

Titan Uranium Inc.
(a development stage company)

Unaudited Financial Statements
February 29, 2008 and February 28, 2007

Prepared by Management

Titan Uranium Inc.
(a development stage company)

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 February 29, 2008.

Titan Uranium Inc.
(a development stage company)

BALANCE SHEETS

	February 29 2008	August 31 2007
	(unaudited)	(audited)
	\$	\$
ASSETS		
Cash and cash equivalents	11,853,788	12,746,724
Accounts receivable	491,591	4,035,271
Prepaid expenses	220,585	64,657
Total current assets	12,565,964	16,846,652
Property and equipment	150,656	136,181
Resource properties [note 3]	64,981,834	61,742,505
Reclamation deposit	35,000	35,000
Total assets	77,733,454	78,760,338
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	946,528	974,165
Future income tax liabilities [note 5]	18,279,000	15,534,000
Commitments [note 8]		
Share capital [note 6]	57,366,550	60,094,163
Contributed surplus [note 6]	14,113,286	13,736,148
Deficit	(12,971,910)	(11,578,138)
Total shareholders' equity	58,507,926	62,252,173
Total liabilities and shareholders' equity	77,733,454	78,760,338

See accompanying notes

On behalf of the Board:

"David D'Onofrio"

David D'Onofrio
Director

"Philip Olson"

Philip Olson
Director

Titan Uranium Inc.
(a development stage company)

STATEMENTS OF OPERATION AND DEFICIT

	Three Months Ended February 29 2008 \$	Three Months Ended February 28 2007 \$	Six Months Ended February 29 2008 \$	Six Months Ended February 28 2007 \$
REVENUE				
Interest income	110,598	84,156	222,426	174,679
EXPENSES				
Administration	484,805	185,568	658,135	368,886
Stock-based compensation [note 7]	306,771	3,351,612	383,966	3,750,899
Corporate development	154,608	214,298	356,486	478,942
Consulting & professional fees	142,557	119,082	181,076	213,685
Amortization	19,082	16,043	36,535	29,872
Total expenses	1,107,823	3,886,603	1,616,198	4,842,284
Loss	(997,225)	(3,802,447)	(1,393,772)	(4,667,605)
Deficit, beginning of period	(11,974,685)	(5,135,610)	(11,578,138)	(4,270,452)
Deficit, end of period	(12,971,910)	(8,938,057)	(12,971,910)	(8,938,057)
Loss per share – basic and diluted	(0.02)	(0.08)	(0.03)	(0.13)
Weighted average number of shares outstanding - basic and diluted	52,837,849	45,492,717	52,835,053	36,731,203

See accompanying notes

Titan Uranium Inc.
(a development stage company)

STATEMENTS OF CASH FLOWS

	Three Months Ended February 29 2008 \$	Three Months Ended February 28 2007 \$	Six Months Ended February 29 2008 \$	Six Months Ended February 28 2007 \$
OPERATING ACTIVITIES				
Loss for the year	(997,225)	(3,802,447)	(1,393,772)	(4,667,605)
Adjustment for item not involving cash:				
Amortization	19,082	16,043	36,535	29,872
Stock based compensation	306,771	3,351,612	383,966	3,750,899
	(671,372)	(434,792)	(973,271)	(886,834)
Change in non-cash working capital items:				
Restricted cash	—	—	—	(1,320)
Decrease (increase) in accounts receivable	1,555,917	(26,010)	3,543,680	(129,804)
Decrease in prepaid expenses	(151,726)	(210,306)	(155,928)	(64,607)
Increase (decrease) in accounts payable and accrued liabilities	192,593	188,126	(27,638)	(371,544)
Cash provided by (used in) operating activities	925,412	(482,982)	2,386,843	(1,454,109)
FINANCING ACTIVITIES				
Proceeds from issuance of common shares, net of issuance costs	—	2,744,979	10,560	4,589,457
Cash provided by financing activities	—	2,744,979	10,560	4,589,457
INVESTING ACTIVITIES				
Investment in resource properties	(1,201,142)	(967,000)	(3,239,329)	(2,038,315)
Purchase of equipment	(36,846)	(21,088)	(51,010)	(74,576)
Cash used in investing activities	(1,237,988)	(988,088)	(3,290,339)	(2,112,891)
Decrease in cash and cash equivalents	(312,576)	1,273,909	(892,936)	1,022,457
Cash and cash equivalents, beginning of year	12,166,364	9,930,063	12,746,724	10,181,515
Cash and cash equivalents, end of year	11,853,788	11,203,972	11,853,788	11,203,972

See accompanying notes

Titan Uranium Inc.
(a development stage company)

Notes to the Financial Statements
February 29, 2008 (unaudited)

1. NATURE OF BUSINESS

Titan Uranium Inc. (“the Company”) is engaged in the exploration for and development of uranium properties in Canada’s Athabasca and Thelon basins. To date, the Company has not earned significant revenue and is therefore considered to be a development stage company.

