

Titan Uranium Inc.
(a development stage company)

Interim Financial Statements
(Unaudited – Prepared by Management)

For the Nine Months Ended May 31, 2007

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, 2007.

Titan Uranium Inc.
(a development stage company)

BALANCE SHEETS

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

	May 31 2007 (Unaudited) \$	August 31 2006 (Audited) \$
ASSETS		
Current		
Cash and cash equivalents	17,153,330	10,181,515
Restricted cash	75,000	60,000
Accounts receivable	1,019,843	230,818
Prepaid expenses	135,710	190,127
Total current assets	18,383,883	10,662,460
Property and equipment <i>[note 3]</i>	159,151	102,031
Resource properties <i>[note 4]</i>	69,421,799	5,427,737
Reclamation deposit	35,000	35,000
Total assets	87,999,833	16,227,228
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	659,464	731,870
Future income tax liability <i>[note 6]</i>	19,670,000	—
Shareholders' equity		
Share capital <i>[note 7]</i>	65,221,801	16,877,084
Share subscription receivable <i>[note 8]</i>	(35,000)	(15,893)
Contributed surplus <i>[note 7]</i>	13,517,629	2,904,619
Deficit	(11,034,061)	(4,270,452)
Total liabilities and shareholders' equity	87,999,833	16,227,228

See accompanying notes

On behalf of the Board:

“Philip E. Olson”
Director

“Ron Grozell”
Director

Titan Uranium Inc.
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STATEMENTS OF OPERATIONS AND DEFICIT

For the Periods Ended May 31, 2007 and 2006

	Three Months Ended May 31 2007 \$	Three Months Ended May 31 2006 \$	Nine Months Ended May 31 2007 \$	Nine Months Ended May 31 2006 \$
EXPENSES				
Accounting and audit	2,300	4,500	27,958	9,775
Amortization	18,444	14,193	48,316	25,218
Consulting fees	134,510	100,756	373,384	280,758
Investor relations and marketing	204,503	89,900	402,007	368,197
Legal	30,590	5,795	74,870	31,850
Listing, filing and transfer agent fees	500	14,828	106,267	38,722
Office and miscellaneous	83,228	64,646	249,904	121,623
Salary	225,834	72,710	425,544	87,083
Stock based compensation	1,564,148	356,276	5,315,047	891,638
Travel and entertainment	51,819	84,791	132,363	195,477
Interest and other income	(219,872)	(46,164)	(394,551)	(56,164)
Loss before taxes	(2,096,004)	(762,231)	(6,761,109)	(1,994,177)
Tax expense	—	—	2,500	—
Net loss	(2,096,004)	(762,231)	(6,763,609)	(1,994,177)
Deficit, beginning of period	(8,938,057)	(2,902,484)	(4,270,452)	(1,670,538)
Deficit, end of period	(11,034,061)	(3,664,715)	(11,034,061)	(3,664,715)
Loss per share – basic and diluted	(0.04)	(0.03)	(0.16)	(0.11)
Weighted average number of common shares Outstanding – basic and diluted	51,659,238	22,320,946	42,022,242	18,443,051

See accompanying notes

Titan Uranium Inc.
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STATEMENTS OF CASH FLOWS

For the Periods Ended May 31, 2007 and 2006

	Three Months Ended May 31 2007 \$	Three Months Ended May 31 2006 \$	Nine Months Ended May 31 2007 \$	Nine Months Ended May 31 2006 \$
OPERATING ACTIVITIES				
Loss for the period	(2,096,004)	(746,231)	(6,763,609)	(1,994,177)
Adjustment for item not involving cash:				
Amortization	18,444	14,193	48,316	25,218
Stock based compensation	1,564,148	356,276	5,315,047	891,638
Resource property acquisition for shares	—	—	59,970,000	—
	(513,412)	(375,762)	58,569,754	(1,077,321)
Change in non-cash working capital items:				
Increase in restricted cash	(13,680)	—	(15,000)	—
Increase in accounts receivable	(659,221)	(69,324)	(789,025)	(88,331)
Increase in prepaid expenses	119,024	208,651	54,417	983
Increase (decrease) in accounts payable and accrued liabilities	299,139	73,139	(72,406)	(68,628)
Increase in advances to related parties	—	400	—	(14,186)
Cash used in operating activities	(768,150)	(162,896)	57,747,740	(1,247,483)
FINANCING ACTIVITIES				
Proceeds from issuance of common shares, Net of issuance costs	8,734,119	2,121,259	13,323,576	8,643,435
Cash provided by financing activities	8,734,119	2,121,259	13,323,576	8,643,435
INVESTING ACTIVITIES				
Resource property interests and options	(1,985,747)	(1,519,581)	(63,994,062)	(1,797,863)
Purchase of equipment	(30,864)	(43,627)	(105,439)	(93,062)
Cash used in investing activities	(2,016,611)	(1,563,208)	(64,099,501)	(1,890,925)
Increase in cash and cash equivalents	5,949,358	395,155	6,971,815	5,505,027
Cash and cash equivalents, beginning of period	11,203,972	7,094,145	10,181,515	1,984,273
Cash and cash equivalents, end of period	17,153,330	7,489,300	17,153,330	7,489,300

