

Titan Uranium Inc.
(a development stage company)

Interim Financial Statements
(Unaudited – Prepared by Management)

For the Three Months Ended November 30, 2006

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 November 30, 2006.

Titan Uranium Inc.
(a development stage company)

BALANCE SHEETS

[Unaudited – Prepared by Management]
[See Note 1 - Nature of Business and Basis of Presentation]

	November 30 2006 (Unaudited) \$	August 31 2006 (Audited) \$
ASSETS		
Current		
Cash and cash equivalents	9,930,063	10,181,515
Restricted cash	61,320	60,000
Accounts receivable	334,612	230,818
Prepaid expenses	44,428	190,127
Total current assets	10,370,423	10,662,460
Property and equipment <i>[note 3]</i>	141,689	102,031
Resource properties <i>[note 4]</i>	6,498,952	5,427,737
Reclamation deposit <i>[note 6]</i>	35,000	35,000
Total assets	17,046,064	16,227,228
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	172,100	731,870
Total liabilities	172,100	731,870
Commitments <i>[note 6]</i>		
Shareholders' equity		
Share capital <i>[notes 7]</i>	19,983,896	16,877,084
Share subscription receivable <i>[note 8]</i>	(568,558)	(15,893)
Contributed surplus <i>[note 7]</i>	2,594,236	2,904,619
Deficit	(5,135,610)	(4,270,452)
Total shareholders' equity	16,873,964	15,495,358
Total liabilities and shareholders' equity	17,046,064	16,227,228

See accompanying notes

On behalf of the Board:

“Arni Johannson”
Director

“Philip E. Olson”
Director

Titan Uranium Inc.
(a development stage company)

STATEMENTS OF OPERATIONS AND DEFICIT

For the Periods Ended November 30, 2006 and 2005

	Three Months Ended November 30 2006 \$	Three Months Ended November 30 2005 \$
EXPENSES		
Accounting and audit	4,150	5,275
Amortization	13,829	3,859
Consulting fees <i>[note 5]</i>	84,480	78,852
Investor relations and marketing	137,140	148,089
Legal	67,050	19,482
Listing, filing and transfer agent fees	24,494	9,890
Office and miscellaneous	71,908	12,628
Rent and administration	27,437	8,158
Salary	83,971	
Stock-based compensation <i>[note 9]</i>	399,287	209,336
Travel and entertainment	41,935	68,867
Interest income	(90,523)	(1,169)
Loss for the period	(865,158)	(563,267)
Deficit, beginning of period	(4,270,452)	(1,670,538)
Deficit, end of period	(5,135,610)	(2,233,805)
Loss per share - basic and diluted	(0.03)	(0.04)
Weighted average number of common shares outstanding - basic and diluted	28,065,970	14,754,536

See accompanying notes

Titan Uranium Inc.
(a development stage company)

STATEMENTS OF CASH FLOWS

For the periods ended November 30, 2006 and 2005

	Three Months Ended November 30 2006 \$	Three Months Ended November 30 2005 \$
OPERATING ACTIVITIES		
Loss for the period	(865,158)	(563,267)
Adjustment for item not involving cash:		
Amortization	13,829	3,859
Stock-based compensation	399,287	209,336
	(452,042)	(350,072)
Change in non-cash working capital items:		
Increase in restricted cash	(1,320)	—
Increase in accounts receivable	(103,794)	(8,684)
Decrease in prepaid expenses	145,699	33,766
(Decrease) in accounts payable and accrued liabilities	(559,670)	(110,592)
Reduction in advances to related parties	—	7,708
Cash used in operating activities	(971,227)	(427,874)
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	1,844,478	3,324,738
Cash provided by financing activities	1,844,478	3,324,738
INVESTING ACTIVITIES		
Investment in resource properties	(1,071,215)	(234,193)
Purchase of equipment	(53,488)	(9,363)
Cash used in investing activities	(1,124,703)	(243,556)
Increase (decrease) in cash position	(251,452)	2,653,308
Cash and cash equivalents, beginning of year	10,181,515	1,984,273
Cash and cash equivalents, end of year	9,930,063	4,637,581
Supplemental cash flow information		
Interest paid in cash	—	—
Income taxes paid in cash	—	—

