

**UNIVERSAL URANIUM LTD.
(Formerly Blue Lightning Ventures Inc.)**

INTERIM FINANCIAL STATEMENTS

June 30, 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 June 30, 2005.

NOTICE TO READER

The interim balance sheet as at June 30, 2005 and the interim statements of loss and deficit, and the interim statements of cash flows for the nine 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
August 22, 2005

/s/ Steve Chan

Steve Chan, Director
Vancouver, BC Canada
August 22, 2005

UNIVERSAL URANIUM LTD.
(Formerly Blue Lightning Ventures Inc.)
INTERIM BALANCE SHEET
June 30, 2005
(In Canadian Dollars)
(With Comparative Figures at September 30, 2004)

ASSETS	<u>Jun 30, 2005</u>	<u>Sept 30, 2004</u>
Current Assets		
Cash & deposit	\$ 210,836	\$ 44,455
Other receivables	23,381	12,623
Deposits		5,750
Prepaid expense	<u>2,504</u>	<u>108,300</u>
	<u>236,721</u>	<u>171,128</u>
Fixed Assets (Note 2)	33,700	3,277
Mineral Properties (Note 5)	<u>2,142,993</u>	<u>272,500</u>
	<u>\$ 2,413,414</u>	<u>\$ 446,905</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 17,207	\$ 6,011
Loans from related parties		<u>194,928</u>
	<u>17,207</u>	<u>200,939</u>
Shareholders' Equity		
Share capital (Note 3)	6,671,675	4,246,525
Contributed surplus	629,500	-
Deficit, accumulated during the development stage	<u>(4,904,968)</u>	<u>(4,000,559)</u>
	<u>2,396,207</u>	<u>245,966</u>
	<u>\$ 2,413,414</u>	<u>\$ 446,905</u>

APPROVED ON BEHALF OF THE BOARD:

Clive Massey (Signed)

Steve Chan (Signed)

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

UNIVERSAL URANIUM LTD.
(Formerly Blue Lightning Ventures Inc.)
INTERIM STATEMENT OF INCOME (LOSS)
Third Quarter-Ended June 30, 2005
(In Canadian Dollars)

	Three months		Nine Months	
	2005	2004	2005	2004
General and Administrative Expenses				
Amortization	\$ 1,871	\$ 300	\$ 2,339	\$ 600
Bank charges	56	113	512	210
Consulting fees	33,500	-	57,119	-
Corporate and administration fees	2,596	-	5,708	-
Filing and transfer agent fees	20,354	4,983	35,692	5,531
Legal & accounting fees	15,363	-	38,205	600
Management fees	21,000	15,000	56,000	30,000
Office services and supplies	9,245	9,617	17,444	15,591
Property investigation	-	-	1,978	-
Salaries and Benefits	3,363	-	3,363	-
Shareholders communication, travel & promo	39,291	2,827	57,243	6,636
Stock-based compensation	277,500	-	629,500	-
Loss from operations	(424,139)	(32,840)	(905,103)	(59,168)
Other expenses (income)				
Interest income	-	182	505	512
Foreign exchange gain (loss)	189	-	189	-
Net loss for the period	(423,950)	(32,658)	(904,409)	(58,656)
Deficit, beginning of the period	(4,481,018)	(3,892,324)	(4,000,559)	(3,866,326)
Deficit, end of the period	(4,904,968)	(3,924,982)	(4,904,968)	(3,924,982)
Basic loss per share	(0.03)	(0.00)	(0.07)	(0.01)

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UNIVERSAL URANIUM LTD.
(Formerly Blue Lightning Ventures Inc.)
INTERIM STATEMENT OF CASH FLOWS
Third Quarter-Ended June 30, 2005
(In Canadian Dollars)

