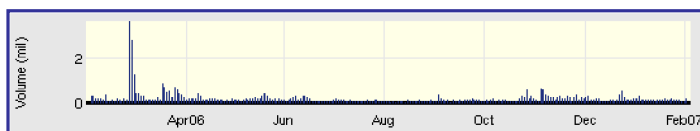
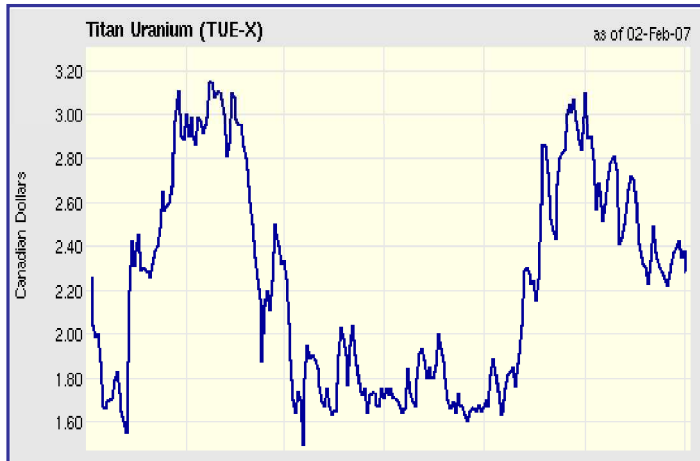


# Uraniumletter INTERNATIONAL

*the international independent information and advice bulletin for uranium resource investments*

Special Situation - February 2007

www.titanuranium.com



## Titan Uranium Inc. (Cdn\$ 2.14)

TSX	: TUE
H+L prices (12 months)	: Cdn\$ 3.27 – 1.34
Net shares issued	: 48.4 million
Fully diluted	: 56.1 million
Market Capitalization	: Cdn\$ 103.6 million

**First price target: Cdn\$ 3.60**

### Company profile

Titan Uranium is a Canadian uranium exploration company. The Company' target for growth is to acquire strategic properties and advance them via competitive managed exploration programs.

Active and proposed work programs in the Athabasca and Thelon Basins require the expenditure of approximately Cdn\$ 5 million. Although in the high-risk spectrum of exploration expenditures, the drill targets identified have the potential to host discovery.

The Athabasca Basin Project includes 7 properties (approximately 310,155 acres) including the Castle North and South Properties (73,093 acres) in the southwest portion of the Basin. Areva's past-producing Cluff Lake Mine is within 5 km of Castle North claims. During its operational history the Cluff Lake Mine produced over 62.5 million pounds of U3O8 at a grade of 1.3% and the site is currently being decommissioned, its reserves having been exhausted.

More recently, Areva/UEX have announced the discovery of three additional deposits, the Anne, Collette, and Kianna approximately 5 km to the south.

The first phase of diamond drilling has been completed for the Company's Castle North and South Properties. This drilling confirmed the presence on Titan's properties of the Saskatchewan Lake Conductor (SLC), a structurally-complexed corridor that host the nearby Shea Creek mineralised zones of Areva/UEX.

On December 18, 2006 Titan and Dejour Enterprises (DJE – TSX.V) closed the acquisition by Titan of Dejour's uranium properties, consisting of 68 claims and 4 permits totalling 966,969 acres located in the Athabasca Basin, and all related exploration data.

At closing, in consideration of Dejour's uranium assets, Titan issued to Dejour 17.5 million common shares (36.47% of Titan's issued shares) and 3.0 million transferable warrants.

The Thelon Basin Project located in Nunavut, Canada, and 80 km north of Areva's Kiggavik Deposit, includes 7 properties (approximately 164,759 acres).