See accompanying notes

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

1. BASIS OF PRESENTATION

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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 Company has not generated any operating revenues to date and has experienced recurring operating losses and accumulated a deficit of \$5,135,610 as at November 30, 2006. If the Company is unable to continue to raise additional financings through debt or equity this could impact the Company's ability to continue as a going concern. The operations of the Company have been funded by the issuance of share capital. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared based on the following significant accounting policies:

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of commitments and contingencies at the date of the financial statements and the amount of revenues and expenses reported during the period. Actual results could differ materially from those estimates. A significant area requiring the use of management estimates involved the determination of stock based compensation.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments which are readily convertible into cash with maturity dates of three months or less when purchased. As at November 30, 2006 cash equivalents totalled \$9,930,063 [August 31, 2006 - \$10,181,515].

Restricted cash

Cash subject to restrictions is classified as restricted cash on the balance sheet. The Company currently holds \$61,320 [August 31, 2006 - \$60,000] in a guaranteed interest certificate which is restricted for use as security against its credit card debt and has been presented as restricted cash.

Leases

Rental payments under operating leases are expensed as incurred.

Stock-based compensation

The Company follows the fair value method of accounting for stock options awards granted to employees and directors, as recommended by the Canadian Institute of Chartered Accountants Handbook section on stock-based compensation and other stock-based payments.

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock.

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Stock-based compensation (cont'd.)

The prospective application of the fair value method did not have a cumulative impact on the Company's financial statements as the Company had not granted stock option awards prior to fiscal 2005.

Resource properties

The Company is in the exploration stage and accounts for its resource interests whereby all costs related to acquisition, exploration and development are capitalized. These costs will be amortized against revenue from future production or written off if the interest is abandoned or sold.

The carrying values of resource properties will be reviewed at least annually by management on a property-by-property basis to determine if they have become impaired. If impairment is deemed to exist, the resource property will be written down to its net recoverable value. The ultimate recoverability of the amounts capitalized for the resource properties is dependent upon the delineation of economically recoverable reserves, the Company's ability to obtain the necessary financing to complete their development and realize profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in various projects have been based on current conditions. However, it is possible that changes could occur in the near term which could adversely affect management's estimates and may result in future writedowns of capitalised property carrying values.

Asset retirement obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which they incur and/or in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at November 30, 2006 the Company does not have any asset retirement obligations.

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Earnings (loss) per share

Basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

As the Company incurred net losses in the period ended November 30, 2006 and 2005, the stock options and share purchase warrants, as disclosed in note 9, were not included in the computation of loss per share as their inclusion would be anti-dilutive.

Property and equipment

Property and equipment are carried at cost less accumulated amortization. The Company provides for amortization on the following basis:

Computer equipment	- 3 years straight line
Exploration equipment	- 3 years straight line
Leasehold improvements	- straight line over the term of the lease
Office furniture	- 5 years straight line

Income taxes

The Company follows the liability method of accounting for income taxes pursuant to Section 3465, Income Taxes, of The Handbook of the Canadian Institute of Chartered Accountants. Under this method, future income tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, measured using substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is included in the period that includes the enactment date. In addition, Section 3465 requires recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

3. PROPERTY AND EQUIPMENT

	November 30 2006	August 31
Cost	Accumulated Amortization	Net Book Value
\$	\$	\$
Computer equipment	22,176	15,446
Exploration equipment	136,615	64,073
Leasehold improvements	22,274	11,526
Office furniture	16,252	10,986
	197,317	102,031

4. RESOURCE PROPERTIES

The continuity of expenditures on resource properties is as follows:

	Balance August 31 2006	Deferred Exploration costs during the three month period	Balance November 30 2006
	\$	\$	\$
Thelon, Nunavut	1,545,105	516,454	2,061,559
Athabasca, Saskatchewan	3,882,632	554,761	4,437,393
	5,427,737	1,071,215	6,498,952

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

4. RESOURCE PROPERTIES (cont'd.)

[a] Thelon, Nunavut Properties

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 to acquire the 100% interest in the Project consists of the Company:

- [i] issuing 100,000 common shares of the Company at a price of \$0.10 per share (issued being the fair value of the shares at the time of the agreement date);
- [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;
- [iii] paying advanced royalties totalling \$50,000 over a three year period (\$30,000 paid, and a further \$20,000 on or before June 1, 2007); and
- [iv] paying annual lease payments totalling on or after May 15 of each year (\$20,000 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.

