

UNIVERSAL URANIUM LTD.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

/s/ Ronald Atlas
Ronald Atlas, Director
Vancouver, BC Canada
August 22, 2008

/s/ Steve Chan
Steve Chan, Director
Vancouver, BC Canada
August 22, 2008

**UNIVERSAL URANIUM LTD.
INTERIM CONSOLIDATED BALANCE SHEETS**

	June 30, 2008 \$ (Unaudited)	September, 2007 \$
A S S E T S		
Current assets		
Cash and deposits	267,858	795,252
Funds in trust (Note 5)	-	505,558
Amounts receivable	128,436	165,406
Security deposits	29,355	46,915
Prepaid expense	22,794	5,904
	448,443	1,519,035
Reclamation bond (Note 5)	114,455	114,455
Equipment (Note 3)	39,018	47,441
Other Asset (Note 4)	947,618	904,118
Mineral properties (Notes 5 and 8)	10,766,457	12,024,319
	12,315,991	14,609,368
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	229,525	1,834,416
Advances (Notes 6 and 8)	500,000	-
	729,525	1,834,416
Shareholders' Equity		
Share capital (Notes 7 and 8)	21,803,588	19,083,898
Contributed surplus (Notes 7 and 8)	2,995,136	2,553,719
Deficit	(13,212,258)	(8,862,665)
	11,586,466	12,774,952
	12,315,991	14,609,368
Continuing operations (Note 1)		

Approved on behalf of the Board of Directors:

“Ronald Atlas”, Director

“Steven Chan”, Director

UNIVERSAL URANIUM LTD.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
For the Nine Months Ended June 30,
(Unaudited)

	3 Months		9 Months	
	30-June-08	30-June-07	30-June-08	30-June-07
General and administrative expenses:				
Bank charges	514	383	1,171	919
Consulting fees	6,000	30,000	42,500	74,500
Corporate and administration fees	5,470	2,755	13,075	9,612
Directors' fees	-	10,000	-	10,000
Filing and transfer agent fees	22,702	3,868	46,855	32,568
Legal & accounting fees	11,045	26,066	37,366	70,547
Management fees	35,255	26,055	75,016	83,376
Office rent, services and supplies	12,059	13,313	36,653	49,977
Salaries and Benefits	25,261	26,306	72,334	75,615
Shareholders' communication, & promotion	13,460	29,098	55,378	155,369
Travel, meals & entertainment	7,744	21,844	38,265	63,067
Interest income	(2,486)	(7,109)	(23,147)	(31,525)
	(137,024)	(182,579)	(395,466)	(594,025)
Other (expenses):				
Amortization	(2,880)	(3,715)	(8,639)	(10,401)
Foreign exchange gain (loss)	-	-	-	(490)
Stock-based compensation	(105,600)	(25,750)	(376,750)	(1,484,450)
Write-off mineral property	(2,580,000)	-	(3,568,738)	-
Net loss and comprehensive loss for the period	(2,825,504)	(212,044)	(4,349,593)	(2,089,366)
Deficit - beginning of the period	(10,386,754)	(8,582,439)	(8,862,665)	(6,705,117)
Deficit - end of the period	(13,212,258)	(8,794,483)	(13,212,258)	(8,794,483)
Loss per share	(0.06)	(0.01)	(0.10)	(0.06)
Weighted average – number of shares outstanding	44,311,336	35,818,004	42,590,992	35,818,004

UNIVERSAL URANIUM LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended June 30,
(Unaudited)

Cash provided by (used for):	3 Months		9 Months	
	30-June-08	30-June-07	30-June-08	30-June-07
Operating Activities				
Net loss for the period	(2,825,504)	(212,044)	(4,349,593)	(2,089,366)
Adjustment which do not affect cash:				
Amortization	2,880	3,715	8,639	10,401
Stock-based compensation	105,600	25,750	376,750	1,484,450
Shares received as per property agreement		(228,000)		(228,000)
Write-off mineral properties	2,580,000	-	3,568,738	-
	<u>(137,024)</u>	<u>(410,579)</u>	<u>(395,466)</u>	<u>(822,515)</u>
Net changes in non-cash working capital items:				
Trust funds	-	-	505,558	-
Amounts receivable	(4,803)	10,997	36,970	(7,466)
Deposits	-	-	17,560	-
Securities	-	-	(43,500)	-
Prepaid expense	(105)	(7,045)	(16,890)	3,652
Accounts payable	(580,299)	(16,047)	(1,604,891)	(261,629)
	<u>(722,231)</u>	<u>(422,674)</u>	<u>(1,500,659)</u>	<u>(1,087,958)</u>
Financing Activities				
Issue of share capital	-	371,229	2,805,000	3,240,184
Share issue costs	-	(2,788)	(166,773)	(197,477)
Advances payable	500,000	-	500,000	-
	<u>500,000</u>	<u>368,441</u>	<u>3,138,227</u>	<u>3,042,707</u>
Investing Activities				
Mineral property costs	(262,057)	(45,040)	(2,164,746)	(2,609,393)
Property deposits	-	-	-	(134,197)
Reclamation bond	-	(14,507)	-	(14,507)
Purchase of capital assets	-	(2,424)	(216)	(11,074)
	<u>(262,057)</u>	<u>(61,971)</u>	<u>(2,164,962)</u>	<u>(2,769,171)</u>
Increase (decrease) in cash	(484,288)	(116,204)	(527,394)	(814,422)
Cash - beginning of period	752,146	2,749,290	795,252	3,447,508
Cash - end of period	<u>267,858</u>	<u>2,633,086</u>	<u>267,858</u>	<u>2,633,086</u>
Interest earned				
Supplementary disclosures:				
Interest income received	2,486	7,109	23,147	31,525

See notes to interim consolidated financial statements

UNIVERSAL URANIUM LTD.
Interim Consolidated Schedule of Deferred Mineral Property Costs
For the Period Ended June 30, 2008

