

TITAN URANIUM INC.
(formerly Ceduna Capital Corp.)

FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

NINE MONTH PERIOD ENDED
MAY 31, 2005

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended May 31, 2005.

TITAN URANIUM INC.
(formerly Ceduna Capital Corp.)
BALANCE SHEETS
(Unaudited – Prepared by Management)

	May 31, 2005	August 31, 2004 (Audited)
ASSETS		
Current		
Cash	\$ 2,765,917	\$ -
Receivables	26,241	-
Prepays	<u>5,000</u>	<u>-</u>
	2,797,158	-
Equipment (Note 3)	24,136	-
Mineral property and deferred exploration costs (Note 4)	<u>161,925</u>	<u>-</u>
	<u>\$ 2,983,219</u>	<u>\$ -</u>

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)

Current		
Accounts payable and accrued liabilities	\$ 82,755	\$ 263,493
Loans payable	-	37,500
Due to related parties (Note 6)	<u>18,526</u>	<u>2,729</u>
	<u>101,281</u>	<u>303,722</u>
Shareholders' equity (deficiency)		
Capital stock (Note 7)	4,039,639	676,767
Share subscription receivable (Note 8)	(7,000)	-
Contributed surplus (Note 7)	105,058	-
Deficit	<u>(1,255,759)</u>	<u>(980,489)</u>
	<u>2,881,938</u>	<u>(303,722)</u>
	<u>\$ 2,983,219</u>	<u>\$ -</u>

Nature of operations (Note 1)

Subsequent events (Note 12)

On behalf of the Board:

“ Chad Wasilenkoff ”

Director

“ Arni Johannson ”

Director

The accompanying notes are an integral part of these financial statements.

TITAN URANIUM INC.
(formerly Ceduna Capital Corp.)
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Month Period Ended May 31, 2005	Three Month Period Ended May 31, 2004	Nine Month Period Ended May 31, 2005	Nine Month Period Ended May 31, 2004
EXPENSES				
Accounting and audit (recovery)	\$ 6,925	\$ (6,362)	\$ 9,930	\$ 6,025
Amortization	232	-	232	-
Bank charges and interest	96	-	280	-
Consulting	74,750	-	74,930	-
Due diligence (recovery)	(1,265)	-	4,000	-
Legal	20,678	13,300	73,777	14,420
Listing, filing and transfer agent fees	35,207	12,042	55,907	12,042
Meals and entertainment	7,916	-	12,504	-
Office and miscellaneous	6,671	1,069	7,879	1,411
Promotion	22,363	-	24,363	-
Rent	1,874	-	2,812	-
Shareholder communications (recovery)	(335)	-	519	-
Stock-based compensation	-	-	7,804	-
Travel and related	12,086	-	16,625	-
Net Loss before other items	<u>(187,198)</u>	<u>(20,049)</u>	<u>(291,562)</u>	<u>(33,898)</u>
OTHER ITEMS				
Recovery of expenses	<u>-</u>	<u>-</u>	<u>16,292</u>	<u>-</u>
Loss for the period	(187,198)	(20,049)	(275,270)	(33,898)
Deficit, beginning of the period	<u>(1,068,561)</u>	<u>(926,000)</u>	<u>(980,489)</u>	<u>(912,151)</u>
Deficit, end of the period	<u>\$ (1,255,759)</u>	<u>\$ (946,049)</u>	<u>\$ (1,255,759)</u>	<u>\$ (946,049)</u>
Basic and diluted earnings (loss) per share	\$ (0.23)	\$ **(0.02)	\$ (0.33)	\$ **(0.04)
Weighted average number of shares outstanding	822,188	**822,188	822,188	**822,188

**Restated for comparative purposes (Note 7 – share consolidation)

The accompanying notes are an integral part of these financial statements.

