

**TITANIUM HOLDINGS GROUP, INC. & SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2006**

**ASSETS**

**Current assets**

Cash	\$ 986,373
Accounts receivable, net of allowance for doubtful accounts of \$14,071	667,509
Inventory	587,890
Prepaid expenses and other current assets	<u>90,123</u>
<b>Total current assets</b>	<b>2,331,895</b>

Fixed assets-less accumulated depreciation and amortization of \$766,395	84,683
Marketable securities-available for sale	481,973
Notes receivable-related party	884,484
Other investments	584,996
Goodwill	<u>100,192</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 4,468,223</u></b>
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**LIABILITIES & STOCKHOLDERS' EQUITY**

**Current Liabilities**

Accounts payable and accrued expenses	\$ <u>540,806</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	(894,758)
Accumulated deficit	<u>(6,433,586)</u>
Total stockholders' equity	<u>3,927,417</u>

<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 4,468,223</u></b>
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