	Balance September 30, 2007 \$	Additions \$	Write-off \$	Balance June 30, 2008 \$
Lisbon Valley				
Acquisition costs	1,995,847	-	-	1,995,847
Exploration costs				
Accommodations	13,631	8,482	-	22,080
Assays and sampling	3,433	-	-	3,433
Claims and staking maintenance	244,218	1,849	-	246,067
Consultants	168,249	-	-	168,249
Drilling	1,685,217	(2,117)	-	1,683,100
Field work	98,918	-	-	98,918
Field office and administration	33,480	304	-	33,784
Geophysical	65,886	-	-	65,886
Legal	60,903	425	-	61,328
Maps and reports	10,956	-	-	10,956
Reclamation costs	57,427	2,545	-	59,972
Site visits	34,641	-	-	34,641
Vehicle rental	39,200	-	-	39,200
	4,512,006	11,455	-	4,523,461
Silver Spruce (Labrador)				
Acquisition costs	45,000	(43,500)	-	1,500
Exploration costs				
Airbourne	30,437	33,618	-	64,055
Claims staking and maintenance	20,260	10,274	-	30,534
Consulting	654,330	154,295	-	808,625
Drafting and mapping	20,312	44,079	-	64,391
Drilling	1,770,603	591,768	-	2,362,371
Field work and supplies	664,241	409,835	-	1,074,076
Field administration	72,216	78,105	-	150,321
Geophysics, magnetics, radiometrics	798,174	34,598	-	832,772
Legal	12,644	125,222	-	137,866
Linecutting	33,311	634	-	33,945
SSE – management fees	337,377	110,472	-	447,849
Transport (mobilization)	13,509	-	-	13,509
	4,472,414	1,549,400	-	6,021,814
Artillery (Mohave)				
Acquisition costs	1,645,580	-	-	1,645,580
Exploration costs				
Assays & Sampling		5,627		5,627
Claims staking and recording	42,420	671	-	43,091
Consultants	114,553	68,199	-	182,752
Drilling	11,255	452,765	-	464,020
Field work, supplies & equipment	36,468	22,060	-	58,528
Field administration	39,028	3,144	-	42,172
Legal	42,883	6,539	-	49,422
Road construction	24,618	52,296	-	76,914
Site visits	9,739	2,155	-	11,894
Write-off Artillery Peak			(2,580,000)	(2,580,000)
	1,966,544	613,456	(2,580,000)	-

See notes to interim consolidated financial statements

UNIVERSAL URANIUM LTD.
Interim Consolidated Schedule of Deferred Mineral Property Costs
For the Period Ended June 30, 2008

	Balance September 30, 2006	Additions	Write-off	Balance June 30, 2008
	\$	\$	\$	\$
Tripple Uranium properties				
Acquisition costs	652,500	-	-	652,500
Exploration costs				
Advances	56,111	(88,982)	-	(32,871)
Air Charters	42,532	-	-	42,532
Claims and maintenance	98,172	-	-	98,172
Consultants	81,113	-	-	81,113
Equipments and tools	14,151	-	-	14,151
Field administration	17,622	-	-	17,622
Field work and supplies	25,034	-	-	25,034
Legal	-	4,365	-	4,365
Site visits	23,831	-	-	23,831
Sub-contracts	31,179	-	-	31,179
Wages and labour	31,110	-	-	31,110
Write-off property	-	-	(988,738)	(988,738)
	<u>1,073,355</u>	<u>(84,617)</u>	<u>(988,738)</u>	<u>-</u>
St. George's Basin properties				
Acquisition costs	-	186,130	-	186,130
Explorations costs				
Consultants	-	34,860	-	34,860
Drafting & mapping	-	169	-	169
Field Administration	-	23	-	23
	<u>-</u>	<u>221,182</u>	<u>-</u>	<u>221,182</u>
TOTAL	<u>12,024,319</u>	<u>2,310,876</u>	<u>(3,568,738)</u>	<u>10,766,457</u>

UNIVERSAL URANIUM LTD.
Notes to Interim Consolidated Financial Statements
June 30, 2008 and 2007

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in the Province of British Columbia and its principal business activity is the acquisition and exploration of resource properties. The Company is currently in the exploration stage of developing its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

These interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and has an accumulated operating deficit of \$13,212,258 as at June 30, 2008. The ability of the Company to continue as a going-concern depends upon its capacity in the near-term to raise additional equity financing and ultimately to develop profitable commercial operations.

There can be no assurance that the company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet.

2. FINANCIAL STATEMENT PRESENTATION

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a consolidated basis and include the accounts of the Company and its wholly-owned American subsidiary, Universal Uranium USA Corporation. All significant inter-company balances and transactions have been eliminated upon consolidation. These interim financial statements do not include all the information and footnotes required by generally accepted accounting principles for annual financial statements. Therefore readers are advised to refer to the Company's annual audited financial statements for the year ended September 30, 2007.

3. EQUIPMENT

	Period ended June 30, 2008		
	Cost \$	Accumulated Amortization \$	Net \$
Computer equipment	35,278	21,843	13,435
Office equipment	48,050	22,999	25,051
Leasehold improvements	2,114	1,582	532
	85,442	46,424	39,018

	Year ended September 30, 2007		
	Cost \$	Accumulated Amortization \$	Net \$
Computer equipment	35,278	17,942	17,336
Office equipment	47,834	18,578	29,256
Leasehold improvements	2,114	1,265	849
	85,226	37,785	47,441

4. **OTHER ASSET**

During the previous year the Company invested \$1,390,951 in a collateralized short term debt obligation (the “Note”), issued by Coventree Inc. and commonly known as “Asset Backed Commercial Paper” (“ABCP”). The redemption of the Note is dependent on the cash generated by the ABCP’s underlying assets and the ability of the trust that issued the note to refinance it in the ABCP market.

The Note was due and repayable to the Company on September 1, 2007, however the market for ABCP has ceased to function and the Company’s Note was not redeemed upon maturity.

The Company was unable to determine if or when it may obtain the funds due under its Note, or whether the full amount invested will be recoverable. Accordingly, it reclassified the Note as a non-current asset, and revalued it to \$904,118.

The Company made an assessment of the estimated recoverable amount of its investment based on the impact on related, but still functioning, markets for comparable financial instruments, and also with reference to the charges recently taken by other companies holding ABCP. The resultant allowance for 35% of the investment balance is only an estimate and the ultimate recovery, assuming that it eventually occurs in some manner, could be materially greater or less than the adjusted balance of the investment.

The Company also received 100,000 shares of Bayswater Uranium Corp.(“Bayswater”) in connection with the joint letter of agreement (Silver Spruce Resources and the Company) with Bayswater, whereby Bayswater was granted an option to acquire a 50% interest in 34 mineral claims, which is currently held 50% by Silver Spruce and 50% by the Company. The 100,000 common shares of Bayswater were recorded at the market value of \$0.435 per share as at June 30, 2008.