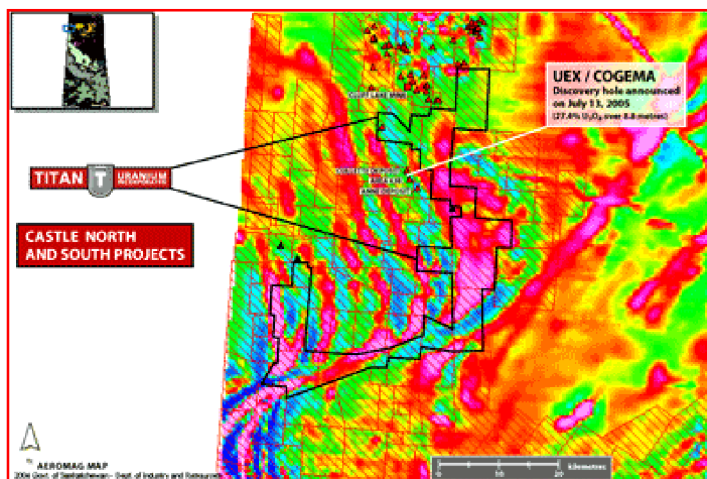
In August 2006, Titan began its summer 32006 exploration campaign including an expected 3,000 metre drill program in 26 holes.

Previous exploration on the Thelon Project has located a range of “syngenetic” uranium mineralization between 0.05% to 2.7% U<sub>3</sub>O<sub>8</sub> over narrow widths.

## Overview of Projects

### Ø Castle North and South Properties, southwest Athabasca Basin, Saskatchewan

The Athabasca Project, encompasses approximately 125,518 hectares (310,155 acres). In December 2006, Titan completed the first phase of diamond drilling and all assays have been received for its Castle North and South Properties. This drilling confirmed the presence on Titan's properties of the Saskatoon Lake Conductor (SLC), a structurally-complexed mineralised corridor that hosts the nearby Shea Creek mineralised zones (Kianna, Anne and Colette deposits) of Areva/UEX. Drilling at Kianna in 2005 intersected 8.8 metres of 27.4% U<sub>3</sub>O<sub>8</sub>. Recent drilling extended mineralization intersecting 8.6 metres of 5.62% U<sub>3</sub>O<sub>8</sub>.



Drilling on the Castle North and South targeted the existence of a basement conductor identified by a deep penetrating electromagnetic geophysical survey. At the depths encountered this conductor zone defines a corridor approximately 1,000 metre wide. The initial drill phase produced widely-spaced pierce points along the trace of this conductor. The SLC is interpreted as a series of graphitic faults and splays.

Titan's 2006 drilling program significantly advanced the Company's modelling of the Castle South Property, which is located approximately 30 kilometres south of the past-producing Cluff Lake Mine. Areva/UEX's Shea Creek Project is 10 kilometres north of the Castle South Property with both occurring within the SLC. The Shea Creek Project hosts the Anne and Collette Deposits. The Anne Deposit has been the subject of mineral resources evaluation with historic 40 million pounds averaging 2.5 to 3.0% U<sub>3</sub>O<sub>8</sub>, and is open to the north and south.

Four holes with two wedge cuts totalling 3,379 metres were drilled on the Castle South Property. Moving north, this drilling intersected the sandstone-bedrock unconformity at progressively deeper levels. The southernmost hole intersected altered basement at 650 metres. The northernmost hole intersected comparable rock types at a depth of 725 metres.

All holes showed regolith development with strong hermatization of the early Proterozoic basement. Elevated radioactivity was noted at the unconformity and in the underlying basement assemblages. Basement quartzite's and pelitic gneisses averaged 3 and 5 ppm respectively, spiking as high as 16 ppm in association with graphitic faults near the unconformity.

Titan has submitted its application to Saskatchewan Environment of its temporary camp permit and exploration work permit to drill 4 holes totalling 3,200 metres on mineral disposition S-107947, part of its Castle South Property.

The second phase of diamond drilling is expected to commence early 2007.

Drilling of the SLC on the Castle North Property intersected the basement unconformity at a depth of 1,212 metres and the hole returned low uranium values (0.15 to 12 ppm). Two additional holes on the Castle North Property were abandoned when the project depth to the unconformity exceeded 1,500 metres.