See accompanying notes

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NOTES TO FINANCIAL STATEMENTS

May 31, 2007
(Unaudited)

1. BASIS OF PRESENTATION

Nature of business

These 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 deficit of \$11,034,061 as at May 31, 2007. 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 primarily 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles and reflect 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 reported amount of revenues and expenses 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. As at May 31, 2007, the Company has cash equivalents of \$17,153,330 [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 \$75,000 [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.

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NOTES TO FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases

Rental payments under operating leases are expensed as incurred.

Prior period comparatives

Certain prior period amounts have been reclassified to conform to the current year presentation.

Stock-based compensation

The Company prospectively adopted 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.

Resource properties

The company is in the exploration stage and accounts for its mineral interests whereby all costs related to acquisition, exploration and development are capitalised. These costs will be amortised 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 capitalised 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 realise 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 write-down of capitalised property carrying values.

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NOTES TO FINANCIAL STATEMENTS

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(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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. The Company does not have any asset retirement obligations.

Earnings (loss) per share

Basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during the year. 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 May 31, 2007 and 2006, the stock options and share purchase warrants, as disclosed in note 9, were not included in the computation of loss per share as its inclusion would be anti-dilutive.

Property and equipment

Property and equipment are carried at cost less accumulated amortisation. 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

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NOTES TO FINANCIAL STATEMENTS

May 31, 2007
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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.

3. PROPERTY AND EQUIPMENT

	Cost \$	May 31 2007 Accumulated Amortization \$	Net Book Value \$	August 31 2006 Net Book Value \$
Computer equipment	52,748	14,866	37,882	15,446
Exploration equipment	146,227	51,035	95,192	64,073
Leasehold improvements	22,274	16,118	6,156	11,526
Office furniture	28,019	8,098	19,921	10,986
	249,268	90,117	159,151	102,031

4. RESOURCE PROPERTIES

	Balance August 31 2006 \$	May 31 2007 Acquisition Costs \$	May 31 2007 Deferred Exploration Costs \$	Balance May 31 2007 \$
Thelon, Nunavut	1,545,105	0	610,482	2,155,587
Athabasca, Saskatchewan	3,882,632	60,332,638	3,050,942	67,266,212
	5,427,737	60,332,638	3,661,424	69,421,799

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NOTES TO FINANCIAL STATEMENTS

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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 payable 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 totaling \$50,000 over a three year period (\$10,000 paid, \$20,000 on or before June 1, 2006 and \$20,000 on or before June 1, 2007); and
- [iv] paying annual lease payments on or after May 15 of each year.

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.

On June 13, 2007 the Company entered into an agreement with Mega Uranium Ltd. where Mega will acquire a 51% interest in all of Titan's owned and to be owned claims in the Thelon Basin. In order to earn the interest, Mega has committed to expend an aggregate of C\$5,000,000 on the Properties on or before December 31, 2008 on exploration work programs. Any work programs undertaken in 2007 will be operated by Titan, and any work programs in 2008 will be operated by Mega, with the other party contributing one full time geologist to the operator in each year. The letter of intent is subject to completion of diligence by Mega, receipt of requisite approvals and the completion of a formal agreement.

NOTES TO FINANCIAL STATEMENTS

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(Unaudited)

4. RESOURCE PROPERTIES (cont'd)

[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 payable to acquire the 100% interest in the Claims consists of the Company:

- [i] paying \$350,000 and issuing to the vendor 800,000 common shares 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;
- [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.

[c] Dejour properties, Athabasca, Saskatchewan

On December 15, 2006 the Company entered into an agreement to acquire a 100% interest in seventy two dispositions ("Claims") located in the Athabasca Basin, Saskatchewan.

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

- [i] issuing to the vendor 17,500,000 common shares (paid and issued) in the capital of the Company for value of \$36,900,000, being the fair value of the shares of \$2.78 on the closing date of the agreement less an annualized 10% discount over five years due to trading restrictions placed on the shares. Additionally, since the acquisition cost is in excess of the tax pools related to the property, an amount of \$18,070,000 has been added to the value of the acquisition with the offset going to future income tax liability.

