

TITANIUM HOLDINGS GROUP, INC. & SUBSIDIARY
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2007

ASSETS

Current assets

| | |
|---|------------------|
| Cash | \$ 1,385,247 |
| Accounts receivable, net of allowance for doubtful accounts of \$14,071 | 557,207 |
| Inventory | 593,791 |
| Prepaid expenses and other current assets | <u>82,529</u> |
| Total current assets | 2,618,774 |

| | |
|--|----------------|
| Fixed assets-less accumulated depreciation and amortization of \$778,814 | 88,117 |
| Marketable securities-available for sale | 303,201 |
| Notes receivable-related party | 659,372 |
| Other investments | 602,731 |
| Goodwill | <u>100,192</u> |

TOTAL ASSETS **\$ 4,372,387**

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities

| | |
|---------------------------------------|-----------------------|
| Accounts payable and accrued expenses | \$ 663,167 |
| Income taxes payable | <u>15,150</u> |
| Total current liabilities | <u>678,317</u> |

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 | (1,148,534) |
| Accumulated deficit | <u>(6,413,157)</u> |
| Total stockholders' equity | <u>3,694,070</u> |

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY **\$ 4,372,387**