

BLUE LIGHTNING VENTURES INC.
INTERIM FINANCIAL STATEMENTS

March 31, 2005

(Unaudited)

NOTICE TO READER

INTERIM BALANCE SHEETS

INTERIM STATEMENTS OF LOSS AND DEFICIT

INTERIM STATEMENTS OF CASH FLOWS

NOTES TO INTERIM FINANCIAL STATEMENTS

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 statement for the period ended March 31, 2005.

NOTICE TO READER

The interim balance sheet as at March 31, 2005 and the interim statements of loss and deficit, and the interim statements of cash flows for the six month period then ended are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Moen and Company.

The interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian Generally Accepted Accounting Principles.

/s/ Clive Massey

Clive Massey, Director
Vancouver, BC Canada
May 15, 2005

/s/ Steve Chan

Steve Chan, Director
Vancouver, BC Canada
May 15, 2005

BLUE LIGHTNING VENTURES INC.
INTERIM BALANCE SHEET
March 31, 2005
(In Canadian Dollars)
(With Comparative Figures at September 30, 2004)

ASSETS	<u>Mar 31, 2005</u>	<u>Sept 30, 2004</u>
Current Assets		
Cash & deposit	\$ 402,927	\$ 44,455
Other receivables	16,456	12,623
Deposits	123,390	5,750
Prepaid expense	<u>10,017</u>	<u>108,300</u>
	<u>552,790</u>	<u>171,128</u>
Fixed Assets	2,809	3,277
Mineral Properties	<u>272,500</u>	<u>272,500</u>
	<u>\$ 828,099</u>	<u>\$ 446,905</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 7,592	\$ 6,011
Loans from related parties	<u>103,000</u>	<u>194,928</u>
	<u>110,592</u>	<u>200,939</u>
Shareholders' Equity		
Share capital	4,846,525	4,246,525
Contributed surplus	352,000	-
Deficit, accumulated during the development stage	<u>(4,481,018)</u>	<u>(4,000,559)</u>
	<u>717,507</u>	<u>245,966</u>
	<u>\$ 828,099</u>	<u>\$ 446,905</u>

APPROVED ON BEHALF OF THE BOARD:

(Signed)

(Signed)

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

BLUE LIGHTNING VENTURE INC.
INTERIM STATEMENT OF INCOME (LOSS)
SECOND QUARTER-ENDED March 31, 2005
(In Canadian Dollars)

	Three months ended		Six Months ended March 31	
	March 31	2004	2005	2004
General and Administrative Expenses				
Amortization	\$ 234	\$ 300	\$ 468	\$ 600
Bank charges	311	113	456	210
Consulting fees	19,750	0	23,619	0
Corporate and administration fees	3,112	0	3,112	0
Filing and transfer agent fees	14,783	4,983	15,338	5,531
Legal & accounting fees	10,345	0	22,842	600
Management fees	20,000	15,000	35,000	30,000
Office services and supplies	2,149	9,617	8,199	15,591
Property investigation	1,978	0	1,978	0
Shareholders' communication & promotion	12,304	2,827	17,952	6,636
Stock-based compensation	<u>0</u>	<u> </u>	<u>352,000</u>	<u> </u>
Loss from operations	(84,966)	(32,840)	(480,964)	(59,168)
Other expenses				
Interest income	400	182	505	512
Professional income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss for the period	(84,566)	(32,658)	(480,459)	(58,656)
Deficit, beginning of the period	(4,396,452)	(3,892,324)	(4,000,559)	(3,866,326)
Deficit, end of the period	\$(4,481,018)	\$(3,924,982)	\$(4,481,018)	\$(3,924,982)
Basic loss per share	\$ (0.01)	\$ (0.00)	\$ (0.04)	\$ (0.01)

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

BLUE LIGHTNING VENTURES INC.
INTERIM STATEMENT OF CASH FLOWS
SECOND QUARTER-ENDED March 31, 2005
(In Canadian Dollars)