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4. RESOURCE PROPERTIES (cont'd)

[c] Dejour properties, Athabasca, Saskatchewan (cont'd)

- [ii] issuing to the Vendor 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 \$2.00 per common share for a period of 24 months (issued), 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. Consistent with the Company policy of using the Black-Scholes model to value warrants, a value of \$5,000,000 has been attributed to the properties based on the assumptions as detailed in Note 9 with a corresponding increase in contributed surplus.
- [iii] granting to the Vendor a 1% Net Smelter Return ("NSR") on all contributed properties, and
- [iv] granting to the vendor a 10% working interest in each Claim, carried by Titan to completed bankable feasibility study after which the vendor may elect to participate as to its 10% interest or convert to an additional 1% Net Smelter Return;

No value has been assigned to the Net Smelter Royalty or working interest as there is a high degree of uncertainty that any payment will take place in the future due to the nature of the business.

5. RELATED PARTIES

The Company has entered into the following transactions with parties not at arm's length to the Company. These transactions have been recorded at the exchange amounts which is the amount agreed to by the transacting parties

The Company paid or accrued consulting fees totaling \$182,500 [August 31, 2006 - \$300,400] to directors and officers of the Company for the period ended May 31, 2007.

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6. FUTURE INCOME TAX LIABILITIES

Detail of the future income tax liability is as follows:

	\$
Balance, August 31 2006	—
Renunciation of flow-through expenditures <i>[note 7]</i>	1,600,000
Liability arising from acquisition of resource properties <i>[note 4]</i>	18,070,000
Balance, May 31, 2007	19,670,000

The company has certain future tax assets which have been reduced to zero through the utilization of a valuation allowance because of a high degree of uncertainty surrounding their realization due to the nature of the business.

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
Shares and warrants issued for resource property acquisition	17,500,000	36,900,000	5,000,000
Private placement	3,272,750	9,000,063	
Shares issued as agent compensation	24,000	66,000	
Share issue costs		(1,107,620)	276,373
Warrants granted		(1,812,659)	1,812,659
Exercise of options	1,584,302	1,307,504	—
Exercise of warrants	3,214,492	3,800,362	—
Contributed surplus transfer on exercise of options	—	1,044,887	(1,044,889)
Contributed surplus transfer on exercise of warrants	—	746,180	(746,180)
Share issue costs related to renunciation of flow-through expenditures	—	(1,600,000)	—
Stock based compensation	—	—	5,315,047
Balance, May 31, 2007	52,793,249	65,221,801	13,517,629

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7. SHARE CAPITAL (cont'd)

Private Placements

On March 27, 2007 the Company completed a brokered private placement of 3,272,750 flow-through units, at a price of \$2.75 per unit for total gross proceeds of \$9,000,062.50. Each unit consists of one flow-through common share of Titan and one-half of one flow-through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional flow-through common share of Titan at a price of \$3.25 per flow-through common share until March 27, 2009. The Agents received a commission of 7% of the gross proceeds raised which was paid in cash and 24,000 broker units which were made up of one non flow-through common share and one half non flow-through share purchase warrant. In addition, the agents received 229,092 share purchase options entitling the holder to purchase one non flow-through common share at a price of \$3.05 per common share until March 27, 2009.

The value of the common shares is recorded as \$66,000 and the estimated fair value of the warrants is \$13,292. The estimated fair value of the common share purchase options is recorded as \$263,089.

Acquisition of Resources Properties (see note 4)

Shares Held in Escrow

Associated with the Nunavut, Thelon acquisition 130,000 common shares and 130,000 common share warrants were placed in escrow. As of May 31, 2007 91,500 warrants were exercised into common shares and 104,500 escrow shares have been released. Terms of the release from escrow are as follows:

39,000 shares on June 1, 2007
39,000 shares on December 1, 2007
39,000 shares on June 1, 2008

Flow-through shares

In December of 2006, the Company renounced \$5,000,000 of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds. The Company recorded a future income tax liability of \$1,600,000 with a corresponding entry to share issue costs.

8. SHARE SUBSCRIPTION RECEIVABLE

Prior to May 31, 2007, 35,000 options were exercised for total proceeds of \$35,000. These funds were received subsequent to quarter end.

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(Unaudited)

9. STOCK OPTIONS AND WARRANTS

Stock options

The Company has established a share option plan whereby options may be granted to directors, officers, key employees and consultants to purchase up to an aggregate of 10% of the issued and outstanding shares of the Company. Options granted have an exercise price of not less than the Market Price on the date of grant less the applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

On February 12, 2007 the Company granted a total of 2,055,000 stock options with an exercise price of \$2.20 and an expiry of February 12, 2012. The options were granted to directors, officers and consultants of the Company.

