Titanium Resources Group Limited
Interim Results

25 September 2007: Titanium Resources Group ("TRG" or "the Group") announces interim results for the six months ended 30 June 2007 ("the Period").

Highlights

- Sales of USD 34.7 million during the Period (USD 14.9 million H1 2006, USD 51.3 million Year to December 2006)
- EBITDA of USD 2.8 million (before placing costs)
- Loss after tax of USD 5.6 million
- Net assets of USD 248 million at the end of the Period (USD 176 million H1 2006, USD 219 million Year to December 2006)
- Successful placing of 27,077,000 shares raised USD 34.7 million (before expenses) as announced in May 2007
- 42,005 tonnes of rutile produced in the Period (23,281 tonnes H1 2006, 73,802 tonnes Year to December 2006)
- 46,253 tonnes of rutile shipped in the Period (18,072 tonnes H1 2006, 61,891 tonnes Year to December 2006)
- 656,603 tonnes of bauxite produced in the Period (442,141 tonnes H1 2006, 1,072,159 Year to December 2006)
- 590,555 tonnes of bauxite shipped in the Period (579,869 tonnes H1 2006, 1,021,869 tonnes Year to December 2006).
- Production negatively impacted by power supply problems
- Dredge D2 on schedule for commission in Q4 2007
- New Government of Sierra Leone now in place
- Robust outlook for bauxite and rutile markets

Commenting on the results, TRG Chief Executive Len Comerford said:

"The first six months of 2007 have seen progress on many of the Group's development projects and on updating and improving mine planning and modelling systems at Sierra Rutile. The introduction of new IT programmes and associated training programmes for staff has resulted in operational efficiencies as a result of improved interpretation of exploration and mining data and mine sequencing.

The considerable activity related to the capital expenditure and drilling programmes in rutile and bauxite means that at an operational level the Group is busier than at any time in its history. We have a number of challenges in meeting targets for the next six months but our experience in African mining makes many of these familiar to our team.

In addition, there are a number of strategic developments in our market which we believe the Group is well placed to benefit from as the industrial minerals market consolidates. Demand for our products remains strong and the expected doubling of capacity in rutile should leave the Group in a strong position to play a role in this process."

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Chief Executive's Review

The first six months of 2007 have seen progress on many of the Group's development projects. The Group reported earnings before interest, tax, depreciation, amortisation (EBITDA) and before placement costs of USD 2.8 million and a loss after tax of USD 5.6 million for the Period, largely as a result of continued high fuel costs combined with production shortfalls in rutile caused by failures at our temporary power plants.

The Group is well placed to fund its capital expenditure programme following a successful placing of 27,077,000 common shares primarily to existing shareholders in May 2007, raising USD 34.7 million (before expenses).

Considerable progress has also been made on updating and improving mine planning and modelling systems at our subsidiary company, Sierra Rutile. The introduction of new IT programmes and associated training programmes for staff has resulted in operational efficiencies as a result of improved interpretation of exploration and mining data and mine sequencing.

We shipped 46,253 tonnes of rutile, which was only 2.5% below our shipping schedule for the Period. In the Period we also shipped 590,555 tonnes of bauxite.

Exploration during the half year has been concentrated in and around current or planned future mining areas within the Group's mining licences, with work at our Turners' Peninsular project expected to recommence shortly.

Sierra Rutile

The first six months of the year were characterised by an unexpected shortfall in rutile production as a result of power failures during the ongoing transition to our new heavy fuel oil ("HFO") power plant. This disruption led to the dredge being offline and rutile production was approximately 15% lower than expected. Total rutile production for the Period was 42,005 tonnes (23,281 tonnes H1 2006), while ilmenite production was 6,408 tonnes (4,177 tonnes H1 2006).

The failure of the temporary generators during the period also led to higher operating costs than were anticipated. The temporary units are now operational again, but the Company has also reconditioned the original diesel power plant to ensure a back-up power supply for rutile production. Investigations are continuing with the suppliers of the temporary units to establish the cause of their failure.

The HFO generators are now being assembled at the mine site despite some delays in shipping and we now anticipate that they will be operational in mid 2008.

Construction of the second dredge (D2) at Sierra Rutile is proceeding well, with the project on schedule to be commissioned in the 4th quarter of this year. The second dredge is expected to double the Group's rutile production capacity to approximately 200,000 tonnes per annum and we expect to begin shipping the material produced in Q1 2008. D2 will be considerably more technologically advanced than D1 and will enable us to monitor production levels and carry out diagnostic and repair work remotely.