5. **MINERAL PROPERTIES**

Lisbon Valley San Juan County, Utah, USA

The Company has an option to acquire a 100% interest in two mining lease agreements comprising 302 unpatented lode mining claims, which was acquired by the reimbursement of \$156,735 in previous acquisition costs (paid), the issue of 3,500,000 shares (issued) and the payment of US\$400,000 (\$300,000 paid) prior to production and the requirement to pay a minimum of US\$100,000 per year once production is attained, which is to be credited against sliding scale royalty based upon the value of uranium recovered. Annual fees of approximately US\$40,000 are also due to government agencies.

A reclamation bond of \$99,948 (US\$84,000) has been posted with the State of Utah.

Silver Spruce Properties, Labrador, Canada

On January 18, 2006, the Company optioned from Silver Spruce Resources (SSE) the right to earn a majority interest in a 4,963 claim property (approximately 124,000 hectares / 300,000 acres), located in the Central Mineral Belt (CMB) of Labrador, Canada. Under the terms of the agreement, Universal can earn a 60-per-cent interest by spending \$2-million on exploration over a three year period (completed). During the earn-in period SSE will be the operator. The Company paid the funds in trust to SSE subsequent to year end on account of exploration expenditures.

The Company paid a \$45,000 finder’s fee to an arms-length third party.

On April 3, 2007, the Company completed its 60% earn-in on the Silver Spruce Properties and as a result now owns 60% of the Joint Venture. A formal joint venture agreement still has to be finalized.

As at the previous year end, the Company deposited \$505,558 to a legal trust fund, related to the amount due Silver Spruce. During the current period, the amount was released to Silver Spruce.

5. **MINERAL PROPERTIES (continued)**

Silver Spruce Properties, Labrador, Canada

On May 23, 2008, the Company announced that it had entered into an agreement with Crosshair Exploration and Mining Corp. (AMEX: CXZ) (TSX: CXX) under which Crosshair will acquire all of Universal's interest in the Central Mineral Belt (CMB) of Labrador, which totals approximately 4,737 claims (see Note 7 – Subsequent Events).

**Artillery Peak
Mohave County, Arizona, USA**

On February 14, 2006, the Company had acquired an option to purchase a 100% interest in 36 unpatented lode mining claims. On April 18, 2008, the Company terminated the option agreement with Artillery Peak Corp. The termination of the agreement was a result of the review of all available historic and company generated drill results. As at June 30, 2008 The Company wrote-off all acquisition costs and deferred exploration expenditures for a total of \$2,580,000.

A reclamation bond of \$14,507 (US\$12,400) has been posted with the State of Arizona.

**Tripple Uranium properties, Central Mineral Belt
Labrador, Canada**

On September 13, 2006, the Company acquired an option to earn a 60% interest in 2,727 claims (comprising approximately 165,000 acres) by initially reimbursing 60% of staking costs incurred of \$98,172 (paid), issuing 250,000 common shares (issued), and spending a total of \$1,050,000 on exploration over a three year period as follows: \$200,000 the first year (incurred), \$350,000 the second year and \$500,000 in the third year. In connection with this agreement the Company must also issue an additional 350,000 shares within ten days after the company's shares trade above \$0.75 for twenty consecutive trading days (issued).

On March 25, 2008, the Company announced that it had elected not to commit to the expenditures required to maintain its interest under the agreement. AS a result, both parties agreed to formally terminate the agreement. The Company wrote-off all deferred expenditures totaling \$988,738.

**St. George's Basin properties,
Newfoundland, Canada**

On May 20, 2008, the Company entered into an agreement to acquire 100% interest in 816 claims totaling 204 sq km located in St. George's Bay Basin in western Newfoundland from Alpha Uranium Resources Inc. Under the terms of the Agreement, the Company will acquire a 100% interest in the Property by paying on closing; (i) CDN\$40,000 in cash (paid) and, (ii) 500,000 previously unissued common shares of the company (issued at a deemed price of \$0.27 per share). On May 28, 2008, the TSX approved the acquisition agreement and the finders' fee of 41,222 common shares to be issued to Canaccord Capital Corporation.

On June 23, 2008, the Company announced that it had contracted North rim Exploration Ltd of Saskatoon, Saskatchewan to provide an assessment as to the potential of discovering potash on the property. The engagement will be completed by September 2008.

6. **Advances payable**

On June 3, 2008, the Company received an advance of \$500,000 from Crosshair, which is part of the acquisition of the Company's interest in the Silver Spruce property. The entire amount is due and payable if the acquisition by Crosshair does not complete (See Note 8 – Subsequent Events).

7. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares
 b) Issued and outstanding:

	30-Jun-08		30-Sep-07	
	Number of Shares	\$	Number of Shares	\$
Balance - beginning of year	39,148,403	19,083,8	32,174,493	14,396,51:
Issued for cash:				
Private placements (flow-through)	2,666,66	2,000,	2,700,00	2,025,00
Private placements	2,300,00	80		
Options exercised	-		1,285,00	464,25
Warrants & agents' options exercised	-		1,796,91	1,639,44
Issued for mineral properties	500,000	13	1,167,00	934,97
Finder's fee on mineral properties	41,222			
Financing issue costs				
Agents' commissions	-	(8		(151,874
Broker warrants	-			(51,300
Finders' fees	-	(7		
Finance fees	-		25,00	(18,750
Legal fees & other costs	-	(1		(70,689
Tax benefit from renunciation of flow-through	-			(690,525
Fair value – Warrants granted		(6		
Fair value – Options exercised				437,80
Fair value – Warrants exercised				169,05
Balance -end of period	44,656,291	21,803,5	39,148,403	19,083,89

Private Placements:

On October 24, 2007, the Company closed a non-brokered private placement with the MineralFields Group consisting of 2,666,666 flow-through units ("FT Units") at a price of \$0.75 per FT Unit for gross proceeds of \$2,000,000. Each FT Unit consists of one flow-through common share and one-half of a share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share of the Company at \$1.25 in the first year and \$2.00 in the second year. The warrants will be subject to a 30 day early expiration upon formal notification by the Company of a closing price, for 30 consecutive trading days, of \$1.50 or greater in the first year and \$2.25 or greater in the second year.

The Company paid a cash commission equal to 6% of the gross proceeds. In addition, the Company issued finder's options entitling the holder to purchase up to 266,666 non flow-through units of the Company, at a price of \$0.75 per unit, for a period of 24 months.