	Three months ended		Six Months ended March 31	
	2005	2004	2005	2004
Operating Activities				
Net income (loss) for the period	\$ (84,566)	\$ (32,658)	\$ (480,459)	\$ (58,856)
Items not involving cash:				
Amortization	234	300	468	600
Stock based compensation	<u> -</u>	<u> -</u>	<u>352,000</u>	<u> -</u>
	(84,332)	(32,358)	(127,991)	(58,056)
Changes in non-cash working capital balances:				
Increase (decrease) in accounts receivable	(2,639)	(1,223)	(3,833)	(1,223)
Increase (decrease) in deposits	(117,640)	-	(117,640)	-
Increase (decrease) in prepaids	(10,017)		98,283	
Increase (decrease) in accounts payable	<u>(421)</u>	<u>21,183</u>	<u>6,152</u>	<u>40,827</u>
	(130,717)	19,960	(21,609)	(39,604)
	(215,049)	(12,398)	(149,600)	(18,452)
Financing Activities				
Issue of share capital	600,000	-	600,000	-
Loan payable from shareholder	(88,197)	<u> -</u>	(91,928)	<u> -</u>
	<u>511,803</u>	<u> -</u>	<u>508,072</u>	<u> -</u>
Investing Activities				
Deferred acquisition costs				
Investment in mineral properties				
Purchase of capital assets	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Increase (Decrease) in cash	296,754	(12,398)	358,472	(18,452)
Cash, beginning of the period	106,173	107,251	44,455	113,305
Cash, end of the period	\$ <u>402,927</u>	\$ <u>94,853</u>	\$ <u>402,297</u>	\$ <u>94,853</u>

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

BLUE LIGHTNING VENTURES INC.

Notes to Financial Statements

March 31, 2005

Note 1. NATURE AND CONTINUANCE OF OPERATIONS

Blue Lightning Ventures Inc. (the "Company") was incorporated on February 6, 1986, in the name of Atlar Resources Ltd. had further name changes on March 13, 1987 to Tatlar Resources Ltd., to Opact Resources Ltd. on July 22, 1991, and to Blue Lightning Ventures Inc. on July 21, 1999. The Company is in the development stage relating to exploration and development of mineral properties and has not generated any revenues from its planned operations. The deficit has been accumulated during this development stage.

These financial statement have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since inception of \$4,481,018 and has a working capital deficit at March 31, 2005 of \$442,198. These factors create doubt as to the ability of the Company to continue as a going concern unless sufficient funds are raised for the payment of its current liabilities and for ongoing operations. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

Note 2. SIGNIFICANT ACCOUNTING POLICIES

a) Fixed assets and amortization

Capital assets are recorded at cost and amortized over their estimated useful lives. Amortization is provided on a declining balance method at the following rates:

Office equipment	20%
Computer equipment	30%

	March 31, 2005			September 30
	Cost	Accumulated Amortization	Net	2004 Net
Computer equipment	\$ 4,680	\$ 2,294	2,386	\$ 2,808
Office equipment	1,199	776	423	469
	<u>\$ 5,879</u>	<u>\$ 3,070</u>	<u>\$ 2,809</u>	<u>\$ 3,277</u>

b) General and administration expenses

General and administration expenses are written off to operations as incurred.

c) Financial Instruments

The Company's financial instruments consist of cash, GST receivable and current liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial statements approximates their carrying values.

BLUE LIGHTNING VENTURES INC.
Notes to Financial Statements
March 31, 2005

Note 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) Translation of Foreign Currency

The accounts of the Company are translated into Canadian dollars on the following basis:

- monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date
- non-monetary assets and liabilities are translated at the rate prevailing when the transaction occurred
- revenue, general & administration expenses, and gains and losses are translated at the average exchange rate in effect during the period
- exchange gains or losses from conversion are included in the current net income.
- depreciation or amortization of assets translated at historical exchange rates are translated at the same exchange rates as the assets to which they relate;

e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect certain reported amounts and disclosures. Estimates are used for, but are not limited to, the accounting for doubtful accounts, amortization, income taxes, and the recoverability of non-producing mining property capitalized costs and deferred exploration expenditures. Actual results may differ from those estimates.

f) Stock-based compensation plan

Effective January 1, 2002 the Company adopted, on a prospective basis, CICA HB 3870 stock-based compensation and other stock-based payments, which established standards for the recognition, measurement, and disclosure of stock-based payments made in exchange for goods and services. Stock-based compensation and other stock-based payments require that stock-based payments to non-employees be accounted for using a fair value based method of accounting.