Construction of the third dredge has commenced since the arrival of the entire dredge superstructure at the mine site. This dredge has the capacity to produce a further 40,000 tonnes per annum and is expected to commence production in mid 2008.

The upgrading of the mineral separation plant is on schedule to increase total processing capacity for rutile production to 300,000 tonnes per annum. This project should be sufficiently advanced to process the material which is anticipated from our two initial dredges (D1 and D2) in January 2008.

The markets for each of Sierra Rutile's industrial mineral products (rutile, ilmenite and zircon) remain strong and the premium quality of the deposit underpins the Company's price position. Our marketing department has achieved the sales targets for standard grade rutile and ilmenite in line with this year's production to date, and has maintained the stockholding positions required to meet our customers' shipping schedules. Sales of industrial grade rutile continue to be developed through an increasing number of both direct and distributor sales.

Currently, the marketing department is negotiating sales contracts for all products with new and existing customers, taking into account our anticipated forward production schedules. Given the high demand for our products, the department fully expects to meet its sales targets for the foreseeable future.

Exploration work will recommence shortly on the Group's large Turners' Peninsular concession (1,742 km^2), following the end of the rainy season. Preparation work for access for drill rigs into the area is currently being carried out. Very preliminary drilling using a mechanical banka rig has confirmed the presence of heavy mineral bearing sands in the western part of the Peninsular – this was based on visual field panning results undertaken prior to the onset of the rains in June 2007. Specific mineralogical analysis of these samples is currently in progress.

Sierra Minerals

During the period, the mine produced 656,603 tonnes of bauxite (442,141 tonnes, H1 2006) and shipped 590,555 tonnes from Nitti (579,869 tonnes, H1 2006). Bauxite production has been impressive due to an increase in both quantity and grade.

The costs of the operations at the Bauxite mine have increased to some extent due to rising fuel costs. A burner running on HFO has been ordered to bring the dryer cost in line with the budget.

In June of this year, we commenced a major drilling campaign near to the current bauxite mining operations - but which is not within current mining plans. This is progressing well.

Financial

Turnover of USD 34.7 million was significantly higher than in the first half of 2006, reflecting the fact that dredge D1 was operating for a longer period. Total capital expenditure for the Period was USD 35.7 million, with the conversion to HFO power, continued development of Dredge D2, and expansion of the mineral separation plant representing the majority of expenditure. Conversion to HFO is expected to halve fuel costs, which currently represent 37% of operating costs.

Gross profit margin for the Period was lower than expected. This was partly as a result of continued high fuel costs combined with production shortfalls in rutile caused by failures at our temporary power plants. It was further impacted by increased mining and shipping costs amounting to approximately USD 4 million. EBITDA before placement fees for the period stood at USD 2.8 million.(H1 2006 loss of USD 956,000).

Interest costs increased to USD 2.2 million as a result of an adverse exchange rate movement of USD 1.1 million impacting upon the EURO denominated EU loan.

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During the first half of the year, USD 34.7 million (before expenses) was raised by the placing of new shares to finance TRG's capital projects (slightly lower than the figure of USD 35.2 million as announced on 8 May 2007 due to exchange rate differences). Following the issue of new shares, TRG's gearing now stands at 14%. Debt at the period end stood at USD 39.4 million which was made up entirely of the EU loan.

Outlook

The considerable activity related to the capital expenditure and drilling programmes in rutile and bauxite means that at an operational level the Group is busier than at any time in its history. We have a number of challenges in meeting targets for the next six months but our experience in African mining makes many of these familiar to our team.

In addition, there are a number of strategic developments in our market which we believe the Group is well placed to benefit from as the industrial minerals market consolidates. Demand for our products remains strong and the expected doubling of capacity in rutile should leave the Group in a strong position to play a role in this process.

After the end of the Period, Sierra Leone successfully held Parliamentary and Presidential elections and a transfer of power is underway. This marks a further landmark in the development of Sierra Leone and we look forward to working with the new Government as they implement their programme.

The information pertaining to exploration has been prepared 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). Mr C. P. Mortimer consents in writing to the inclusion in this report of the matters based on information in the form and context in which it appears.

