

TITANIUM HOLDINGS GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Common Stock Number of Shares	Amount	Additional Paid-in Capital	Accumulated Other Compre. Income(loss)	Accumulated Deficit	Stockholders' Equity
Balance at January 1, 2004:	5,572,810	\$5,575	\$ 10,189,891	\$ 1,501,885	\$ (7,262,620)	\$4,434,731
Comprehensive income (loss):						
Net income					914,430	914,430
Unrealized holding loss on available-for-sale securities owned				(139,116)		<u>(139,116)</u>
Total comprehensive income						775,314
Reversal of unrealized holding gain on available-for-sale securities sold				(1,516,376)		(1,516,376)
Issuance of common stock in connection with the conversion of promissory notes payable	1,306,895	1,306	377,694			379,000
Issuance of common stock for cash at \$0.29 per share	2,349,292	2,348	678,947			681,295
Preferred stock dividends					(2,625)	(2,625)
Balance at December 31, 2004	<u>9,228,997</u>	<u>\$ 9,229</u>	<u>\$ 11,246,532</u>	<u>\$ (153,607)</u>	<u>\$ (6,350,815)</u>	<u>\$ 4,751,339</u>

See Notes to Consolidated Financial Statements