

## **URANIUM NORTH RESOURCES CORP.**

**Financial Statements  
May 31, 2007**

<b><u>Index</u></b>	<b><u>Page</u></b>
<b>Notice</b>	1
<b>Financial Statements</b>	
Balance Sheet	2
Statement of Operations and Deficit	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 13
Management Discussion and Analysis	14

**NOTICE - No Auditor Review of the Interim Financial Statements**

The accompanying unaudited interim financial statements of Uranium North Resources Corp. ("the Company"), for the three months ended May 31, 2007, have been prepared by management and have not been the subject of a review by the Company's external independent auditor.

**URANIUM NORTH RESOURCES CORP.**

Balance Sheet  
(Unaudited – See Notice)

	<b>May 31, 2007 (unaudited)</b>	February 28, 2007
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 3,686,644	\$ 5,152,372
Accounts receivable	156,865	35,906
Prepaid expenses	10,166	65,249
Project advances	250,000	-
	4,103,675	5,253,527
<b>Mineral interests</b> (Note 4)	3,949,225	2,953,009
<b>Equipment</b> (Note 5)	9,498	-
	\$ 8,062,398	\$ 8,206,536
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	215,595	\$ 84,704
Due to related parties (Notes 8)	42,132	47,537
Note payable (Note 6)	300,000	300,000
	557,727	432,241
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 7(b))	8,587,323	8,510,317
<b>Option Compensation</b> (Note 7(d))	455,516	396,928
<b>Deficit</b>	(1,538,168)	(1,132,950)
	7,504,671	7,774,295
	\$ 8,062,398	\$ 8,206,536

Nature of Operations (Note 1)  
Subsequent Events (Note 10)

Approved by the Directors:

\_\_\_\_\_  
"Mark Kolebaba"  
Mark Kolebaba

\_\_\_\_\_  
"Geir Liland"  
Geir Liland

See Accompanying Notes to the Financial Statements

**URANIUM NORTH RESOURCES CORP.**

Statements of Operations and Deficit  
For the Three Months Ended May 31  
(Unaudited – See Notice)

	<b>2007</b>	<b>2006</b>
<b>General and administrative expenses</b>		
Accounting and audit	\$ 6,040	6,000
Administration fees	28,831	3,000
Amortization	370	
Bank charges	642	169
Consulting fees	29,221	7,500
Filing fees	1,471	-
Interest	3,781	2,801
Investor relations and promotion	57,584	-
Legal fees	3,804	107,072
Office and miscellaneous	5,647	2,312
Rent	6,807	-
Stock-based compensation (Note 7(d))	58,588	-
Transfer agent fees	2,605	-
	(205,391)	(128,854)
<b>Other income (expenses)</b>		
Interest	57,536	1,089
Property investigation costs	(1,671)	-
Write-off of mineral interest	(255,692)	-
	(405,218)	(127,765)
<b>Loss for period</b>	(405,218)	(127,765)
<b>Deficit, beginning of period</b>	(1,132,950)	-
<b>Deficit, end of period</b>	(1,538,168)	(127,765)
<b>Loss per share</b>		
-Basic and Diluted	(0.02)	-
<b>Weighted average number of common shares outstanding</b>		
-Basic and Diluted	22,005,844	-

See Accompanying Notes to the Financial Statements

**URANIUM NORTH RESOURCES CORP.**

## Statements of Cash Flows

For the Three Months Ended May 31

(Unaudited – See Notice)

	<b>2007</b>	<b>2006</b>
<b>Cash flows used in operating activities</b>		
Loss for the period	(405,218)	(127,765)
Items not involving cash:		
Amortization	370	-
Stock-based compensation	58,588	-
Write-off of mineral interest	255,692	-
	(90,568)	(127,765)
Net change in non-cash working capital items		
Accounts receivable	(120,959)	(4,929)
Prepaid expenses	55,083	-
Project advances	(250,000)	-
Accounts payable and accrued liabilities	130,891	55,731
Due to related parties	(5,405)	-
	(280,958)	(76,963)
<b>Cash flows applied to investing activities</b>		
Expenditures on mineral interests	(1,201,908)	-
Purchase of equipment	(9,868)	-
	(1,211,776)	-
<b>Cash flows provided by financing activities</b>		
Note payable	-	300,000
Shares issued for cash	27,006	1
	27,006	300,001
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(1,465,728)</b>	<b>223,038</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>5,152,372</b>	<b>-</b>
<b>Cash and cash equivalents, end of period</b>	<b>3,686,644</b>	<b>223,038</b>