These financial statements are prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable mineral reserves. The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the financing necessary to complete exploration and development and the success of future operations.

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as the most recent annual audited financial statements. These consolidated financial statements should be read in conjunction with the Company’s annual audited financial statements filed on SEDAR.

3. RESOURCE PROPERTIES

	Acquisition Costs \$	Deferred Exploration \$	Total \$
February 29, 2007			
Thelon, Nunavut	89,347	2,183,526	2,272,873
Athabasca, Saskatchewan	52,039,690	10,669,271	62,708,961
	52,129,037	12,852,797	64,981,834
August 31, 2007			
Thelon, Nunavut	89,347	2,150,688	2,240,035
Athabasca, Saskatchewan	51,938,486	7,563,984	59,502,470
	52,027,833	9,714,672	61,742,505

On June 13, 2007 the Company entered into an agreement with Mega Uranium Ltd. (Mega), whereby Mega can earn an interest in certain of the Company’s properties. The agreement is described in the most recent annual audited financial statement.

As at February 29, 2008, \$3,535,055 had been spent on the properties pursuant to the Mega agreement.

On June 18, 2007 the Company entered into an agreement with Ur-Energy Inc. (UR), whereby UR can earn an interest in certain of the Company’s properties. The agreement is described in the most recent annual audited financial statement.

As at February 29, 2008 \$2,000,000 had been spent on exploration work pursuant to the UR agreement.

4. RELATED PARTIES

The Company 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 \$27,003 [2007 - \$156,500] to directors of the Company or companies controlled by directors of the Company for the period ended February 29, 2008.

5. FUTURE INCOME TAX

Components of the future income tax liability are as follows:

Balance, August 31, 2007 and November 30, 2007	15,534,000
Renunciation of flow through expenditures	2,745,000
Balance, February 29, 2008	18,279,000

6. 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, 2007	52,828,249	60,094,163	13,736,148
Warrants exercised	9,600	17,387	(6,828)
Stock-based compensation	—	—	77,195
Balance, November 30, 2007	52,837,849	60,111,550	13,806,515
Stock-based compensation	—	—	306,771
Share issue costs	—	(2,745,000)	—
Balance, February 29, 2008	52,837,849	57,366,550	14,113,286

7. STOCK OPTIONS AND WARRANTS

Stock Options

The Company has established a share option plan whereby options may be granted to directors, officers, employees and consultants 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.

The Company granted 867,500 options to officers, directors, employees and consultants during the quarter ended February 29, 2008. The options have an exercise price of \$0.73, vested immediately and expire one year after the grant date.

Stock-based compensation of \$306,771 was recorded during the quarter ended February 29, 2008 for options granted during the quarter and vesting of options previously granted.

The number of options outstanding and their weighted average exercise price at February 29, 2008 are as follows:

	Number of Options	Weighted Average Price
Balance – August 31, 2007 and November 30, 2007	4,379,250	1.96
Granted	867,500	0.73
Expired	(231,158)	2.37
Balance – February 29, 2008	5,015,592	1.73

The options expire at various times between February 2009 and April 2012.

Warrants

The Company has the following non-publicly traded warrants outstanding which were granted in conjunction with various private placements.

	Number of Warrants	Weighted Average Price
Balance - August 31, 2007	6,127,930	2.43
Exercised	(9,600)	1.10
Expired	(145,048)	1.81
Balance – November 30, 2007 and February 29, 2008	5,973,282	2.45

These warrants expire at various times between August 2008 and March 2009.

8. Commitments

In accordance with a private placement completed in March 2007, the company renounced \$9,000,063 of Canadian Exploration Expenditures (“CEE”) on December 31, 2007 resulting in an obligation to spend \$9,000,063 in CEE by December 31, 2008. As at February 29, 2008 \$4,296,062 had been spent pursuant to this obligation leaving a balance of \$4,704,000 to be spent by December 31, 2008.

9. Subsequent events

On March 11, 2008 the Company signed a letter of intent with Japan Oil, Gas and Metals National Corporation (JOGMEC) whereby JOGMEC can acquire an undivided 50% working interest in the Company’s Virgin Trend Project in the Athabasca Basin. JOGMEC can earn a 50% working interest in the property if it funds \$9,000,000 of exploration over three years.

On March 17, 2008, UR notified the Company of its election to discontinue participation in the earn-in agreement.

On April 11, 2008 the Company signed an agreement with Vale Exploration Canada, a wholly-owned subsidiary of Companhia Vale do Rio Doce (VALE). Vale can acquire a 60% working interest in the Company’s Sand hill/Rook II project in the Athabasca Basin. Vale can earn a 60% working interest in the property if it funds \$12,000,000 of exploration the property over five years.