On February 16, 2007 the Company granted a total of 150,000 stock options with an exercise price of \$2.65 and an expiry of February 16, 2012. The options were granted to consultants.

On February 26, 2007 the Company granted a total of 250,000 stock options with an exercise price of \$2.26 and an expiry of February 26, 2012. The options were granted to consultants.

On April 4, 2007 the Company granted 300,000 stock options with an exercise price of \$2.73 and an expiry of April 4, 2012 to an officer of the Company.

On April 11, 2007 the Company granted 100,000 stock options with an exercise price of \$2.70 and an expiry of April 11, 2012 to a director of the Company.

On May 29, 2007 the Company granted 75,000 stock options with an exercise price of \$2.03 and an expiry of May 29, 2012 to an officer of the Company.

In connection with the private placement in the period, the Company issued Agent's Options entitling the agent to purchase 229,092 shares at a price of \$3.05 per share. The fair value of these Agent's Options was 263,089 using the Black-Scholes option pricing model. This amount was recorded as share issue costs with a corresponding entry to contributed surplus.

The estimated fair value for the options granted during the nine month period ended May 31, 2007 was \$5,635,396. Prorating the total amount based on the vesting schedule \$4,375,721 has been expensed as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in shareholders' deficiency. Based on the vesting schedule a further \$939,326 from options granted in periods prior to August 31, 2006 has been expensed.

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NOTES TO FINANCIAL STATEMENTS

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9. STOCK OPTIONS AND WARRANTS (cont'd)

Stock options (cont'd)

The fair value of stock options issued in the nine month period ended May 31, 2007 was estimated using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate	4.24%
Expected life of options	4.8 years
Annualized volatility	92.8%
Dividend rate	Nil

Stock option transactions and the number of stock options outstanding are summarised as follows for the period ended May 31, 2007.

	Number of Options	Weighted Average Price
Balance, August 31, 2006	2,839,460	\$0.92
Exercised	(1,584,302)	(\$0.83)
Granted	3,159,092	\$2.35
As at May 31, 2007	4,414,250	\$1.97

Number of Options Outstanding	Number of Shares Exercisable	Weighted Average Exercise Price Outstanding	Wiegthed Average Exercise Price Exercisable	Expiry Date	Average Life in years
229,092	229,092			Mar 27, 2009	1.8
375,000	375,000			May 31, 2010	3.0
644,500	557,000			Nov 15, 2010	3.5
102,500	65,000			Feb 3, 2011	3.7
33,158	13,264			Aug 15, 2011	4.2
100,000	55,000			Aug 23, 2011	4.2
2,055,000	1,780,000			Feb 12, 2012	4.7
150,000	150,000			Feb 16, 2012	4.7
250,000	250,000			Feb 26, 2012	4.7
300,000	300,000			Apr 4, 2012	4.8
100,000	100,000			Apr 11, 2012	4.9
75,000	75,000			May 29, 2012	5.0
4,414,250	3,949,356	\$1.97	\$1.96		4.2

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NOTES TO FINANCIAL STATEMENTS

May 31, 2007
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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	4.15 %
Expected life of options	2.0 years
Annualized volatility	94.3%
Dividend rate	Nil

At May 31, 2007, 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
27,550	\$1.35	October 21, 2007
119,110	\$2.00	August 15, 2008
1,205,797	\$2.50	August 15, 2008
3,000,000	\$2.00	December 15, 2008
1,648,375	\$3.25	March 27, 2009
6,010,432		

At May 31, 2007, the Company had the following publicly traded share purchase warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
824,300	\$1.35	October 21, 2007

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May 31, 2007
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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. 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.

11. SUBSEQUENT EVENTS

Subsequent to May 31, 2007, the following events occurred:

- [a] On June 26, 2007 Titan announced a letter of intent with UR Energy whereby UR can earn up to an undivided 51% working interest in Titan's R-Seven and Rook I properties by funding \$9,000,000 in exploration programs managed by Titan. The option agreement calls for annual expenditures of \$2,000,000 in each of the first three years with a further \$3,000,000 in year four. Vesting of a 25% working interest will be at Ur-Energy's election after the expenditure of \$4,000,000 in the second year of the agreement. Upon the expenditure of an additional \$2,000,000 in year three, Ur-Energy will be eligible to vest a further 10% working interest. The remaining 16% working interest may vest with the expenditure of \$3,000,000 in year four. Upon completion of the earn-in phase, Ur-Energy and Titan will proceed as joint venturers with Ur-Energy assuming project operatorship.
- [b] Up to July 18, 2007 a further 32,000 options have been exercised for proceeds of \$32,000.