	Three months		Nine Months	
	2005	2004	2005	2004
Operating Activities				
Net income (loss) for the period	(423,950)	(39,384)	(904,409)	(98,040)
Items not involving cash:				
Amortization	1,871	300	2,339	900
Stock based compensation	277,500	-	629,500	-
	(144,579)	(39,084)	(272,570)	(97,140)
Changes in non-cash working capital balances:				
Increase (decrease) in accounts receivable	(6,925)	(1,891)	(10,758)	(1,891)
Increase (decrease) in deposits	123,390	-	5,750	-
Increase (decrease) in prepaids	7,513	-	105,796	-
Increase (decrease) in accounts payable	9,615	20,092	11,196	59,696
	133,593	18,201	111,984	57,805
	(10,986)	(20,883)	(160,586)	(39,335)
Financing Activities				
Issue of share capital	1,825,150	-	2,425,150	-
Loan payable from shareholder	(103,000)	-	(194,928)	-
	1,722,150	-	2,230,222	-
Investing Activities				
Deferred acquisition costs				
Investment in mineral properties	(1,870,493)	-	(1,870,493)	-
Purchase of capital assets	(32,762)	-	(32,762)	-
	(1,903,255)		(1,903,255)	
Increase (Decrease) in cash	(192,091)	(20,883)	166,381	(39,335)
Cash, beginning of the period	402,927	94,853	44,455	111,105
Cash, end of the period	210,836	73,970	210,836	73,970

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

UNIVERSAL URANIUM LTD.
(Formerly Blue Lightning Ventures Inc.)
Notes to Financial Statements
June 30, 2005

Note 1. NATURE AND CONTINUANCE OF OPERATIONS

Universal Uranium Ltd.. (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, to Blue Lightning Ventures Inc. on July 21, 1999, and to Universal Uranium Ltd on April 29, 2005. 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 \$4,904,968 and has working capital at June 30, 2005 of \$219,154. 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%

	June 30, 2005			September 30
	Accumulated		Net	2004
	Cost	Amortization		Net
Computer equipment	\$ 17,795	\$ 3,160	14,635	\$ 2,808
Office equipment	20,847	1,782	19,065	469
	<u>\$ 38,642</u>	<u>\$ 4,942</u>	<u>\$ 33,700</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.

UNIVERSAL URANIUM LTD.
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Notes to Financial Statements
June 30, 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 \$210,836 cash deposit in bank. In the previous year, the Company had a refundable deposit related to the acquisition of a mineral property. The deposit was applied against the acquisition of the property.

UNIVERSAL URANIUM LTD.
(Formerly Blue Lightning Ventures Inc.)
Notes to Financial Statements
June 30, 2005

Note 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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: No maximum common shares without par value (On April 29, 2005, the Company filed a "Notice of Alteration" increasing the authorized common shares from 100,000,000 to no maximum.

b) Issued and outstanding:

	Third Quarter Ended June 30			
	2005		2004	
	Shares	\$	Shares	\$
	Number of Common shares	Total of Capital stock	Number of Common shares	Total of Capital stock
Unchanged balance from September 30, 2002 to September 30, 2004	11,687,218	\$ 4,246,525	11,687,218	\$ 4,246,525
Issued during the period:				
Private placement @ \$0.20	3,000,000	600,000		
Private placement @ \$0.56	350,714	196,400		
Warrants exercised @ \$0.25	75,000	18,750		
Property agreement @ \$0.46	3,500,000	1,610,000		
Balance, June 30, 2005	18,612,932	\$ 6,671,675	11,687,218	\$ 4,246,525

UNIVERSAL URANIUM LTD.
(Formerly Blue Lightning Ventures Inc.)
Notes to Financial Statements
June 30, 2005

Note 3. SHARE CAPITAL (continued)

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.

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

	Number	Weighted average
Outstanding at September 30, 2004	-	-
Granted	1,100,000	\$0.20
	750,000	\$0.52
Outstanding at June 30, 2005	1,850,000	\$0.329

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. In the second quarter ended June 30, 2004, the Company recorded an additional compensation charge of \$277,500 as the fair value of the 750,000 stock options granted.

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

Number of Options granted	1,100,000	750,000
Weighted average fair value of options granted	\$0.32	\$0.37
Expected dividend yield	0.0%	0.0%
Expected volatility	197%	89.47%
Risk-free interest rate	4.5%	4.5%
Expected term in years	5	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.

UNIVERSAL URANIUM LTD.
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Notes to Financial Statements
June 30, 2005

Note 3. SHARE CAPITAL (continued)

d) 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.