On March 20, 2008, the Company closed a non-brokered private placement consisting of 2.3 million units ("Units") at a price of \$0.35 per Unit, for gross proceeds of \$805,000. Each Unit consists of one common share and one-half of a share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.40 in the first year and \$0.45 in the second year.

The Company paid a cash commission \$30,625. In addition, the Company issued finder's options entitling the holder to purchase up to 87,500 shares at a price of \$0.40 in the first year and \$0.45 in the second year.

On May 29, 2008, the Company issued 500,000 shares to Alpha Uranium Resources as per the St. George's Basin property agreement and an additional 41,222 shares to Canaccord as per the approval of the TSX Venture Exchange.

7. **SHARE CAPITAL (continued)**

c) Stock options:

The continuity of share purchase options is as follows:

Expiry Date	Exercise Price	Sept. 30, 2006	Granted	Exercised	Expired / Cancelled	Sept. 30, 2007
29-Dec-09	0.20	950,000	-	(720,000)	-	230,000
10-Sep-10	0.52	3,500	-	-	(3,500)	-
21-June-10	0.52	725,000	-	(200,000)	-	525,000
16-Jan-11	0.71	190,000	-	(30,000)	(10,000)	150,000
08-May-11	0.67	260,000	-	(135,000)	-	125,000
13-Jun-11	0.67	640,000	-	(50,000)	(150,000)	440,000
31-Jul-11	0.48	100,000	-	-	-	100,000
13-Nov-11	0.46	-	200,000	(50,000)	-	150,000
04-Feb-12	0.48	-	100,000	(100,000)	-	-
19-Mar-12	1.77	-	835,000	-	(15,000)	820,000
24-May-12	1.11	-	25,000	-	-	25,000
		2,868,500	1,160,000	(1,285,000)	(178,500)	2,565,000
Weighted average exercise price		0.47	1.42	0.36	0.76	0.94

Expiry Date	Exercise Price	Sept. 30, 2007	Granted	Exercised	Expired / Cancelled	Jun. 30, 2008
29-Dec-09	0.20	230,000	-	-	-	230,000
21-June-10	0.52	525,000	-	-	-	525,000
16-Jan-11	0.71	150,000	-	-	(65,000)	85,000
08-May-11	0.67	125,000	-	-	-	125,000
13-Jun-11	0.67	440,000	-	-	(240,000)	200,000
31-Jul-11	0.48	100,000	-	-	-	100,000
13-Nov-11	0.46	150,000	-	-	-	150,000
19-Mar-12	0.55 **	820,000	-	-	(100,000)	720,000
24-May-12	1.11	25,000	-	-	(25,000)	-
01-Dec-07	0.60	-	745,000	-	-	745,000
12-Mar-13	0.40	-	110,000	-	-	110,000
23-Apr-13	0.20	-	880,000	-	-	880,000
		2,565,000	1,735,000	-	(430,000)	3,870,000
Weighted average exercise price		0.55	0.38	-	0.67	0.46

** On December 1, 2007, the Company re-priced the exercise price of 720,000 share purchase options from \$1.77 to \$0.55.

- On December 1, 2007, the Company granted 745,000 stock options to directors and consultants with an exercise price of \$0.60.
- On March 12, 2008, the Company granted 110,000 stock options to directors and consultants with an exercise price of \$0.40.
- On April 23, 2008, the Company granted 880,000 stock options to directors and consultants with an exercise price of \$0.20.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions and resulting values:

7. SHARE CAPITAL (continued)

c) Stock options: (continued)

The weighted average assumptions used to estimate the fair value of options granted during the period were:

	1-Dec-07	12-Mar-08	23-Apr-08
Risk-free interest rate	3.75%	4.0%	3.25%
Expected life	5	5	5
Vesting period	-	-	-
Expected volatility	89.45%	78.62%	74.57%
Expected dividend yield	-	-	-

During the period ended June 30, 2008, the Company recorded stock-based compensation expense of \$376,750.

d) Contributed Surplus

Contributed surplus, September 30, 2006	1,606,078
Changes during 2006	
Non-cash stock-based compensation	1,484,450
Fair value of broker shares and warrants issued for private placements	70,050
Fair value of stock options exercised	(437,800)
Fair value of broker warrants exercised	(169,059)
Contributed surplus, September 30, 2007	2,553,719
Changes during period ended December 31, 2007	
Non-cash stock-based compensation	376,750
Fair value of broker shares and warrants issued for private placements	64,667
Contributed surplus, June 30, 2008	2,995,136

e) Share purchase warrants

The continuity of share purchase warrants is as follows:

Expiry Date	Exercise Price	Sept. 30, 2006	Granted	Exercised	Expired / Cancelled	Sept. 30, 2007
18-Oct-06	0.55	1,078,758	.	.	(1,078,758)	.
01-Mar-08	0.88	1,000,000	.	(49,432)	.	950,568
06-Mar-08	1.00	3,067,832	.	(603,500)	.	2,464,332
06-Mar-08	1.00	25,000	.	.	.	25,000
06-Mar-08	0.75	613,566	.	(300,533)	.	313,033
28-Apr-08	1.00	1,313,417	.	(366,167)	.	947,250
*28-Apr-08	0.75	262,683	.	(227,740)	.	34,943
*14-Dec-07	0.75	-	270,000	(77,870)	.	192,130
		7,361,256	270,000	(1,625,242)	(1,078,758)	4,927,256
Weighted average exercise price		0.98	0.75	0.90	0.55	0.95

* Units granted to agents contain one share and half a warrant upon exercise.

7. SHARE CAPITAL (continued)

e) Share purchase warrants

Expiry Date	Exercise Price	Sept. 30, 2007	Granted	Exercised	Expired / Cancelled	Jun. 30, 2008
01-Mar-08	0.88	950,568	.	.	(950,568)	.
06-Mar-08	1.00	2,464,332	.	.	(2,464,332)	.
06-Mar-08	1.00	25,000	.	.	(25,000)	.
06-Mar-08	0.75	313,033	.	.	(313,033)	.
28-Apr-08	1.00	947,250	.	.	(947,250)	.
*28-Apr-08	0.75	34,943	.	.	(34,943)	.
*14-Dec-07	0.75	192,130	.	.	(192,130)	.
23-Oct-09	1.25		1,333,332	.	-	1,333,332
*23-Oct-09	0.75		266,666			266,666
*12-Mar-10	0.40		1,150,000			1,150,000
12-Mar-10	0.40		112,500			112,500
		4,927,256	2,862,498	.	(4,927,256)	2,862,498
Weighted average exercise price		0.95	0.83	.	-	0.83

* Units granted to agents contain one share and half a warrant upon exercise.