TITAN URANIUM INC.
(formerly Ceduna Capital Corp.)
STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Month Period Ended May 31, 2005	Three Month Period Ended May 31, 2004	Nine Month Period Ended May 31, 2005	Nine Month Period Ended May 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	\$ (187,198)	\$ (20,049)	\$ (275,270)	\$ (33,898)
Items not affecting cash:				
Amortization	232	-	232	-
Stock-based compensation	-	-	7,804	-
Changes in non-cash working capital items:				
Increase in receivables	(7,030)	-	(26,241)	-
(Increase) decrease in prepaids	39,035	-	(5,000)	-
Increase (decrease) in accounts payable and accrued liabilities	61,309	20,049	(180,739)	32,688
Cash used in operating activities	<u>(93,652)</u>	<u>-</u>	<u>(479,214)</u>	<u>(1,210)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from related parties	13,860	-	15,797	1,138
Conversion of promissory notes to common shares	(735,000)	-	(735,000)	-
Issuance of common shares	3,735,000	-	3,735,000	-
Issuance of convertible promissory notes	400,000	-	735,000	-
Repayment of loans payable	-	-	(22,500)	-
Share issue costs	(299,874)	-	(299,874)	-
Share subscriptions receivable	(7,000)	-	(7,000)	-
Share subscriptions received in advance	(224,050)	-	-	-
Cash provided by financing activities	<u>2,882,936</u>	<u>-</u>	<u>3,421,423</u>	<u>1,138</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Deferred exploration costs	(151,925)	-	(151,925)	-
Acquisition of equipment	(24,367)	-	(24,367)	-
Cash used in investing activities	<u>(176,292)</u>	<u>-</u>	<u>(176,292)</u>	<u>-</u>
Change in cash	2,612,992	-	2,765,917	(72)
Cash, beginning of the period	<u>152,925</u>	<u>(18)</u>	<u>-</u>	<u>54</u>
Cash, end of the period	<u>\$ 2,765,917</u>	<u>(18)</u>	<u>\$ 2,765,917</u>	<u>\$ (18)</u>
Cash paid during the period for:				
Interest expense	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these financial statements.

TITAN URANIUM INC.
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NOTES TO THE FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
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1. NATURE OF OPERATIONS

The Company was incorporated under the Business Corporation Acts of Yukon on January 28, 1999. It was a Capital Pool Company as defined in TSX Venture Exchange ("TSX-V") Policy 2.4 until completing a Qualifying Transaction on May 31, 2005. Immediately prior to closing the Qualifying Transaction, the Company consolidated its issued share capital on a two (2) for one (1) new share basis pursuant to shareholder approval obtained at the Company's annual general meeting.

On May 30, 2005 the Company changed its name from Ceduna Capital Corp. to Titan Uranium Exploration Inc. Then on June 24, 2005 the Company changed its name from Titan Uranium Exploration Inc. to Titan Uranium Inc.

The Company completed its Qualifying Transaction by purchasing an option to acquire a 100% interest in eight mining leases located in Nunavut Territory known as the Thelon Uranium Project.

The common shares of the Company were transferred from trading on the NEX to the TSX-V Board on June 2, 2005 under the symbol "TUE" (formerly trading under "CUN.H"). The Company also began trading share purchase warrants under the symbol "TUE.WT".

The Company plans to begin mapping and prospecting its mineral property in August 2005 and has not yet determined whether this property contains ore reserves that are economically recoverable. The recoverability of the amounts shown for the mineral property and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production.

	May 31, 2005	August 31, 2004
Deficit	\$ (1,255,759)	\$ (980,489)
Working capital (deficiency)	2,695,877	(303,722)

2. BASIS OF PRESENTATION

The interim period financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements for the year ended August 31, 2004. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the Company's audited financial statements and the accompanying notes for the year ended August 31, 2004. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim period presented.

TITAN URANIUM INC.
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2. BASIS OF PRESENTATION (cont'd...)

These unaudited consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

3. EQUIPMENT

Capital assets are carried at cost less accumulated amortization. Amortization is provided using the straight-line method over the following terms:

Computer equipment	3 years
Leasehold improvements	3 year lease
Office furniture	Useful Life

	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 3,400	\$ 108	\$ 3,292
Leasehold improvements	10,868	124	10,744
Office furniture	<u>10,100</u>	<u>-</u>	<u>10,100</u>
	\$ 24,368	\$ 232	\$ 24,136

4. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS

On May 31, 2005, the Company purchased an option to acquire a 100% interest in eight mining leases located in Nunavut Territory and known as the Thelon Uranium Project (“the Project”).