TITANIUM RESOURCES GROUP LTD AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET – JUNE 30, 2007

	June 30, 2007	June 30, 2006	December 31, 2006
	USD'000	USD'000	USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	125,029	74,494	92,665
Intangible assets	13,099	12,962	13,115
Non –current receivables	753	1,393	753
Deferred tax assets	86,373	50,304	86,373
	225,254	139,153	192,906
Current assets			
Inventories	14,642	12,232	15,054
Trade and other receivables	20,862	13,523	14,275
Cash and cash equivalents	47,341	62,425	52,393
	82,845	88,180	81,722
Total assets	308,099	227,333	274,628
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	232,818	194,951	198,160
Revenue reserve/(deficit)	15,263	(18,757)	20,869
Equity holders' interest	248,081	176,194	219,029
LIABILITIES			
Non-current liabilities			
Borrowings	39,382	32,040	36,856
Provision for liabilities and charges	2,150	2,150	2,150
	41,532	34,190	39,006
Current liabilities			
Trade and other payables	18,264	16,938	16,464
Current tax liabilities	215	10	85
Borrowings	7	1	44
	18,486	16,949	16,593
Total liabilities	60,018	51,139	55,599
Total equity and liabilities	308,099	227,333	274,628

TITANIUM RESOURCES GROUP LTD AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED JUNE 30, 2007

	6 months to June 30, 2007 USD'000	6 months to June 30, 2006 USD'000	Year Ended December 31, 2006 USD'000
Sales	34,740	14,888	51,304
Cost of sales	(25,004)	(6,366)	(29,764)
Gross profit	9,736	8,522	21,540
Other income	1,208	1,340	2,812
Administrative and marketing expenses	(10,593)	(10,818)	(16,069)
Other expenses	(3,391)	(3,020)	(5,866)
	(3,040)	(3,976)	2,417
Exceptional item	-	-	(2,200)
Finance costs	(2,227)	(1,204)	(1,694)
Loss before taxation	(5,267)	(5,180)	(1,477)
Taxation	(339)	-	35,923
(Loss)/profit for the period/year attributable to equity holders of the group	(5,606)	(5,180)	34,446
(Loss)/earning per share (USD)			
- basic	(0.03)	(0.06)	0.16
- diluted	(0.03)	(0.06)	0.15

TITANIUM RESOURCES GROUP LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2007

	Share capital USD'000	Revenue reserve/ (deficit) USD'000	Total USD'000
Balance at January 1, 2007	198,160	20,869	219,029
Issue of share capital	34,658	-	34,658
Loss for the period	-	(5,606)	(5,606)
Balance at June 30, 2007	**232,818**	**15,263**	**248,081**
Balance at July 1, 2006	194,951	(18,757)	176,194
Issue of share capital	3,209	-	3,209
Profit for the period	-	39,626	39,626
Balance at December 31, 2006	**198,160**	**20,869**	**219,029**
Balance at January 1, 2006	194,951	(13,577)	181,374
Loss for the period	-	(5,180)	(5,180)
Balance at June 30, 2006	**194,951**	**(18,757)**	**176,194**

TITANIUM RESOURCES GROUP LTD AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED JUNE 30, 2007

	6 months to June 30, 2007 USD'000	6 months to June 30, 2006 USD'000	Year ended December 31, 2006 USD'000
Operating activities			
Cash (absorbed in)/generated from operations	(4,881)	(2,315)	7,308
Interest received	1,192	1,295	2,542
Interest paid	(35)	-	(60)
Tax paid	(209)	-	(71)
Net cash (used in)/generated from operating activities	**(3,933)**	**(1,020)**	**9,719**
Investing activities			
Purchase of property, plant and equipment	(35,736)	(16,212)	(37,215)
Purchase of intangible assets	(4)	-	(167)
Loans and advance granted	-	(26)	(26)
Investments in financial assets	-	-	(2,200)
Net cash used in investing activities	**(35,740)**	**(16,238)**	**(39,608)**
Financial activities			
Issue of common shares	34,658	-	-
Proceeds from long term borrowings	-	-	2,556
Net cash used in investing activities	**34,658**	**-**	**2,556**
Net decrease in cash and cash equivalents	**(5,015)**	**(17,258)**	**(27,333)**
Movement in cash and cash equivalents			
At January 1,	52,349	79,682	79,682
Decrease	(5,015)	(17,258)	(27,333)
At June 30/ December 31,	**47,334**	**62,424**	**52,349**

TITANIUM RESOURCES GROUP LTD AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007

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 P.O. Box 173, Kingston Chambers, Road Town, British Virgin Islands.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFSR). The financial statements are prepared under the historical cost convention.

The interim financial statements for the half year ended June 30, 2007 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, 2006. The interim financial statements comply with IAS 34.