At depths of greater than one kilometre, the constructive zone of the Castle North Property present challenges beyond current technical capabilities.

Future exploration programs on the Castle North Property will focus on the north-easterly claims on the rim of the central uplifted segment of basement rocks within the Carswell meteorite impact crater. Several pronounced electromagnetic conductors parallel the rim of the central uplift and may represent mineralised pathways.

The second phase of drilling has begun with an initial phase at Castle South of 3,000 metres and a total annual goal of 13,100 metres.

## Titan and Dejour Athabasca Uranium Asset Combination

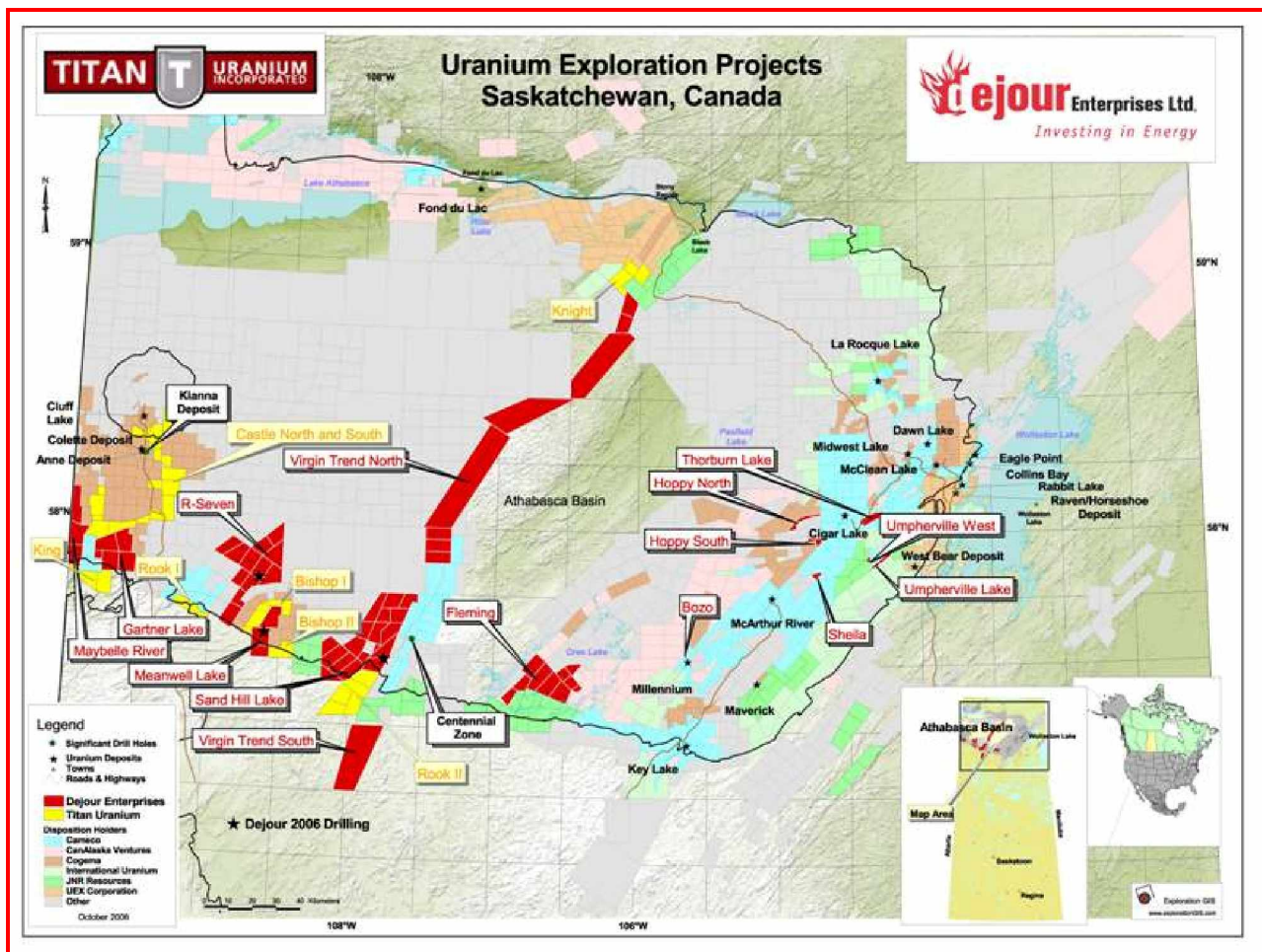
Titan and Dejour Enterprises (DJE – TSX.V) closed the acquisition by Titan of Dejour’s uranium properties, consisting of 68 claims and 4 permits totaling 966,969 acres located in the Athabasca Basin, and all related data.