Consideration payable to acquire the 100% interest in the Project will consist of the Company:

- (i) issuing 100,000 common shares of the Company at a deemed price of \$0.10 per share (issued);
- (ii) expending \$1,000,000 on recommended exploration work on the Project to include at least 2,500 meters of diamond drilling on or before June 1, 2007;

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4. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS (cont'd...)

(iii) paying advanced royalties totalling \$50,000 over a three year period (\$10,000 paid); and

(iv) paying lease payments totalling \$10,000 on May 15, 2005. (paid)

Conditional upon acquiring a 100% interest in the Project, the Company will grant the optionor a 2% Net Smelter Royalty (“NSR”). This NSR may be reduced to 1% on the payment of \$1,000,000 and be reduced to 0.5% on the payment of an additional \$1,000,000. The Company will pay advance royalties of \$20,000 per year while it owns this Project.

Regulatory approval for the acquisition was received on May 31, 2005.

	Thelon Project, Nunavut
Acquisition Costs	\$ 10,000
Deferred Exploration Costs	
Balance, August 31, 2004	-
Advance royalties	10,000
Field supplies	639
Geological consulting	15,901
Lease payments	13,986
Staking	71,602
Travel and transport	39,797
Balance, May 31, 2005	151,925
Total mineral property and deferred exploration costs	\$ 161,925

5. LOANS PAYABLE

During the period, \$15,000 of non-interest bearing loans were converted to Convertible Promissory Notes and \$22,500 was repaid in cash.

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6. RELATED PARTY TRANSACTIONS

Paid or accrued consulting fees totalling \$33,300 (2004 - \$Nil) to a director of the Company.

An amount of \$18,526 (2004 - \$Nil) is due to a director of the Company for incurred expenses. This amount is non-interest bearing, unsecured and due on demand.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited number of voting common shares without par value			
130,000 common shares held in escrow			
Issued			
Balance at August 31, 2004	1,644,375	\$ 676,767	\$ -
Share consolidation 2:1	(822,187)	-	-
Private placement	6,000,000	3,000,000	-
Agent's warrants for prospectus	-	-	97,254
Equity component of convertible promissory note	-	-	50,000
Conversion of promissory notes to common shares	4,642,857	750,000	(50,000)
Shares issued to settle corporate finance fee	100,000	50,000	-
Shares issued to settle fiscal advisory fee	50,000	25,000	-
Shares issued to settle finder's fees	37,909	13,268	-
Shares issued to purchase mineral property option	100,000	10,000	-
Share issue costs	-	(485,396)	-
Stock-based compensation	-	-	7,804
	-	-	-
Balance at May 31, 2005	11,752,954	\$ 4,039,639	\$ 105,058

Share Consolidation

Immediately prior to closing the Qualifying Transaction, the Company consolidated its issued share capital on a two (2) for one (1) new share basis pursuant to shareholder approval obtained at the Company's annual general meeting.

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7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Prospectus Financing

On May 31, 2005, the Company issued 6,000,000 units at \$0.50 per unit for gross proceeds of \$3,000,000 from a private placement (prospectus financing). Each unit is comprised of one common share and one-half share purchase warrant. The holder of each whole warrant is entitled to acquire an additional common share at a price of \$0.65 per share until November 30, 2006.

Pursuant to the prospectus financing agreement, the Company issued the agent 100,000 units to settle the \$50,000 corporate finance fee. These units have the same terms as the offered units including the fact that the 50,000 warrants will be listed for trading. The Company also issued 600,000 non-transferable warrants to the agent which can be exercised at \$0.50 per warrant until November 30, 2006.

Furthermore, the Company issued 50,000 units to Jennings Capital to settle \$25,000 for a fiscal advisory fee related to the prospectus financing. These units have the same terms as the offered units including the fact that the 25,000 warrants will be listed for trading.