8. SUBSEQUENT EVENTS

On July 30, 2008, the Company announced that it had closed on the agreement with Crosshair Exploration (“Crosshair”) to acquire all of Universal’s 60% interest in its Central Mineral Belt (CMB), Labrador, uranium project, consisting of approximately 4,737 claims and including the Two Time uranium deposit, which sits outside the Labrador Inuit Land area.

Acquisition Details

As consideration for Universal’s interest in the Property, Crosshair paid Universal CDN\$500,000 and issued 10,000,000 common shares and 7,500,000 warrants. Each warrant entitles Universal to purchase an additional common share in the capital of Crosshair at CDN\$1.00 per share for a period of three years from Closing subject to early expiry in the event that the average trading price of Crosshair’s common shares exceeds CDN\$2.00 for a period of 20 days while the warrants are outstanding. The securities issued to Universal are subject to escrow for two years following the Closing, to be released in equal tranches in three month intervals. Universal will grant Crosshair’s management a voting proxy over any Crosshair shares it holds or acquires on exercise of the warrants while such shares are in escrow. These escrow and voting provisions will expire if Universal distributes the securities to its shareholders. Universal will retain a 2% net smelter return royalty on its 60% interest in the Property, 0.5% of which may be purchased by Crosshair for CDN\$1,000,000.

Private Placement

Crosshair purchased, by way of private placement, 2,222,222 units of Universal at a price of CDN\$0.45 per unit, for gross proceeds of \$1,000,000. Each unit consists of one common share of Universal and one share purchase warrant entitling Crosshair to purchase an additional common share of Universal at a price of CDN\$0.65 per Universal Warrant for a period of 24 months.

UNIVERSAL URANIUM LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the nine months ended June 30, 2008

Directors and Officers as at August 22, 2008:

Directors:

Ron Atlas
Steve Chan
John Hite
Corry Silbernagel
Richard Walters

Officers:

President – Ron Atlas
Secretary – Don Morrison
C.F.O. – Jorge Avelino
Executive Vice-president – Bill Galine

Contact Names:

Bill Galine
Jorge Avelino

Telephone Number:

604-662-3903

Fax Number:

604-662-3904

UNIVERSAL URANIUM LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended June 30, 2008

1.1 Date of This Report

August 22, 2008

This MD&A includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

Description of Business

Universal Uranium Ltd. is involved in the acquisition, exploration and development of mineral properties. The Company has mineral property interests in the following:

- Lisbon Valley located in San Juan County, Utah;
- Silver Spruce Resources properties located in the Central Mineral Belt of Labrador, Canada;
- St. George’s Basin property located in Newfoundland, Canada.

The properties are in the exploration and development stages.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>Sept. 30, 2007</u>	<u>Sept. 30, 2006</u>	<u>Sept. 30, 2005</u>
(a) Total income	\$53,758	\$78,583	\$734
(b) Loss before other items			
(i) Total loss	\$754,555	\$891,535	\$1,355,562
(ii) Loss per share – basic	\$0.02	\$0.03	\$0.09
(iii) Loss per share – diluted	\$0.02	\$0.03	\$0.09
(c) Net loss			
(i) Total loss	\$2,157,548	\$1,348,996	\$1,355,562
(ii) Loss per share – basic	\$0.06	\$0.05	\$0.09
(iii) Loss per share – diluted	\$0.06	\$0.05	\$0.09
(d) Total assets	\$14,609,368	\$9,657,455	\$2,377,412
(e) Total long-term liabilities	-	-	-
(f) Cash dividends declared per-share	N/A	N/A	N/A

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the financial statements of the Company and notes attached hereto.

Discussion of Operations and Financial Condition

Results of Operations

The total loss for the nine months ended June 30, 2008 was \$4,349,593 as compared to the total loss of \$2,089,366 for the nine months ended June, 2007. The major reason for the increase (\$2,260,277) in the loss can be attributed to the write-off of mineral property (2008 - \$3,568,738; 2007 - \$Nil). However, this increase was offset by an decrease in stock-based compensation expense in the current period (2008 - \$376,750; 2007 - \$1,484,450).

Operating expenses for the nine months ended June, 2008 was \$395,466 as compared to the operating expenses of \$594,025 for the nine months ended June, 2007 (decrease of \$198,559). With the current change in management, which took effect September 2007, there were some significant decreases as follows:

Expenses Category	30-Jun-08	30-Jun-07	Decrease
Consulting fees	42,500	74,500	32,000
Management fees	75,016	83,376	8,360
Shareholders' information	55,378	155,369	99,991
Travel, meals & entertainment	23,147	31,525	24,802

1.4 Results of Operations - continued

Stock-based compensation

- On December 1, 2007, the Company granted a total of 745,000 incentive stock options with an exercise price of \$0.60 and recorded stock-based compensation expense of \$245,850.
- On March 12, 2008, the Company granted 110,000 incentive stock options with an exercise price of \$0.40 and recorded stock-based compensation expense of \$25,300.
- On April 23, 2008, the Company granted 880,000 incentive stock options with an exercise price of \$0.20 and recorded stock-based compensation expense of \$105,600.

The fair value of the incentive stock options was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

	1-Dec-07	12-Mar-08	23-Apr-08
Risk-free interest rate	3.75	4.0	3.25
Expected life	5	5	5
Vesting period	-	-	-
Expected volatility	89.45 %	78.62%	74.57%
Expected dividend yield	-	-	-

Discussion of Operations and Financial Condition

Shareholders Communication and Travel

The Company reported shareholders communication and travel expenses of \$93,643 (2007 - \$218,436) broken down as follows:

- Communication & Information \$9,867 (2007 - \$55,578);
- Conferences & shows \$10,470 (2007 - \$56,677);
- Press releases \$6,279 (2007 - \$6,110);
- Printing, mail-out & supplies \$20,115 (2007 - \$18,371);
- Telephone & website \$8,647 (2007 - \$18,633); and
- Travel & entertainment \$38,265 (2007 - \$63,067).