[b] Athabasca, Saskatchewan Properties

On July 5, 2005 the Company entered into an agreement to acquire a 100% interest in thirty mineral dispositions ("Claims") located in the Athabasca Basin, Saskatchewan.

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

- [i] paying \$350,000 and issuing to the vendor 800,000 common share in the capital of the Company for value of \$544,000, being the fair value of the shares at the time of the closing of the agreement (paid and issued);
- [ii] issuing to the Vendor 400,000 transferable common share purchase warrants, entitling the holder to acquire up to 400,000 common shares in the capital of the Company at an exercise price of \$0.75 per common share for a period of 24 months (issued);
- [iii] granting to the Vendor a 2% Net Smelter Return ("NSR"), with the option in favour of the Company to buy back 1% of the NSR by paying to the Vendor \$1,000,000 at any time prior to commercial production from the Claims;

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

4. RESOURCE PROPERTIES (cont'd.)

[b] Athabasca, Saskatchewan Properties (cont'd.)

- [iv] granting to 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 NSR.

5. RELATED PARTIES

The Company has entered into the following transactions with parties not at arm's length to the Company:

The Company paid or accrued consulting fees totalling \$84,480 [August 31, 2006 - \$300,400] to directors and officers of the Company for the fiscal year 2006.

The above transactions have been recorded at the exchange amounts which is the amount agreed to by the transacting parties. The exchange amount is equivalent to the fair value of the service provided.

6. COMMITMENTS

- [i] On August 1, 2006 the Company entered into a 3 year lease agreement for premises in Saskatoon. Minimum basic rent and occupancy is \$2,514 per month. The minimum commitment over the next 3 years is as follows:

	\$
2007	22,626
2008	30,168
2009	27,654
	<u>80,448</u>

- [ii] The Company has provided a \$35,000 deposit at a financial institution that is serving as collateral for letters of credit that have been pledged in favour of the Kivalliq Inuit Association. The deposit is bearing interest at market rates. The deposit will be returned to the Company when the Company has satisfied its legal obligations with respect to site reclamation at the Company's Thelon mineral property located in Nunavut [see note 4].

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

7. SHARE CAPITAL

[a] **Authorized:** Unlimited number of common shares without par value

[b] **Issued and fully paid- common shares:**

	Shares #	Amount \$	Contributed Surplus \$
Balance, August 31, 2006	27,197,705	16,877,084	2,904,619
Exercise of options	885,250	610,270	—
Exercise of warrants	2,162,992	1,786,872	—
Contributed surplus transfer on exercise of options	—	488,869	(488,869)
Contributed surplus transfer on exercise of warrants	—	220,801	(220,801)
Stock based compensation	—	—	399,287
Balance, November 30, 2006	30,245,947	19,983,896	2,594,236

Shares Held in Escrow

In connection with the Nunavut, Thelon property acquisition 130,000 common shares and common share warrants were placed in escrow. As of November 30, 2006 71,500 escrow shares have been released. Terms of the release from escrow are as follows:

- 10% on the Venture Exchange approval bulletin date (May 31, 2005)
- 15% 6 months from the bulletin date
- 15% 12 months from the bulletin date
- 15% 18 months from the bulletin date
- 15% 24 months from the bulletin date
- 15% 30 months from the bulletin date
- 15% 36 months from the bulletin date

8. SHARE SUBSCRIPTION RECEIVABLE

Prior to November 30, 2006, 963,350 warrants were exercised at a price of \$0.65 for total proceeds of \$626,178 which was received subsequent to quarter end. In addition, \$57,620 in subscriptions were received but shares not issued prior to quarter end for the exercise of 95,000 options. At November 30, 2006, net proceeds of \$568,558 was receivable for warrant and option exercises which was received subsequent to quarter end.

