

**TITANIUM HOLDINGS GROUP, INC. & SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2004**

**ASSETS**

**Current assets**

Cash	\$ 735,378
Accounts receivable, net of allowance for doubtful accounts of \$3,418	498,225
Inventory	493,104
Prepaid expenses and other current assets	<u>58,928</u>
<b>Total current assets</b>	<b>1,785,635</b>

Fixed assets-less accumulated depreciation and amortization of \$730,494	96,849
Marketable securities-available for sale	1,860,739
Notes receivable-related party	1,126,079
Other investments	226,789
Goodwill	<u>100,192</u>

**TOTAL ASSETS** **\$ 5,196,283**

**LIABILITIES & STOCKHOLDERS' EQUITY**

**Current Liabilities**

Accounts payable and accrued expenses	<u>\$ 444,944</u>
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**Commitments and Contingencies**

Redeemable preferred stock-\$.001 par value; authorized 5,000,000 shares	
70,000 shares of convertible stock designated as Series E stock-	
\$2.50 stated value; issued and outstanding -0- shares	<u>-</u>

**Stockholders' equity**

Common stock-\$.001 par value; authorized 20,000,000 shares;	
issued and outstanding 9,228,997	9,229
Additional paid-in capital	11,246,532
Accumulated other comprehensive loss	(153,607)
Accumulated deficit	<u>(6,350,815)</u>
Total stockholders' equity	<u>4,751,339</u>

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** **\$ 5,196,283**