3. EARNINGS/(LOSS) PER SHARE

	6 months to June 30, 2007 USD'000	6 months to June 30, 2006 USD'000	Year Ended December 31, 2006 USD'000
(a) Basic (loss)/earnings per share			
(Loss)/Profit attributed to equity holders of the Group (thousand)	(5,606)	(5,180)	34,466
Weighted average number of common shares in issue including options vested	220,480,961	82,397,742	212,513,731
Basic (loss)/earnings per share	(0.03)	(0.06)	0.16
(b) Diluted (loss)/earnings per share			
(Loss)/Profit attributable to equity holders of the Group used to determine diluted (loss)/ earnings per share (thousand)	(5,606)	(5,180)	34,446
Number of shares			
Weighted average number of common shares in issue including options vested	220,480,961	82,397,742	212,513,731
Adjustments for unvested share options	3,264,985	3,389,985	3,264,985
Weighted average number of common shares for diluted (loss)/ earnings per share including options vested and unvested	223,745,946	85,787,727	215,778,716
Diluted (loss)/earnings per share	(0.03)	(0.06)	0.15

4. CAPITAL COMMITMENTS

	As at June 30, 2007	As at June 30, 2006	As at Dec. 2007
	USD'000	USD'000	USD'000
Property, plant and equipment acquisition contracted for at the balance sheet date but not yet incurred:	15,800	3,900	37,720

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

5. SHARE CAPITAL

	Number of shares	Common shares
		USD'000
At December 14, 2004	-	-
Issued in exchange for 100% holding in Global Aluminium Limited and Titanium Fields Resources Ltd	100,000,000	100,000
Proceeds from other new issues	107,201,553	91,493
Share option scheme:		
- Employee - value of service provided	2,989,985	2,634
- Professional services	936,007	824
At December 31, 2005 & June 30, 2006	**211,127,545**	**194,951**
Share option scheme:		
- Employee - value of service provided	3,389,985	3,209
At December 31, 2006	**214,517,530**	**198,160**
Proceeds from new issues (See note below)	27,077,000	34,658
At June 30, 2007	**241,594,530**	**232,818**

(a) **Share options - Employees**
Share options were granted to directors and to selected employees. The exercise price of the granted options were equal to 47 p each, being the market price of the shares on the date of placement on the AIM market of the London Stock Exchange. One third of the options vested immediately, that is on 15 August 2005, one third vested on the first anniversary of the date of grant, that is on 15 August 2006 and the remaining third will vest on the second anniversary of the date of grant. The options will lapse and may not in any event be exercised later than the day before the fifth anniversary of the date of grant.

Certain employees and directors, who joined the company after the above share options grant date, were also granted share options at exercise prices of 52.5 p and 77.75 p each, varying on the vesting date. The intervals between the vesting dates are the same as the above, that is, one third immediately and the remaining two third within the next two years.

Exercise of these options are not subject to performance-related conditions.

(b) **Share options - Professional services**

In consideration of services given to TRG by Nabarro Wells & Co Ltd, (NWCF LLP), TRG granted to NWCF LLP an option to subscribe for 936,007 common shares of no par value at a subscription price of 47p each.

(c) **Placement of common shares**

At the beginning of May 2007, TRG made a new placement of 27,077,000 common shares. The placing with institutional investors at a price of 65 pence per share raised £ 17,600,050 (USD 34.7 million) before expenses.

(d) **Reconciliation of number of shares**

	Number of shares	Common shares
		USD'000
Issued shares	234,278,553	226,151
Options vested but not yet exercised	7,315,977	6,667
Total shares used for basic EPS calculation	241,594,530	232,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007

6. OTHER EXPENSES

	6 months to June 30, 2007	6 months to June 30, 2006	Year ended December 31, 2006
	USD'000	USD'000	USD'000
Other expenses include:			
- Depreciation	3,373	2,997	5,829
- Amortisation	18	23	37
	3,391	**3,020**	**5,866**

7. CASH AND CASH EQUIVALENTS

	6 months to June 30, 2007	6 months to June 30, 2006	Year ended December 31, 2006
	USD'000	USD'000	USD'000
Cash at Bank and Short Term Bank Deposits	47,341	62,425	52,394
Bank Overdraft	(7)	(1)	(44)
Consolidation Adjustment on Disposal of 0.4% shares in Subsidiary	-		(1)
Cash and Cash Equivalents	**47,334**	**62,424**	**52,349**

Certain statements contained in this announcement, including estimates of production capacity and production as well as other statements about anticipated future events or results, are forward-looking statements. The forward-looking statements that are contained in this announcement involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.