Effective January 1, 2004, pro forma disclosure was no longer permitted and the fair value of all stock options granted must be accounted for. The Company has voluntarily adopted the new policy for this new fiscal year ended September 2005.

g) Cash and security deposit

Cash consists of \$402,927 cash deposit in bank. The Company has a refundable deposit of \$123,390 related to the acquisition of a mineral property. If the agreement does not materialize, the amount will be refunded in full.

Note 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BLUE LIGHTNING VENTURES INC.

Notes to Financial Statements

March 31, 2005

h) Mineral Properties

Acquisition costs of mineral properties are capitalized by the Company, and are dealt with in the same manner as deferred exploration costs. Mineral property sale proceeds or option payments received for exploration rights are credited firstly to mineral property costs, secondly, as a recovery of deferred exploration costs, and thereafter, recognized as a gain or loss in current operations.

i) Values

The amounts for deferred exploration costs and mineral properties represent costs incurred to date and are not intended to reflect present or future values. The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent on the confirmation of economically recoverable reserves, the ability of the Company to obtain the necessary financing to successfully complete their development, including compliance with the requirements of lenders who may provide this financing from time to time, and upon future profitable operations.

Note 3. SHARE CAPITAL

a) Authorized: 100,000,000 common shares without par value

b) Issued and outstanding:

Unchanged balance

from September 30, 2002

to September 30, 2004

11,687,218 \$	4,246,525	11,687,218 \$	4,246,525
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Issued during the period:

Private placement @ \$0.20

3,000,000	600,000
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Balance, March 31, 2005

14,687,218 \$	4,846,525	11,687,218 \$	4,246,525
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c) Stock options:

Stock options are granted at an exercise price set in accordance with regulatory policies, and may not be granted at an exercise price of less than \$0.10 per share. Stock options have a maximum term of five years.

Note 3. SHARE CAPITAL (continued)

BLUE LIGHTNING VENTURES INC.

Notes to Financial Statements

March 31, 2005

c) Stock options (continued):

A summary of the Company's outstanding stock options as at December 31, 2004 and the changes during the period is presented below:

	Number	Exercise price
Outstanding at September 30, 2004	-	-
Granted	1,100,000	\$0.20
Outstanding at March 31, 2005	1,100,000	\$0.20

As disclosed in Note 2, effective the fiscal year ending September 30, 2005, the Company has adopted the new policy to record the fair value of compensation expense on the granting of stock options using the Black-Scholes model. In the first quarter ended December 31, 2004, the Company recorded a compensation charge of \$352,000 as the fair value of the 1,100,000 stock options granted.

The fair value of each option granted is estimated on the grant date using the Black-Scholes option pricing model. The assumptions used in calculating fair value are as follows:

Weighted average fair value of options granted	\$0.32
Expected dividend yield	0.0%
Expected volatility	197%
Risk-free interest rate	4.5%
Expected term in years	5

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Stock-based compensation charges are expensed for stock options granted with a corresponding increase to contributed surplus. Upon exercise of stock options, consideration paid on the exercise of stock options for the purchase of stock, together with the amount previously recognized in contributed surplus, is credited to share capital.

c) Private Placement

On February 3, 2005, the Company closed the previously announced private placement of up to 3,000,000 units at \$0.20 each. Each unit consisted of one common share and one half of a six-month non transferable share purchase warrant. Each full warrant entitles the holder to acquire an additional common share of the Company for \$0.25. The proceeds of the private placement will be used for mineral property investigation and acquisition costs and general working capital.

BLUE LIGHTNING VENTURES INC.

Notes to Financial Statements

March 31, 2005

- (a) Loans from related parties of \$103,000 as at March 31, 2005 (\$64,397 – 2003) are unsecured, non interest bearing, with no specific terms of repayment, and are payable to a former director and a company controlled by a former director.
- (b) During the six month period, the Company was charged the following amounts by directors or by companies controlled by the directors:

Management fees	\$	35,000
Consulting fees		22,869
Office rent		6,000
<u>Total</u>		<u>63,869</u>

Note 5. INVESTMENT IN MINERAL PROPERTY

MT Spencer Property, British Columbia

By agreement dated January 11, 2000 and amended May 24, 2000, the Company acquired a 97% undivided interest in six mineral claims located in the Port Alberni-Nitinat River area of Vancouver Island for the amount of \$195,000.