At closing, in consideration for Dejour’s uranium assets, Titan issued to Dejour 17.5 million common shares (36.47% of Titan’s issued shares) and 3.0 million transferable warrants. Each warrant involved in the transaction entitles Dejour to purchase one common share of Titan at a price of Cdn\$ 2.00 until December 15, 2008. Dejour also claims certain interests in the properties and anti-dilution privileges, including a 1% Net Smelter Return on all contributed properties and a 10% working interest in each claim carried by Titan to a completed bankable feasibility study.

Dejour’s controlling investment in Titan is for investment purposes only.

Integral to the agreement, Titan maintains the first right to purchase any property held or acquired by Dejour in either the Athabasca or Thelon Basins should Dejour wish to sell, prior to December 31, 2007.

Immediately following final acceptance by the TSX Venture Exchange, Mr. Robert Hodgkinson, Chairman and CEO of Dejour and Dr. Lloyd Clark, PhD Geology, Director of Dejour, will be appointed to the Titan board.



## Dejour's Projects include:

### Ø **Fleming Project**

Consisting of 10 claims (84,819 acres). Historical exploration in the Pin the proproject traced graphitic conductive zones to the southern part of the present property. Prospecting discovered a pitchblende veinlet in a diabase dyke (grab sample result of 3.2% U<sub>3</sub>O<sub>8</sub>).

In 2005, the Property was surveyed using the state of the art MEGATEM II airborne electromagnetic system. This survey confirmed the earlier known conductor and also discovered several previously unknown conductors believed to be caused by basement graphitic horizons.

Four claims were staked (17,226 acres) to cover the off property conductors.

### Ø **Sand Hill Lake Project**

Consisting of 18 claims (183,628 acres) in the Project follows the southern margin of the Athabasca Basin for more than 25 kilometres. Historic work identified graphite in basement rocks and a series of northeast-trending faults, the Dufferin Lake structural zone.

This hosts the significant uranium mineralization at Cameco's Centennial Zone on the adjoining property, where drilling intersected up to 5.83% U<sub>3</sub>O<sub>8</sub> over 6.4 metres and recent drill results intersected 2.48% over 19.2 metres.

The Property was flown with GEOTEM 1000 and MEGATEM II, and the surveys confirmed the conductors identified by earlier exploration, traced these conductors north under deeper cover and identified several new conductors. A total of 12 claims were staked to cover the off property conductors (111,370 acres).

Drilling in 2006 intersected interesting structure and alteration in the sandstone and basement with highly evaluated values of U (to 4.63 ppm) and Boron in the sandstone and basement (to 47.6 ppm U, 1,056 ppm B) i.e. 10x background, which is comparable to values in the vicinity of uranium mineralization.

Boron is a significant indicator element often associated with uranium mineralization.

### Ø **Virgin- Trend Project**

Consisting of 4 permits and 5 claims (405,763 acres). This extensive Property covers the trace of the Virgin River Shear Zone/Dufferin Fault/Black Lake Fault, a regional fault system with repeated movement during the period of Athabasca sandstone deposition and uranium mineralization.

Most of the Property, except the southern off sandstone permit (78,070 acres), has at least 800 m of sandstone covering the metasediments known to be favourable for uranium mineralization.

