

**TITANIUM HOLDINGS GROUP, INC. & SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2005**

**ASSETS**

<b>Current assets</b>	
Cash	\$795,984
Accounts receivable, net of allowance for doubtful accounts of \$14,071	596,756
Inventory	571,981
Prepaid expenses and other current assets	<u>90,247</u>
<b>Total current assets</b>	<b>2,054,968</b>
Fixed assets-less accumulated depreciation and amortization of \$750,132	100,946
Marketable securities-available for sale	1,293,370
Notes receivable-related party	1,013,291
Other investments	489,622
Goodwill	<u>100,192</u>
<b>TOTAL ASSETS</b>	<b><u>\$5,052,389</u></b>

**LIABILITIES & STOCKHOLDERS' EQUITY**

<b>Current Liabilities</b>	
Accounts payable and accrued expenses	<u>\$654,424</u>
<b>Commitments and Contingencies</b>	
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	-
<b>Stockholders' equity</b>	
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	(370,976)
Accumulated deficit	<u>(6,486,820)</u>
Total stockholders' equity	<u>4,397,965</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$5,052,389</u></b>