



# Titan Resources Limited

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11 October 2005

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
4th Floor, 20 Bridge Street  
SYDNEY NSW 2000

*By ASX Online*

Dear Sir

## RESPONSE TO SUBSTANTIAL SHAREHOLDER NOTICE LODGED BY REED RESOURCES LIMITED

On Thursday, 15 September 2005, Titan Resources Limited ("the Company") received a Notice of Substantial Holder (Form 603) from Reed Resources Limited ("Reed") pursuant to which Reed gave notice that it has been granted a 3 month call option by Consolidated Nickel Pty Ltd, a wholly owned subsidiary of ASX listed Consolidated Minerals Limited, over approximately 16% of the issued capital of Titan. As a result of the call option Reed, together with party's associated with Reed, hold a relevant interest over 19.8% of the Company's issued capital.

Reed has advised that in the event that it exercises the call option it will be obliged to issue to Consolidated one share in Reed for every four Titan shares held by Consolidated. Reed stated that the call option is exercisable in whole or in part in the event that Reed makes an off market bid to acquire all of the issued capital of Titan. Reed is not obliged to either make an offer for Titan or to exercise the call option.

Subsequent to the Notice being released, Titan's management has met with the management of Reed and their advisers. Following the meeting Titan has agreed to enter into a reciprocal confidentiality agreement that allows Reed and Titan to undertake due diligence on each other. The agreement to allow due diligence is not exclusive to Reed and in no way indicates that the Board of Titan has formed a view that any offer for Titan by Reed, should one be made, is in the best interests of Titan shareholders.

The Company will continue to consider all options available to it to maximise value for all shareholders.

Yours faithfully

Jeffrey Gresham  
MANAGING DIRECTOR