1.4.1 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	<u>Q3 30-Jun-08</u>	<u>Q2 31-Mar-08</u>	<u>Q1 31-Dec-07</u>	<u>Q4 30-Sep-07</u>
Net Income (loss)	(2,825,504)	(1,165,679)	(358,410)	(68,182)
Per Share	(0.06)	(0.03)	(0.00)	0.00
	<u>Q3 30-Jun-07</u>	<u>Q2 31-Mar-07</u>	<u>Q1 31-Dec-06</u>	<u>Q4 30-Sep-06</u>
Net Income (loss)	(212,044)	(1,619,057)	(258,265)	(232,224)
Per Share	(0.01)	(0.04)	(0.01)	(0.01)

Discussion

Nine months ended June 30, 2008:

For the nine months ended June 30, 2008, please refer to Section 1.4 Results of Operations.

Financings, Principal Purposes & Milestones (See Section 1.15 -Subsequent Events)

On October 24, 2007, the Company closed a non-brokered private placement with the MineralFields Group consisting of 2,666,666 flow-through units ("FT Units") at a price of \$0.75 per FT Unit for gross proceeds of \$2,000,000. Each FT Unit consists of one flow-through common share and one-half of a share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share of the Company at \$1.25 in the first year and \$2.00 in the second year. The warrants will be subject to a 30 day early expiration upon formal notification by the Company of a closing price, for 30 consecutive trading days, of \$1.50 or greater in the first year and \$2.25 or greater in the second year.

The Company paid a cash commission equal to 6% of the gross proceeds. In addition, the Company issued finder's options entitling the holder to purchase up to 266,666 non flow-through units of the Company, at a price of \$0.75 per unit, for a period of 24 months.

On March 20, 2008, the Company closed a non-brokered private placement consisting of 2.3 million units ("Units") at a price of \$0.35 per Unit, for gross proceeds of \$805,000. Each Unit consists of one common share and one-half of a share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.40 in the first year and \$0.45 in the second year.

The Company paid a cash commission \$30,625. In addition, the Company issued finder's options entitling the holder to purchase up to 87,500 shares at a price of \$0.40 in the first year and \$0.45 in the second year.

On May 23, 2008, the Company announced that it had entered into an agreement with Crosshair Exploration and Mining Corp. (AMEX: CXZ) (TSX: CXX) under which Crosshair will acquire all of Universal's interest in the Central Mineral Belt (CMB) of Labrador, which totals approximately 4,737 claims. The transaction completed on July 30, 2008.

As consideration for Universal's interest in the Property, Crosshair paid Universal CDN\$500,000 and issued 10,000,000 common shares and 7,500,000 warrants. Each warrant entitles Universal to purchase an additional common share in the capital of Crosshair at CDN\$1.00 per share for a period of three years from Closing subject to early expiry in the event that the average trading price of Crosshair's common shares exceeds CDN\$2.00 for a period of 20 days while the warrants are outstanding. The securities issued to Universal are subject to escrow for two years following the Closing, to be released in equal tranches in three month intervals. Universal will grant Crosshair's management a voting proxy over any Crosshair shares it holds or acquires on exercise of the warrants while such shares are in escrow. These escrow and voting provisions will expire if Universal distributes the securities to its shareholders. Universal will retain a 2% net smelter return royalty on its 60% interest in the Property, 0.5% of which may be purchased by Crosshair for CDN\$1,000,000.

Crosshair purchased, by way of private placement, 2,222,222 units of Universal at a price of CDN\$0.45 per unit, for gross proceeds of \$1,000,000. Each unit consists of one common share of Universal and one share purchase warrant entitling Crosshair to purchase an additional common share of Universal at a price of CDN\$0.65 per Universal Warrant for a period of 24 months.

MINERAL PROPERTIES

Lisbon Valley Property, Utah

In the previous year end, the Company announced that it had completed an archeological report, which has been filed with the BLM, and is currently re-permitting the ten drill holes planned for Phase III. The Company received permits for the ten drill holes. As of the date of this report, all claims maintenance fees were paid in order for the claims to be in good standing.

During the period, the terms on the Lisbon Property agreement were amended as follows:

- (i) By letter agreement dated August 18, 2008 (the "Amendment"), Mayan has agreed to accept a further amendment to the Agreements that would result in a final payment on the Claims in the form of US\$5,000 and 50,000 common shares of the Company; and
- (ii) By letter agreement dated August 18, 2008 (the "Extension"), Big Indian has agreed to extend the Agreements to December 1, 2008, at which time the Company will make a determination as to whether or not it will keep the Claims and only if the Company determines to keep the Claims, will the payment of US\$50,000 to Big Indian become due and payable by the Company;

Silver Spruce, Labrador Properties (See Section 1.15 -Subsequent Events)

On December 18, 2007, the Company announced that the definition drilling for the resource calculation at the Two Time Zone (Silver Spruce Property) had been completed. Two drills completed the program and the camp was shut down for the Christmas break. The infill, definition drilling, was carried out in preparation for a NI 43-101 compliant resource estimate to be prepared by Scott Wilson Roscoe Postle Associates Inc. (SWRPA) early in 2008. The 18-hole program, totaling approximately 3,000 meters, was carried out in November and December 2007. Analytical results for the drilling are pending and will be released when received.

On April 29, 2008, the Company announced the initial Mineral Resource estimate for the Two Time Zone. The Two Time drill hole database includes 40 diamond core holes (holes 1-23 and 25-41) totaling 10,928 metres, plus five surface trenches.

The Mineral Resources are contained within eight zones, D101 through D108. At a cut-off grade of 0.03% U3O8, Indicated Mineral Resources are estimated to total 1.82 million tonnes grading 0.058% U3O8 containing **2.33 million pounds U3O8**. Inferred Mineral Resources are estimated to total 3.16 million tonnes grading 0.053% U3O8 containing **3.73 million pounds U3O8**.

The Company and Silver Spruce Resources look forward to the definition of a NI 43-101 compliant resource at the Two Time Zone that will establish the Company and Silver Spruce as companies with a new significant uranium deposit.

On May 23, 2008, the Company announced that it had entered into an agreement with Crosshair Exploration and Mining Corp. (AMEX: CXZ) (TSX: CXX) under which Crosshair will acquire all of Universal's interest in the Central Mineral Belt (CMB) of Labrador, which totals approximately 4,737 claims. On July 30, 2008, the agreement was completed and Crosshair paid the Company \$500,000 and issued 1,000,000 common shares and 7,500,000 warrants.