On the adjoining Cameco Virgin River Property drilling on the Centennial has intersected up to 5.83% U<sub>3</sub>O<sub>8</sub> over 6.5 metres. Recent drill results intersected 2.48% over 19.2 metres.

Prior exploration on the Property has been minimal but of note is a large boron and clay anomaly at the South end of the permits.

Sampling carried out by Dejour in the summer of 2005 confirmed that the boron and clay alteration extends on the Property for 20 kilometres.

### Ø **Meanwell Lake Project**

Consisting of 3 claims (37,038 acres). Several basement conductive zones trend north-easterly across the Property. Drilling-2006 tested two conductors and one hole intersected anomalous U at the conformity (4.8 ppm or 10x background). Two follow-up holes intersected similar values.

## Ø **R-Seven Project**

Consisting of 12 claims (134,749 acres). This large property extends from the edge of the sandstone north for more than 33 kilometres. Previous exploration conducted until the late 1990s identified numerous graphite electromagnetic conducting zones in the sub-sandstones basement rocks. However, only seventeen holes were drilled on the Property during that period, mostly shallow holes near the edge of the sandstone.

One of the holes encountered significantly anomalous radioactivity, as well as clay mineral alteration that frequently haloes uranium deposits. The property was flown with MEGATEM II system and confirmed the known conductors, traced these conductors to the north under deeper cover and also identified previously unknown conductors.

Nine holes were drilled in 2006 to test conductive targets; several holes intersected sections of structurally disrupted and altered sandstone with elevated uranium and lead levels (to 3.68 ppm U and 66 ppm lead, i.e. 10x background).

The results confirm the prospectivity of the Project.

## Ø **Maybelle River Project**

Consisting of 3 claims (40,706 acres) and is covering a poorly explored part of the Athabasca Basin immediately east of the Alberta border. Government magnetic data shows the northern part of the Property to be underlain by low magnetic rocks, probably metasediments which may be graphitic.

Previous exploration has been hampered by the cover of Paleozoic and Cretaceous cover. As a first step in assessing the Property an airborne electromagnetic survey was flown in 2005 using Fugro's state of the art deep penetrating MEGATEM II system.

The survey was successful in detecting several conductive zones.

## Ø **Gartner Lake Project**

Consisting of 5 claims (59,693 acres) the Project is covering a poorly explored part of the Athabasca Basin, where Cretaceous sediments cover the Athabasca sandstone which overlies basement metasediments favourable for uranium mineralization.

Prior exploration around the Property detected electromagnetic conductors which appear to trend on to Dejour's ground but were obscured by Cretaceous cover.

As the first step in assessing the Property an airborne electromagnetic survey was flown to using Fugro's MEGATEM II system.

Several basement conductor zones were identified.

Quantec Geoscience and Empulse Geophysics have recently completed deep penetrating ground audio magnetic telluric (AMT) surveys on the Virgin Rover North and Sand Hill Lake Projects. Additionally, Geotech has just completed 3,800 km of VTEM electromagnetic surveys.