Supplemental Cash Flow Information (Note 9)

See Accompanying Notes to the Financial Statements

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

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### 1. Nature of Operations

Uranium North Resources Corp. (the “Company”) was incorporated on March 1, 2006 pursuant to the *Business Corporations Act* (British Columbia) and on December 7, 2006 the common shares of the Company were listed for trading on the TSX Venture Exchange (“Exchange”). The Company is in the process of actively exploring and developing its mineral properties and has not yet determined whether these properties contain ore reserves which are economically recoverable. The Company is considered to be in the exploration stage.

The recoverability of amounts shown for mineral property interests is dependent upon one or more of the following:

- the discovery of economically recoverable reserves,
- the ability of the Company to obtain financing to complete development, and
- future profitable production from the properties or proceeds from disposition.

At May 31, 2007, the Company had a deficit of \$1,538,168 and had working capital of \$3,545,948, which is sufficient to achieve the Company’s planned business objectives for fiscal 2008.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet the Company’s liabilities as they become payable. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

### 2. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada and reflect the following policies:

#### (a) Basis of Presentation

The accompanying unaudited interim financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”) in Canada with respect to the preparation of interim financial statements. Accordingly, they do not include all of the information and disclosures required by Canadian GAAP in the preparation of annual financial statements. The accounting policies used in the preparation of the accompanying unaudited interim financial statements are the same as those described in the annual financial statements and the notes thereto for the year ended February 28, 2007. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim financial statements should be read in conjunction with the Company’s financial statements including the notes thereto for the year ended February 28, 2007.

#### (b) Management Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial

**URANIUM NORTH RESOURCES CORP.**

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

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statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

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### 3. Change in Accounting Policies

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements. Furthermore the adoption of this policy has no effect on these financial statements.

#### (a) Financial Instruments – Recognition and Measurement (Section 3855)

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company’s balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized to cost. Changes in fair value are to be recognized in the statement of operations and the statement of comprehensive income.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any of the Company’s outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to March 1, 2007 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- i) Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net earnings.
- ii) Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income until the asset is removed from the balance sheet.
- iii) Held for trading financial instruments are measured at fair value. All gains and losses are included in net earnings in the period in which they arise.
- iv) All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses are included in net earnings in the period they arise.

#### (b) Hedging (Section 3865)

This new standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any hedges.

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

### 3. Change in Accounting Policies (Continued)

#### (c) Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period resulting from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements.

### 4. Mineral Interests

As at May 31, 2007, the Company's mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Amer Lake Nunavut	S. Baker Nunavut	Thelon NWT	Hepburn NWT	Sask	Others	Total
Balance, February 28, 2007	\$756,742	\$726,758	\$388,162	\$184,481	\$417,326	\$479,540	\$2,953,009
Additions during the period:							
Acquisition costs	-	-	-	-	-	132,010	132,010
Exploration:							
Geology	16,705	26,252	-	200	2,055	11,752	56,964
Airborne	-	294,352	-	-	284,418	-	578,770
Mobilization	481,553	-	-	-	-	-	481,553
Permitting	5,690	900	-	-	-	500	7,090
	503,948	321,504	-	200	286,473	12,252	1,124,377
Less:							
Recoveries	-	(4,479)	-	-	-	-	(4,479)
Write downs	-	-	-	-	-	(255,692)	(255,692)
	-	(4,479)	-	-	-	(255,692)	(260,171)
Net additions	503,948	317,025	-	200	286,473	(111,430)	996,216
Balance at May 31, 2007	\$1,260,690	\$1,043,783	\$388,162	\$184,681	\$703,799	\$368,110	\$3,949,225

(a) Pursuant to the Arrangement agreement, the following mineral claims and permits were transferred to the Company:

(i) Amer Lake, Nunavut

The Company holds a 100% interest in four permits covering 151,921 acres subject to a 2% gross overriding royalty ("GOR") in respect of diamonds, a 5% royalty on uranium production and a 2% net smelter returns royalty ("NSR") in respect of other metals.