Conversion of \$350,000 Promissory Notes

On May 31, 2005, the Company issued 2,500,000 units and 1,000,000 common shares at a deemed price of \$0.10 per unit/share respectively for the conversion of \$350,000 in non-interest bearing convertible promissory notes. Each unit consists of one common share and one non-transferable share purchase warrant with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.20 until May 31, 2006.

Conversion of \$400,000 Promissory Notes

During the quarter ended May 31, 2005, the Company completed a \$400,000 private placement of non-interest bearing convertible promissory notes. On completion of the qualifying transaction, the Company issued 1,142,857 units at a deemed price of \$0.35 per unit for the conversion of the \$400,000 non-interest bearing convertible promissory notes. Each unit is comprised of one common share and one-half non-transferable share purchase warrant. The holder of each whole warrant is entitled to acquire an additional common share at a price of \$0.65 per share until November 30, 2006.

On May 31, 2005, the Company issued 37,909 units for the conversion of \$13,268 in non-interest bearing convertible promissory notes which previously had been issued to settle finder's fees. Each unit is identical to the units in the \$400,000 private placement.

Acquisition of Thelon Uranium Option

On May 31, 2005, the Company issued 100,000 common shares valued at \$10,000 to purchase an option to acquire a 100% interest in eight mining leases located in Nunavut Territory and known as the Thelon Uranium Project.

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8. SHARE SUBSCRIPTION RECEIVABLE

On May 31, 2005, the Company issued a \$7,000 non-interest bearing convertible promissory note as part of the \$400,000 private placement described in Note 7 above. The \$7,000 has been recorded as a share subscription receivable with a corresponding entry to share capital since the proceeds were received subsequent to May 31, 2005.

9. STOCK OPTIONS AND WARRANTS

Stock options

During the nine month period ended May 31, 2005, the Company granted a total of 160,000 stock options to two directors with an exercise price of \$0.05 per share, being vested immediately and expiring September 20, 2009. As a result of the 2:1 share consolidation, the number of exercisable options decreased by 80,000 and the exercise price increased by \$0.05 per option.

The estimated fair value of these options is recorded as \$7,804. This amount has been expensed as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in shareholders' deficiency.

The fair value of the options granted during the period was estimated using the Black-Scholes Pricing Model with the following assumptions:

Risk-free interest rate	3.80%
Expected life of options	5.0 years
Annualized volatility	197.92%
Dividend rate	0.00%

The following incentive stock options were outstanding at May 31, 2005:

Number of Shares	Exercise Price	Expiry Date
80,000	\$ 0.10	September 20, 2009

Warrants

Pursuant to the prospectus financing agreement, the Company issued 600,000 non-transferable warrants to the agent which can be exercised at \$0.50 per warrant until November 30, 2006.

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9. STOCK OPTIONS AND WARRANTS (cont'd...)

The estimated fair value of these warrants is recorded as \$97,254. This amount has been recorded as share issue costs with a corresponding amount in contributed surplus on the balance sheet.

The fair value of the warrants granted during the period was estimated using the Black-Scholes Pricing Model with the following assumptions:

Risk-free interest rate	2.82%
Expected life of options	1.5 years
Annualized volatility	50%
Dividend rate	0.00%

Warrants

At May 31, 2005, the Company had the following non-publicly traded share purchase warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
2,500,000	\$ 0.20	May 31, 2006
600,000	0.50	November 30, 2006
590,384	0.65	November 30, 2006

At May 31, 2005, the Company had the following publicly traded share purchase warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
3,075,000	\$ 0.65	November 30, 2006

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions during the nine month period ended May 31, 2005 consisted of the following:

Settlement of Loans Payable

The Company settled \$15,000 in loans payable by converting the loans into convertible promissory notes.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd...)

Settlement of Finder's Fees

On March 18, 2005, the Company issued \$13,268 in non-interest bearing convertible promissory notes to settle finder's fees.

