

RNS Number : 5447C
Titanium Resources Group Ltd
16 November 2009

The following replaces the Placing Announcement released at 07:05 under RNS Number 5437C

The word "investors" has been added to the final sentence of the first paragraph after "from"

Titanium Resources Group Ltd

Placing to raise approximately US\$25.0 Million (£15.1 Million)

16 November 2009: Titanium Resources Group Ltd ("TRG" or the "Company"), operator of one of the world's largest natural rutile deposits, is pleased to announce that it has conditionally placed 151,200,000 new ordinary shares (the "Placing Shares") at a price of 10 pence per share to raise approximately US\$25.0 million (gross) (£15.1 million) from investors (the "Placing").

It is intended that the net proceeds of the Placing will be used to fund projects intended to increase production and processing capacity at the Company's Sierra Rutile Mine as follows:

- approximately US\$20 million will be used to complete the construction of Dredge D3, which the Company estimates will add 30,000 tonnes per annum of rutile production in its first full year of operation. The Company estimates that it will take approximately 12 months to complete and commission Dredge D3;
- approximately US\$2 million will be invested in upgrading Dredge D1 Wet Plant processing equipment to increase rutile recovery by approximately 5,000 tonnes per annum and ilmenite recovery by approximately 1,000 tonnes per annum. These works are

expected to take approximately 12 months to complete; and

- the remaining proceeds will be used towards completing an upgrade of the Company's Land Plants, with the aim of increasing the plant's processing capacity to up to 280,000 tonnes per annum.

Placing Shares have been conditionally placed with institutional and other investors in the UK and Europe by Arbuthnot Securities Limited and Mirabaud Securities LLP and in the US by Auerbach Grayson & Company (Arbuthnot's US affiliate). The conditional placing in the US is being effected under the safe-harbour provisions of Rule 144A. An application has been made to London Stock Exchange plc, for the Placing Shares to be admitted to trading on AIM ("Admission").

The Placing is conditional on, *inter alia*, Admission becoming effective, which is expected to occur on 19 November 2009. The Placing Shares will rank *pari passu* in all respects with the Company's existing ordinary shares in issue. The Placing Shares will represent 39 per cent. of the Company's enlarged issued share capital. Following Admission, the Company expects to have 385,864,075 Ordinary Shares in issue.

Outlook

The Board is confident that the Company is on track to achieve targeted production of 65,000 tonnes of rutile and 8,000 tonnes of zircon concentrate in the year to 31 December 2009. Rutile production is expected to increase in 2010 as a result of increased volumes following the recent replacement of the bucket line on Dredge D1 which continues to mine higher grade areas of the deposit.

The commissioning of Dredge D3 will enable the Company to increase the utilisation of existing infrastructure at Sierra Rutile. When combined with the anticipated increased production from D1 these measures, once operational, should provide a healthy cashflow to the Company.

John Sisay, TRG's Chief Executive Officer, commented:

"The funds raised will assist us in delivering the strategy set out in the Company's interim results to increase production levels at Sierra Rutile.

We are focussed on realising the significant value that exists in the Company given the infrastructure currently in place and the world class nature of the Sierra Rutile deposit."

ENQUIRIES:

Titanium Resources Limited

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

Arbutnot Securities Limited

Nominated Adviser & Lead Broker to the Placing
John Prior / Ed Burbidge
Tel: +44 (0) 20 7012 2000

Mirabaud Securities LLP

Joint Broker to the Placing
Peter Krens
Tel: +44 (0) 20 7409 3494

Aura Financial

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

Titanium Resources Group Ltd

Titanium Resources Group Ltd operates the Sierra Rutile mine in the Republic of Sierra Leone through its subsidiary Sierra Rutile Limited and produces rutile and ilmenite for use in industrial applications.

This information is provided by RNS
The company news service from the London Stock Exchange

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