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

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### 4. Mineral Interests (Continued)

#### (a) (Continued)

##### (ii) S. Baker, Nunavut

The Company holds a 100% interest in 16 permits covering 705,664 acres subject to a 2% GOR in respect of diamonds, a 5% royalty on uranium production and a 2% NSR in respect of other metals.

##### (iii) Thelon, NWT

The Company holds a 100% interest in 13 permits covering 498,464 acres and, subject to an agreement with Bayswater Uranium Corporation, holds the right to explore for and develop uranium and all other metals (except diamonds) in 54 claims covering 126,146 acres and 26 permits covering 1,110,085 acres subject to a 5% royalty on uranium production and a 2% NSR in respect of other metals.

##### (iv) Hepburn, NWT

The Company holds 100% of the interest to explore for and develop uranium from one permit and 25 mineral claims on a property comprised of 219,603 acres subject to a 5% uranium royalty.

- (b) On May 15, 2006, Diamonds North entered into an option agreement with MPH Consulting Limited (“MPH”) to acquire a 100% interest in four mineral permits near Amer Lake, Nunavut. Effective July 28, 2006, Diamonds North assigned substantially all of this option agreement to the Company, at which time the Company became obligated to pay or re-pay its share of costs to Diamonds North, and the Company assumed the terms of the May 15, 2006 agreement with MPH and amendments thereto, which provided that:

- (i) On or before the earlier of the date the Company lists its shares for trading on the Exchange (the “Listing Date”) or November 30, 2006, \$50,000 in cash (paid) and a number of common shares of the Company equal to \$125,000 (166,666 common shares issued); and
- (ii) On or before the date that is 180 days following the first payment, \$50,000 in cash (paid) and a number of common shares of the Company equal to \$125,000 (146,199 common shares issued).

The permits are subject to a 3% royalty on uranium payable to MPH, of which Diamonds North may purchase two-thirds of this royalty for total cash payments of \$2,000,000. In addition, the permits are also subject to a 2% NSR, a 3% royalty on uranium and a 2% gross overriding royalty on diamonds, all payable to Diamonds North.

- (c) On May 15, 2006, Diamonds North entered into a staking agreement with MPH to stake a minimum of 83,000 hectares of land in the Athabasca Basin of Saskatchewan. Effective July 28, 2006, Diamonds North assigned substantially all of the staking agreement to the Company, at which time the Company became obligated to pay or re-pay its share of the costs to Diamonds North, and the Company assumed the terms of the May 15, 2006 agreement with MPH, which provided:

- (i) On or before the earlier of the Listing Date or September 30, 2006, a number of common shares of the Company equal to \$125,000 (166,666 common shares issued); and
- (ii) Reimbursement for up to \$5,000 for professional services;

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

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### 4. Mineral Interests (Continued)

#### (c) (Continued)

The permits are subject to a 2% royalty on uranium payable to MPH, of which Diamonds North may purchase one-half of this royalty for a cash payment of \$1,000,000. In addition, the property is also subject to a 2% NSR, a 3% royalty on uranium and a 2% GOR on diamonds, all payable to Diamonds North.

Pursuant to the agreement with MPH, the following mineral claims were transferred to the Company:

(i) Beatty River, Saskatchewan

The Company holds a 100% interest in three claims covering a 14,989-hectare property acquired by staking.

(ii) Carswell East, Saskatchewan

The Company holds a 100% interest in 15 claims covering a 68,072-hectare property acquired by staking.

(iii) Tasiq, Nunavut

The Company holds a 100% interest in 192 claims covering a 467,576-acre property to explore and develop uranium and all other metals (except diamonds) subject to a 5% uranium royalty and a 2% NSR in respect of other metals. During the period ended May 31, 2007, the Company abandoned the property and, accordingly, wrote-off expenditures totaling \$255,692.

(iv) Hawk and Yathkyed, Nunavut

Uranium North has been awarded three exploration permits covering two separate properties in the Thelon Region of Nunavut. They are 100% Company owned and cover 132,000 acres. The Company will make a one-time cash payment to MPH of \$25,000 and issue a number of common shares of the Company equal to \$50,000 (42,337 common shares issued) in respect of these initial property acquisition.