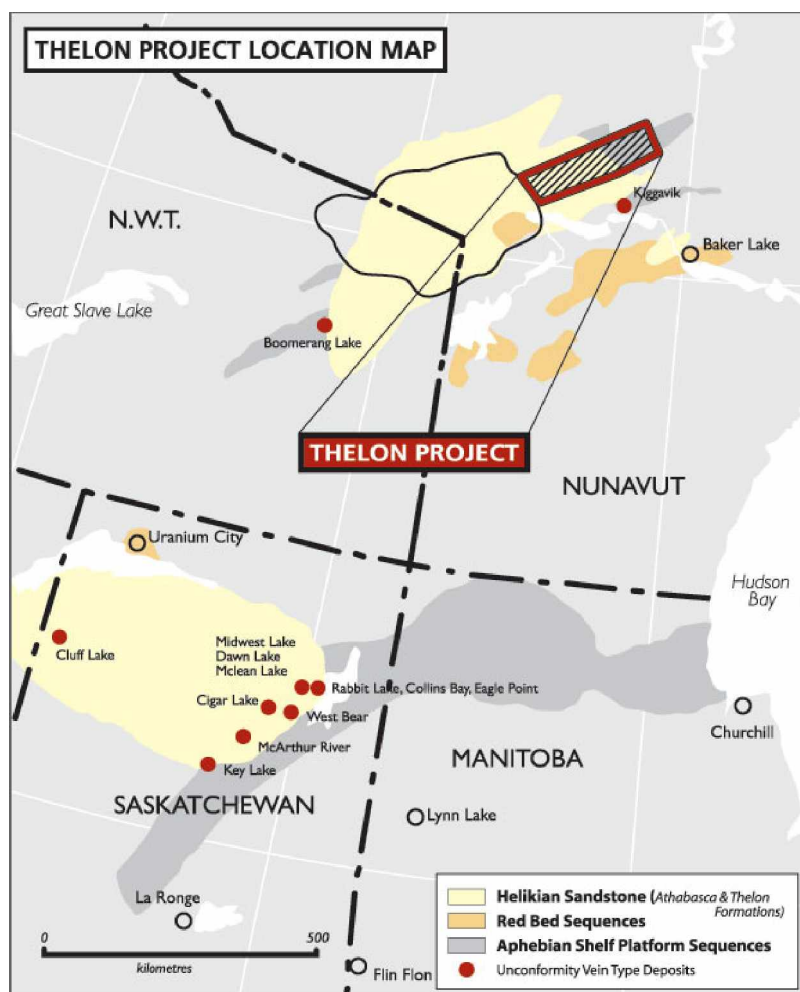
Preliminary results and interpretations from the surveys should be available shortly.

## Ø **Thelon Basin, Nunavut, Canada**

The Thelon Basin is the next frontier of uranium exploration in Canada. It is similar to the very prolific Athabasca Basin in geological environment, which each host to a significant number of high, great unconformity vein-type deposits.

Titan is a leading explorer in the Thelon Basin.

The Thelon Project, consisting of 7 properties (approximately 164,759 acres), is located 150 km northwest of Baku in Nunavut and 80- km north of Areva's Kiggavik Deposit. Baker Lake has year-round daily airline service and is barge accessible in summer.



Previously, the Thelon Project had located uranium mineralization in boulders of glacial till with grades ranging from 0.05% to 2.7% U<sub>3</sub>O<sub>8</sub> over narrow widths. Additionally, several boulder trains of unconformity type uranium mineralization have been defined with boulder trains of uranium hosted mineralization of up to 38% U<sub>3</sub>O<sub>8</sub>.

The drill targets are located in the head of uraniumiferous boulder trains defined by numerous mineralised boulders ranging up to several percent uranium. Past work includes regional geological mapping, prospecting, 13,612 kilometres of airborne radiometric, magnetic and electromagnetic surveying and detailed lake-bottom geochemical sampling. Detailed surveys under-taken to date include ground geophysical, geochemical and scintilla-meter prospecting.

In August 2006, Titan began its summer 2006 campaign. Operated by Heath & Sherwood Drilling, a division of Cabo Drilling, a portable drill started a 26-hole program to test numerous highly-prospective uranium anomalies within the 8 mineral leases.

The expected 3,000-metre drill program is directed at shallow targets to depths of approximately 80 metres.

On December 1, 2006, Titan announced that significant uranium values were intersected in bed rocks as a result of the 2006 drill program. Five holes were drilled on the RAD lease/claims and two holes were completed on the R-22 Property.

Significantly, the assays from drill hole RAD-06-05, which intersected values up to 0.686% U<sub>3</sub>O<sub>8</sub>, confirmed the presence of uranium values in bedrock. Collared up ice from a mineralised boulder train in the Outcrop 6 area, this vertical hole encountered several intervals containing visible uranium mineralization in bedrock. Hosted within a massive pink sandstone (Oora Lake Formation), pitchblende mineralization, occurs as a fracture fill.