Acquisition of Thelon Uranium Option

On May 31, 2005, the Company issued 100,000 common shares valued at \$10,000 to purchase an option to acquire a 100% interest in eight mining leases located in Nunavut Territory and known as the Thelon Uranium Project.

Corporate Finance Fee

Pursuant to the prospectus financing agreement, the Company issued the agent 100,000 units to settle the \$50,000 corporate finance fee related to the 6,000,000 unit private placement completed on May 31, 2005.

Agent Warrants

On May 31, 2005, the Company issued 600,000 non-transferable warrants valued at \$97,254 to the agent in connection with the 6,000,000 unit private placement.

Fiscal Advisory Fee

On May 31, 2005, the Company issued 50,000 units to Jennings Capital to settle \$25,000 for a fiscal advisory fee related to the 6,000,000 unit private placement.

There were no significant non-cash transactions for the nine month period ended May 31, 2004.

11. FINANCIAL INSTRUMENTS

The carrying value of the Company's financial instruments consisting of cash, receivables, due to related parties and accounts payable and accrued liabilities approximate their fair value due to the short term maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

The Company does not believe it is subject to any significant credit risk although cash is held in excess of federally insured limits, with major financial institutions.

12. SUBSEQUENT EVENTS

Subsequent to May 31, 2005, the Company entered into the following transactions:

Transfer to TSX-V and Symbol Change

On June 2, 2005, the common shares of the Company were transferred from trading on the NEX to the TSX-V Board under the symbol "TUE" (formerly trading under "CUN.H"). The Company also began trading share purchase warrants under the symbol "TUE.WT".

Escrow Releases

On June 3, 2005, the Company released 13,000 common shares and non-publicly traded warrants from escrow.

Investor Relations Agreement

On June 5, 2005, the Company entered into a six-month term investor relations agreement with Schaefer Communications Inc ("Schaefer"). Schaefer will receive \$7,000 per month and receive 105,000 stock options priced at \$0.53 per share which are exercisable until June 5, 2010 and vest as follows:

10,500 options vest on June 6, 2005
15,750 options vest on September 6, 2005
15,750 options vest on December 6, 2005
15,750 options vest on March 6, 2006
15,750 options vest on June 6, 2006
15,750 options vest on September 6, 2006
15,750 options vest on December 6, 2006

The agreement described above is subject to Regulatory approval.

New Company Name

On June 24, 2005, the Company changed its name from Titan Uranium Exploration Inc. to Titan Uranium Inc.

Warrants Exercised

On June 28, 2005, the Company issued 17,250 common shares for gross proceeds of \$6,712 from the exercise of warrants. Of these warrants, 10,000 were exercised at \$0.20 per warrant and the remaining 7,250 were priced at \$0.65 per warrant.

Athabasca Basin Agreement

On July 5, 2005, the Company announced that it entered into an agreement to acquire a 100% interest in 30 mineral dispositions located in the Athabasca Basin, Saskatchewan (the "Claims") from 455702 BC Ltd. and 643990 BC Ltd. (together, the "Vendor")

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12. SUBSEQUENT EVENTS (cont'd...)

Athabasca Basin Agreement (cont'd...)

Consideration payable to acquire the 100% interest in the Claims consist of the Company:

- i) paying \$350,000 cash to the Vendor
- ii) issuing 800,000 common shares of the Company to the Vendor
- iii) issuing 400,000 transferable common share purchase warrants to the Vendor, entitling the holder to acquire up to 400,000 common shares in the capital of the Company at an exercise price of \$1.00 per common share for a period of 2 years;
- iv) granting the Vendor a 2% net smelter return, with the option in favour of the Company to buy back 1% of the net smelter return by paying to the Vendor \$1,000,000 at any time prior to commercial production from the Claims; and
- v) granting the Vendor a 10% carried interest in the Claims with such carried interest remaining in effect until the commencement of commercial production by the Company on one or more Claims with all costs payable attributable to the Vendor to be paid by the Company and repaid by the Vendor from its working interest and/or initial net smelter return.

Share Subscription Receivable

In July 2005, the Company received \$7,000 to settle the outstanding share subscription receivable.