MINERAL PROPERTIES - continued

Artillery Peak, Mohave County Arizona

In the last quarter of the previous year end, the Company announced the commencement of the Phase 1 Drill Program, which consisted of 41 holes totaling 15,700 feet of drilling designed to bring the current historical resource on the property to 43-101 compliance. The drilling of 39 holes was completed in early December 2007 and the Company is currently waiting for the drill results.

On April 18, 2008 the Company announced that it had terminated the option agreement dated February 10, 2006 with Artillery Peak Uranium Corp. The termination of the Agreement is the result of a review of all available historic and company generated drill results. In general, the holes drilled to twin previous operator's holes returned similar results and confirmed the potential for the non NI 43-101 compliant historical resource of 1.7 million pounds of U3O8 . Holes drilled to expand the resource either a) failed to intersect anomalous or ore grade material or b) intersected or postulated from geology intersected that the host unit for uranium mineralization is too deep for potential economic extraction. Therefore the potential to expand the size of the deposit was severely downgraded and the option was terminated. All deferred exploration expenditures will be written-off in the quarter ended June 30, 2008.

Tripple Uranium (Labrador)

On September 13, 2006, the Company acquired an option to earn a 60% interest in 2,727 claims (comprising approximately 165,000 acres) by initially reimbursing 60% of staking costs incurred of \$98,172 (paid), issuing 250,000 common shares (issued), and spending a total of \$1,050,000 on exploration over a three year period as follows: \$200,000 the first year (incurred), \$350,000 the second year and \$500,000 in the third year. In connection with this agreement the Company must also issue an additional 350,000 shares within ten days after the company's shares trade above \$0.75 for twenty consecutive trading days (issued).

On March 25, 2008, the Company announced that it had elected not to commit to any further expenditures required to maintain its interest in the property. As a result, both parties agreed to formally terminate the agreement.

St. George's Basin properties, (Newfoundland)

On May 20, 2008, the Company entered into an agreement to acquire 100% interest in 816 claims totaling 204 sq km located in St. George's Bay Basin in western Newfoundland from Alpha Uranium Resources Inc. Under the terms of the Agreement, the Company will acquire a 100% interest in the Property by paying on closing; (i) CDN\$40,000 in cash (paid) and, (ii) 500,000 previously unissued common shares of the company (issued at a deemed price of \$0.27 per share). On May 28, 2008, the TSX approved the acquisition agreement and the finders' fee of 41,222 common shares to be issued to Canaccord Capital Corporation.

On June 23, 2008, the Company announced that it had contracted North rim Exploration Ltd of Saskatoon, Saskatchewan to provide an assessment as to the potential of discovering potash on the property. The engagement will be completed by early September 2008.

MINERAL PROPERTIES EXPENDITURES

Details of deferred exploration costs for the property are as follows:

	Balance 30-Sep-07	Additions during the period	Balance 30-Jun-08
Lisbon Valley, Utah			
Acquisition costs	1,995,847	-	1,995,847
Deferred Expenses			
- Accommodations	13,631	8,482	22,080
- Assays & Sampling	3,433		3,433
- Claims & staking maintenance	244,218	1,849	246,067
- Consultants	168,249		168,249
- Drilling	1,685,217	(2,117)	1,683,100
- Fieldwork & supplies	98,918		98,918
- Field office & admin	33,480	304	33,784
- Geophysical	65,886		65,886
- Legal	60,903	425	61,328
- Maps & reports	10,956		10,956
- Reclamation Costs	57,427	2,545	59,972
- Site visits	34,641		34,641
- Vehicle & equipment rental	39,200		39,200
Total Lisbon Valley	4,512,006	11,455	4,523,461
Artillery, Mohave, Arizona			
Acquisition costs	1,645,580	-	1,645,580
Deferred Expenses			
- Assays & sampling	-	5,627	5,627
- Claims Staking & Recording	42,420	346	42,766
- Consultants	114,553	68,199	182,752
- Drilling	11,255	442,765	454,020
- Field work, supplies & equipment	36,468	22,060	58,528
- Field office & admin	39,028	3,144	42,172
- Legal	42,883	6,539	49,423
- Road construction	24,618	52,296	76,914
- Site visits	9,738	2,155	11,893
- Write-off mineral property		(2,580,000)	(2,580,000)
Total Artillery	1,966,544	1,966,544	-

MINERAL PROPERTIES EXPENDITURES - continued

	Balance 30-Sep-07	Additions during the period	Balance 30-Jun-08
Silver Spruce, Labrador			
Acquisition			
- Cash (Finder's fee)	45,000	(43,500)	45,000
Deferred Expenses			
- Airbourne	30,437	33,618	64,055
- Claims & Staking maintenance	20,260	10,274	30,534
- Consulting Geology/Geochemistry	654,330	154,295	808,625
- Drafting & Mapping	20,312	44,079	64,391
- Drilling	1,770,603	591,768	2,362,371
- Field Work & Supplies	664,241	409,835	1,074,076
- Field office & management fees	409,593	188,577	598,170
- Geophysics, magnetics, radiometrics	798,174	34,598	832,772
- Legal	12,644	125,222	137,866
- Linecutting	33,311	634	33,945
- Transport (Mobilization)	13,509	-	13,509
Total Silver Spruce	4,472,414	1,549,400	6,021,814
Tripple Uranium Resources			
Acquisition costs	652,500	-	652,500
Deferred Expenses			
- Advances	56,111	(88,982)	(32,871)
- Air charters	42,532	-	42,532
- Claims & maintenance	98,172	-	98,172
- Consultants	81,113	-	81,113
- Equipment & tools	14,151	-	14,151
- Field office & administration	17,622	-	17,622
- Field work & supplies	25,034	-	25,034
- Legal	-	4,345	4,345
- Site visits	23,831	-	23,831
- Sub-contracts, wages & labour	62,289	-	62,289
- Write-off property	-	(988,738)	(988,738)
Total Tripple Uranium	1,073,375	(1,073,375)	-
TOTAL RESOURCE PROPERTIES	12,024,339	1,100,955	10,766,457

1.4 Liquidity

Universal Uranium Ltd. is a mining exploration and development company with no producing resource properties, and consequently, no current operating income or cash flow.

In management's view, given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the acquisition of a viable property and the discovery of economically recoverable reserves. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

1.4 Liquidity - continued

At June 30, 2008, the Company had 267,858 in cash and deposits. The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. As at June 30, 2008, the Company had a working capital deficit of \$281,082 compared to a working capital deficit of \$315,381 on September 30, 2007.