On April 4, 2005, the Company closed the previously announced private placement of 350,714 units at \$0.56 each. Each unit consisted of one common share and one six-month non-transferable share purchase warrant. Each full warrant entitles the holder to acquire an additional common share of the Company at \$0.70. The proceeds of the private placement will be used for mineral property investigation and acquisition costs and general working capital.

e) Share Purchase Warrants

Share purchase warrant transactions and the number of share purchase warrants outstanding, are summarized as follows:

	Number	Exercise price	Expiry Date
Outstanding at September 30, 2004	-	-	
Granted	1,500,000	\$0.25	03-Aug-05
Granted	350,714	\$0.70	04-Oct-05
Exercised	(75,000)	\$0.25	
<u>Outstanding at June 30, 2005</u>	<u>1,775,714</u>		

Note 4. RELATED PARTY TRANSACTIONS

(a) Loans from related parties of \$103,000 as at March 31, 2005 were settled during the third quarter.

(b) During the nine month period, the Company was charged the following amounts by directors or by companies controlled by the directors:

		3 months	9 months
Management fees	\$	21,000	56,000
Consulting fees		15,000	37,869
Office rent		-	6,000
<u>Total</u>		<u>36,000</u>	<u>99,869</u>

UNIVERSAL URANIUM LTD.
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Notes to Financial Statements
June 30, 2005

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.

During the nine month ended June 30, 2005, there has been no exploration activity in the MT Spencer Property.

Lisbon Valley Property, Utah

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.

The Company 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 the Company's election for unlimited further periods of 10 years. Under the terms of the lease agreements, the Company 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 the Company 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, the Company 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 the Company is required to pay U.S. federal or state royalties.

UNIVERSAL URANIUM LTD.
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Notes to Financial Statements
June 30, 2005

Note 5. INVESTMENT IN MINERAL PROPERTY (continued)

Lisbon Valley Property, Utah (continued)

On June 2, 2005, the TSX Venture Exchange accepted for filing: (i) an agreement (the 'MVD Agreement'), dated April 8, 2005, between the Company, Mayan Minerals Ltd. ('Mayan') (a private British Columbia company 100% owned by R. Terry Heard of Vancouver) and Kee Nez Resources LLC ('Kee Nez') (a private Utah company that is wholly-owned by Mayan), pursuant to which the Company has agreed to acquire by lease a 100% interest in the 'MVD Claims'; and (ii) an agreement (the 'CAS Agreement'), dated April 14, 2005, between the Company, Mayan and Kee Nez, pursuant to which the Company has agreed to acquire by lease a 100% interest in the 'CAS Claims'. The MVD Claims and the CAS Claims (collectively, the 'Property') consist of an aggregate of 302 unpatented load mining claims covering 7,300 acres located San Juan County, Utah. The Property is an exploration stage mineral resource property.

In consideration for the acquisition of its interest in the Property, the Company must: (i) issue an aggregate of 3,500,000 (issued) common shares to Mayan within five days of Exchange acceptance of the transaction; and (ii) make aggregate rental payments to Mayan of US\$400,000 over a three year period. When and if production commences on the Property, the Company has agreed to a sliding scale royalty to Mayan based on the price per pound of uranium. The minimum annual royalty payment will be US\$100,000.

There is no finder's fee payable in respect of the transaction.

Exploration expenditures:

Acquisition Costs	\$
- Cash	219,492
- Shares (3,500,000 shares @ \$0.46)	<u>1,610,000</u>
	1,829,492
Deferred costs	
- Claims staking & maintenance	185
- Consulting fees	21,284
- Legal fees	16,580
- Maps & reports	1,130
- Site visits	<u>1,822</u>
	41,001
Total Lisbon Valley expenditures	1,870,493

UNIVERSAL URANIUM LTD.
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Notes to Financial Statements
June 30, 2005

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.

Note 7. SUBSEQUENT EVENTS

- a) On August 8, 2005, the Company paid all the Lisbon Valley claims maintenance fees due to the Bureau of Land Management (302 claims for a total of Cdn\$46,162);
- b) As at August 22, 2005, 1,425,000 warrants at \$0.25 were exercised for total proceeds of \$356,250.