weighted average number of ordinary shares in issue	**246,076,181**	**245,621,354**	**245,342,848**
Adjustments for share options	**483,333**	**483,333**	**1,216,667**
Weighted average number of ordinary shares for diluted loss per share	**246,559,514**	**246,104,687**	**246,559,515**
Diluted loss per share	**(0.02)**	**(0.52)**	**(0.08)**

4. CAPITAL COMMITMENTS

	6 months to June 30, 2009	Year ended December 31, 2008	6 months to June 30, 2008
	USD'000	USD'000	USD'000
Property, plant and equipment acquisition contracted for at the balance sheet date but not yet incurred:	**1,100**	**5,500**	**8,400**

(a) Sierra Rutile Limited (SRL), a subsidiary of Titanium Resources Group Ltd, entered into the above capital commitments.

5. EXCEPTIONAL ITEMS

Loss before tax includes USD 3.5m received from one of the major re-insurers of SRL. This represents the reinsurer's share of the Dredge D2 claim following the settlement agreement reached on April 15, 2009. Management foresees to incur additional costs in respect of the claim which cannot be quantified yet.

6. EVENTS AFTER BALANCE SHEET DATE

Events after balance sheet date are disclosed only to the extent that they relate directly to the interim financial statements and are material in effect. As at the date of issuing this set of interim financial statements, there was no material event after the balance sheet date.