Credit Risk

In the previous year end, the Company invested \$1,390,951 in marketable securities collateralized short term debt obligation (Note), issued by Coventree Inc. and known as "Asset Backed Commercial Paper" ("ABCP"). The redemption of the note is dependent on the cash generated by the ABCP's underlying assets and the ability of the trust that issued the note to refinance it in the ABCP market.

The note was due and repayable to the Company on September 1, 2007, however the market for ABCP has ceased to function and the Company's note was not redeemed upon maturity.

The Company was unable to determine if or when it may obtain the funds due under the note and accordingly has reclassified it to long term assets, wrote-down the investment by \$486,833 and revalued it to \$904,118.

The Company made an assessment of the estimated recoverable amount of its investment based on the impact on related, but still functioning, markets for comparable financial instruments, and also with reference to the charges recently taken by other companies holding ABCP. The resultant allowance for 35% of the investment balance is only an estimate and the ultimate recovery, assuming that it eventually occurs in some manner, could be materially greater or less than the adjusted balance of the investment.

The Company also received 100,000 shares of Bayswater Uranium Corp. ("Bayswater") in connection with the joint letter of agreement (Silver Spruce Resources and the Company) with Bayswater, whereby Bayswater was granted an option to acquire a 50% interest in 34 mineral claims, which is currently held 50% by Silver Spruce and 50% by the Company. The 100,000 common shares of Bayswater were recorded at the market value of \$0.435 per share as at June 30, 2008.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not hold any foreign currency assets and liabilities and therefore has no exposure to foreign currency risk.

Commitments

The Company has certain work commitments on their mineral property interests as discussed in Section 1.5.

1.7 Capital Resources

The Company's capital resources are its mineral properties, with a historical cost of \$10,766,457 and its fixed assets (computers & office equipment) with a book value of \$39,018.

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

During the nine months ended June 30, 2008, the Company was charged the following amounts by directors and officers or by companies controlled by the director or officers:

		June 30,	
		2008	2007
Management fees			
- President	\$	43,166	83,376
- Allocated to deferred expenses		18,500	73,549
- Vice-president		31,850	-
- Allocated to deferred expenses		13,650	-
Directors fees		-	10,000
Consulting fees		18,000	18,000
Accounting fees		27,529	24,425
Accounting fees allocated to deferred expenses		11,800	11,225
Total	\$	164,495	219,921

1.10 Third Quarter

The third quarter results do not differ significantly from other quarters with the exception of the Artillery Peak mineral property's write off in the amount of \$2,580,000. In the previous quarter, the Company wrote off the Tripple Uranium property in the amount of \$988,738.

1.11 Proposed Transactions

None

1.12 Critical Accounting Estimates

The Company's critical accounting estimates are as described in its Annual MD&A.

1.13 Changes in Accounting Policies

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles, following accounting policies consistent with the Company's audited financial statements and notes thereto for the year ended April 30, 2007 with certain additions, as follows. These financial statements do not include all the disclosures required by generally accepted accounting principles and should be read in conjunction with the most recent audited financial statements of the Company.

On February 1, 2007, the Company adopted two new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"); Section 3855, "Financial instruments – recognition and measurement"; and Section 1530, "Comprehensive income". These standards were adopted on a prospective basis and as such, prior periods have not been restated.

a) Financial instruments – recognition and measurement

CICA Handbook Section 3855 requires that all financial assets, except those classified as held to maturity and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. The Company's financial statements have not been impacted by this policy to date.

1.13 Changes in Accounting Policies - continued

b) Comprehensive income

Under CICA Handbook Section 1530, comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the statement of operations such as unrealized gains or losses from available for sale securities which are not included in computing net income (loss) until realized. The Company does not currently have any assets or liabilities that are subject to this accounting treatment.

1.14 Financial and Other Instruments

The carrying value of cash and cash equivalents and accounts payable approximate their fair values due to the short maturity of those instruments.

1.15 Other

Disclosure of Outstanding Share Capital (August 22, 2008)

	Number	Book Value
Common Shares	44,656,291	\$21,803,588

Disclosure of Outstanding Stock Options: (August 22, 2008)

	Number	Weighted Average Price
Incentive Stock Options	3,870,000	\$0.46

Disclosure of Outstanding Share Purchase Warrants Outstanding: (August 22, 2008)

	Number	Weighted Average Price
Share Purchase Warrants	2,862,498	\$0.83

Disclosure Controls and Procedures

It should be noted that pursuant to Multilateral Instrument 52-511 (adopted by the British Columbia Securities Commission on November 23, 2007), that the officers of the Company are no longer required to certify the effectiveness of disclosure controls and procedures used by the Company, as was required in previous interim filings under Multilateral Instrument 52-109. Accordingly, the new forms of certificate to be signed by the Company's Chief Executive Officer and Chief Financial Officer contain the following Note to Reader:

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

Disclosure Controls and Procedures - continued

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Subsequent Events to June 30, 2008

On July 30, 2008, the Company announced that it had closed on the agreement with Crosshair Exploration ("Crosshair") to acquire all of Universal's 60% interest in its Central Mineral Belt (CMB), Labrador, uranium project, consisting of approximately 4,737 claims and including the Two Time uranium deposit, which sits outside the Labrador Inuit Land area.

Acquisition Details

As consideration for Universal's interest in the Property, Crosshair paid Universal CDN\$500,000 and issued 10,000,000 common shares and 7,500,000 warrants. Each warrant entitles Universal to purchase an additional common share in the capital of Crosshair at CDN\$1.00 per share for a period of three years from Closing subject to early expiry in the event that the average trading price of Crosshair's common shares exceeds CDN\$2.00 for a period of 20 days while the warrants are outstanding. The securities issued to Universal are subject to escrow for two years following the Closing, to be released in equal tranches in three month intervals. Universal will grant Crosshair's management a voting proxy over any Crosshair shares it holds or acquires on exercise of the warrants while such shares are in escrow. These escrow and voting provisions will expire if Universal distributes the securities to its shareholders. Universal will retain a 2% net smelter return royalty on its 60% interest in the Property, 0.5% of which may be purchased by Crosshair for CDN\$1,000,000.

Private Placement

Crosshair purchased, by way of private placement, 2,222,222 units of Universal at a price of CDN\$0.45 per unit, for gross proceeds of \$1,000,000. Each unit consists of one common share of Universal and one share purchase warrant entitling Crosshair to purchase an additional common share of Universal at a price of CDN\$0.65 per Universal Warrant for a period of 24 months.

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.