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

9. STOCK OPTIONS AND WARRANTS

Stock option transactions and the number of stock options outstanding are summarised as follows for the fiscal year 2006 and 2005:

	Number of Options	Weighted Average Exercise Price
As at August 31, 2006	2,839,460	\$0.92
Exercised	(885,250)	(\$0.68)
As at November 30, 2006	1,954,210	\$1.01

Number of Shares Outstanding	Number of Shares Exercisable	Weighted Average Exercise Price Outstanding Options	Weighted Average Exercise Price Exercisable Options	Expiry Date	Weighted Average Life in Years
647,000	647,000			May 31, 2010	3.4
31,000	15,250			June 6, 2010	3.5
894,500	470,000			November 15, 2010	4.0
237,500	57,500			February 3, 2011	4.2
44,210	25,000			August 15, 2011	4.7
100,000	11,053			August 23, 2011	4.7
1,954,210	1,225,803	\$1.01	\$.68		3.8

The weighted average fair value of the options, being \$0.72 per share, recognized in the statements of operations, has been estimated at the grant dates using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and, therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. Weighted average assumptions used in the pricing model for the year are as follows:

Risk-free interest rate	3.7%
Expected life of options	4.0 years
Annualized volatility	108%
Dividend rate	Nil

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

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

Warrants

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

Risk-free interest rate	3.7%
Expected life of options	1.7 years
Annualized volatility	111%
Dividend rate	Nil

At November 30, 2006, the Company had the following non-publicly traded share purchase warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
9,600	\$1.10	October 21, 2007
107,550	\$1.35	October 21, 2007
136,045	\$1.75	January 25, 2007
187,909	\$2.00	August 15, 2008
677,404	\$2.00	January 25, 2007
1,315,797	\$2.50	August 15, 2008
2,434,305		

At November 30, 2006, the Company had the following publicly traded share purchase warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
914,300	\$1.35	October 21, 2007

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

10. FINANCIAL INSTRUMENTS AND RISK

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. It is not practical to determine the fair values of amounts due to related parties due to their related party nature and the absence of a secondary market for such instruments.

It is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

Titan Uranium Inc.
(a development stage company)

NOTES TO FINANCIAL STATEMENTS

November 30, 2006
(Unaudited)

11. SUBSEQUENT EVENTS

Subsequent to November 30, 2006, the following events occurred:

[a] On December 15, 2006 the Company and Dejour Enterprises Ltd. (“Dejour”) closed the acquisition of Dejour’s uranium properties in the Athabasca Basin of Saskatchewan, Canada. In consideration for the uranium assets, Titan issued to Dejour the following:

1. Titan to pay Dejour 17,500,000 fully paid and assessable common shares in the capital of Titan;
2. Titan to pay Dejour 3,000,000 transferable common share purchase warrants, entitling the holder to acquire up to 3,000,000 common shares in the capital of the Company at an exercise price of C\$2.00 per common share for a period of 24 months, subject to a forced exercise provision whereby Titan can call the automatic exercise of the warrants should Titan’s common shares trade on the Exchange at a price of \$4.00 or more for 20 consecutive trading days;
3. Dejour to retain a 1% Net Smelter Return on all contributed properties;
4. Dejour to retain a 10% working interest in each Claim, carried by Titan to completed bankable feasibility study after which Dejour may elect to participate as to its 10% interest or convert to an additional 1% Net Smelter Return;
5. Titan to provide Dejour with a first right of refusal to participate in all equity financings of Titan to the extent necessary to enable Dejour to maintain its equity interest in Titan, as long as Dejour’s ownership in the stock of Titan is greater than 10% of the outstanding shares;
6. Dejour to provide two full-time and one part-time geologists on terms to be agreed; and
7. Titan to appoint two Dejour representatives to the Titan board of directors.

The acquisition was approved by the shareholders of both Titan and Dejour at meetings held on January 22, 2007 and is still awaiting final regulatory approval.

[b] Up to January 23, 2007 a further 398,449 warrants have been exercised for proceeds of \$748,511.

[c] Up to January 23, 2007 a further 206,250 options have been exercised for proceeds of \$143,305.