	March 31	
	2005	2004
Acquisition Costs		
Cash	\$ 195,000	\$ 195,000
Finders' fee	9,500	9,500
<u>Total Acquisition Costs</u>	<u>204,500</u>	<u>204,500</u>
Deferred Exploration Costs		
Line cutting	8,000	8,000
Survey	35,200	35,200
Samples	14,080	14,080
Mapping	10,720	10,720
<u>Total Deferred Exploration Costs</u>	<u>68,000</u>	<u>68,000</u>
<u>Total - Unchanged from September 30, 2002</u>	<u>\$ 272,500</u>	<u>\$ 272,500</u>

Note 6. PREPAID EXPENSES

In the previous year end, the Company reported prepaid expense of \$108,300 as an advance for exploration work to be undertaken for the Company. During the first quarter ended December 31, 2004, the funds were refunded to the Company. The amount of \$10,017 reported as a March 31, 2005 is a rental deposit for the new premises the Company hopes to closed within the next quarter.

Note 7. INCOME TAXES

BLUE LIGHTNING VENTURES INC.

Notes to Financial Statements

March 31, 2005

The Company does not have any income tax liabilities during the current year and, accordingly, no income taxes are recorded. The potential income tax benefits associated with losses incurred by the Company have not been recorded in the accounts as future taxation.

Note 8. SUBSEQUENT EVENTS

Private Placement

On April 4, 2005, announced that its previously announced private placement had closed. The Company received proceeds of \$196,399.84 upon issuance of 350,714 unites at \$0.56 per unit. Each unit consisted of one common share and one six-month non-transferable share purchase warrant. Each full warrant will entitle the holder to acquire an additional common share of the Company for \$0.70. The proceeds of the private placement will be used for mineral property investigation and acquisition costs and general working capital. No Finder's fee applied in this transaction.

Property acquisition

On April 19, 2005, the Company agreed, subject to regulatory approval, to acquire by lease a 100 per cent interest in over 7300 acres in a Lisbon Valley Uranium Property located in San Juan County, southeastern Utah. The property consists of two contiguous claim blocks encompassing 300+ claims. These claims cover the downthrown side of the Lisbon Valley anticline. The claims are located on the northeastern side of the main Lisbon fault, and extend from the southern edge of the Lisbon Mine for a distance of more than six miles to the southeast. The Lisbon Mine was put into production by Rio Algom and mined for 16 years.

The Company's objective is to commence geological work on the property with a view to identifying high potential drill targets. Permitting will begin immediately and is expected to take approximately 4 months.

Blue Lightning will acquire its interest in the property by way of two mining lease agreements each with initial terms of 5 years but which may be extended at Blue Lightning's election for unlimited further periods of 10 years. Under the terms of the lease agreements Blue Lightning has reimbursed the costs of staking and related transaction costs (which totaled approximately US\$120,000), and will issue to Mayan Minerals Ltd. of Vancouver, B.C. a total of 3,500,000 common shares upon acceptance for filing of the lease agreements by the TSX Venture Exchange. As well, to keep the leases in good standing Blue Lightning must pay the required annual Bureau of Land Management maintenance fees and state land fees (approximately US\$40,000), and make annual rental payments to Mayan totaling US\$50,000 in the first two years of the agreements and thereafter US\$100,000 until the property is placed into production. Once production has commenced, Blue Lightning has agreed to pay Mayan a minimum US\$100,000 per year royalty, calculated, for uranium, as a fluctuating percentage of the value of uranium recovered based on the price of uranium and, for other metals, at 3% of the net returns from other metals recovered. Fuller details of the royalty payable on uranium can be found in Blue Lightning's Material Change Report dated April 19, 2005, filed on SEDAR (www.sedar.com). Annual rental payments will be credited against any royalty that ultimately becomes due. The lease agreements also permit certain deductions from any royalty amount payable to Mayan if Blue Lightning is required to pay U.S. federal or state royalties.

Note 8. SUBSEQUENT EVENTS (Continued)

Name Change

BLUE LIGHTNING VENTURES INC.

Notes to Financial Statements

March 31, 2005

On April 29, 2005, pursuant to a special resolution passed by shareholders, the Company changed its name to Universal Uranium Ltd. (UUL). There is no consolidation of capital but the authorized share structure was changed from 100,000,000 to "No Maximum".

Effective May 3, 2005, the common shares of Universal Uranium Ltd. will commence on TSX Venture Exchange, and the common shares of Blue Lightning Ventures Inc. will be delisted.