Most of the holes on the RAD Property intersected silicified feldspathic sandstone interpreted to be the Itza Formation. Intense silicification and anomalously low uranium values define a depleted alteration halo at the apex of the RAD boulder train. The source of the RAD lease uraniumiferous boulder train was not identified in the widely spaced, phase one drill holes. Additional infill holes will be included in the 2007 program.

The results of the drill program provide a definitive link between the high-grade boulder trains discovered by past producing programs and the underlying basement rock types. Titan's emphasis is now on delineating this bedrock source.

Drilling on the R-22 Property included two holes that both intersected complexly interbedded feldspathic sandstones and graphitic mudstones with uranium values in the 8 to 10 parts per million (ppm) range, spiking as high as 96 ppm over 0.3 metres near the top of hole R 22-06-02.

These geochemically anomalous uranium values are considered significant and warrant follow-up drilling.

## **Management**

**Philip Olson**, M.Sc, P.Geo, President, CEO and Director, has 30 years experience in mining and exploration. He is a previous Vice President of Business Development of Claude Resources, a Saskatchewan based gold mining company and previous Director of Saskatchewan Mining Association, and is a Director of Pelangio Mines.

**Arni Johannson**, Chairman and Director, has 15 years public market experience in Finance and Field work. He is a Director of Mega Uranium and Chairman of Fortress Financial Corporation.

**John Pohve**, Chief Financial Officer, was the Operations Controller at Claude Resources. Following that, he became Controller of Prairie Malt Ltd., and most recently acted as the Controller of Mosaic Potash Mine in Colonsay.

**Joseph Spross**, Director, was the former Chief Operating Officer of Cameco Corp... He has extensive experience in uranium mining and exploration and has played a significant role in the development and operation of Cameco uranium properties, including managing the Key Lake operation for 15 years and as Executive Vice President of Kumtar in Kyrgyz Republic, Mr. Spross assumed the position of President of the Saskatchewan Mining Association in 2000 (a four-year term) and he is presently a Director of Centerra.

**Robert L. Hodgkinson**, Director, Chairman and CEO of Dejour Enterprises, has over 30 years of relevant experience in public and venture capital markets. He was the founder of Optima Petroleum and Equatorial Energy.

**Dr. Lloyd Clark, B.E.**, Geological Engineering, MSc., PhD., Director, has nine years experience with Saskatchewan Mining Development Corp. (now Cameco) as Exploration Manager and Chief Geologist. His team made the discovery of uranium at McArthur River, which deposit has become the world's largest, most profitable and highest grade uranium mine. Dr. Clark was professor of Geology and geochemistry at McGill University for 10 years and he has received 12 fellowships and research grants and published over 23 scientific papers.

## **Corporate / Finance**

In July 2006, Titan completed a Cdn\$ 5.0 million flow-through offering. Each unit priced at Cdn\$ 1.90 consisted of one flow-through common share and one-half of one non-flow through common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of Cdn\$ 2.50 per common share.

### **Investment recommendation:**

Titan Uranium has active and proposed work programs in the Athabasca and Thelon Basins. The Company's presence in the Athabasca Basin, the world's richest uranium basin, have gotten a strong boost from the acquisition of Dejour's uranium assets. The combined Titan holdings will come to approximately 1.44 million acres of prime properties, including all five major conductive areas in the under-explored south-west portion of the Athabasca basin. In return, Dejour will have over 37% of Titan's outstanding shares.

In addition of being one of the major uranium explorers in the Athabasca Basin, Titan, holding 7 properties, is the leading explorer in the prospective Thelon Basin in Nunavut, which has the same geological environment. Active and proposed work programs in the Athabasca and Thelon Basins require the expenditure of Cdn\$ 5.0 million, thereby offering the shareholders an attractive opportunity to benefit from positive exploration results. Our first price objective is Cdn\$ 3.60.