### 5. Equipment

Details are as follows:

May 31, 2007	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 9,868	\$ 370	9,498
	\$ 9,868	\$ 370	9,498

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

### 6. Note Payable

Diamonds North advanced a working capital loan in the amount of \$300,000 to the Company. The unsecured loan is repayable in whole or in part on demand and bears interest at 5% per annum. The loan can be repaid at the option of the Company, provided 30 days' notice is given to Diamonds North. If not repaid earlier, the entire loan plus accrued interest shall be repaid in cash on March 15, 2008.

At any time prior to repayment, whether before or after a notice of prepayment has been given, the loan and accrued interest or any portion thereof may be convertible at the sole discretion and option of Diamonds North into securities of the Company as follows:

- (a) Prior to the first anniversary of the Listing Date, the loan and accrued interest or any portion thereof may be converted into units ("Unit") of the Company at a per Unit conversion price equal to the price of \$0.75 per Unit, with each Unit consisting of one common share of the Company and one share purchase warrant entitling Diamonds North to purchase one additional common share of the Company at a price equal to \$0.90, up to December 6, 2007, whereupon the warrants will expire; and
- (b) On or after December 7, 2007, the loan and accrued interest or any portion thereof may be converted into common shares of the Company at a per share conversion price equal to \$0.75 per share.

As at May 31, 2007, interest of \$17,801 is included in accounts payable and accrued liabilities.

### 7. Share Capital

#### (a) Authorized

Unlimited common shares without par value.

#### (b) Issued and Allotted

	Number of Shares	Amount
Balance at February 28, 2007	21,973,774	\$ 8,510,317
Issued for cash		
Exercise of warrants	21,000	27,006
Issued for other consideration		
For resource properties	42,337	50,000
Issued and outstanding, balance at May 31, 2007	22,037,111	\$ 8,587,323

For share issuances after May 31, 2007, see Subsequent Events (Note 10).

#### (c) Stock Options

As at May 31, 2007, the Company had stock options outstanding for the purchase of 2,962,149 common shares with an average remaining contractual life of 3.81 years, of which 1,862,149 stock options were exercisable at May 31, 2007.

**URANIUM NORTH RESOURCES CORP.**

Notes to Financial Statements  
 For the Period Ended May 31, 2007  
 (Unaudited – See Notice)

**7. Share Capital (Continued)****(c) Stock Options (Continued)**

	Shares	Weighted Average
Outstanding at February 28, 2007	2,812,149	\$0.76
Granted		
Issued under the Stock Option Plan	150,000	\$0.92
Exercised	-	-
Outstanding at May 31, 2007	2,962,149	\$0.77

The following summarizes information about stock options outstanding at May 31, 2007:

Expiry Date	Exercise Price	Number
July 15, 2007	\$ 0.429	139,549
December 19, 2007	\$ 0.686	8,333
February 20, 2008	\$ 0.686	67,864
March 4, 2008	\$ 0.686	16,666
May 22, 2008	\$ 0.686	9,999
October 6, 2008	\$ 0.600	14,332
March 30, 2009	\$ 1.021	33,333
August 8, 2009	\$ 0.944	93,330
October 18, 2009	\$ 0.858	50,000
January 27, 2010	\$ 0.858	8,333
March 22, 2010	\$ 0.987	42,083
May 17, 2010	\$ 0.729	74,999
April 12, 2011	\$ 0.848	268,328
July 13, 2011	\$ 1.020	22,500
October 11, 2011	\$ 0.750	1,962,500
May 01, 2012	\$ 0.920	150,000
Options outstanding		2,962,149

For stock options exercised after May 31, 2007, see Subsequent Events (Note 10(a)).

**(d) Stock-Based Compensation**

During the period ended May 31, 2007, the Company granted stock options to acquire up to an aggregate of 150,000 common shares at an exercise price of \$0.92 per share, and recorded a stock-based compensation expense of \$58,588 based on the fair value of options vested during the period. The stock-based compensation expense was calculated using the Black-Scholes Option Pricing Model.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions at May 31, 2007:

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

### 7 Share Capital (Continued)

#### (d) Stock-Based Compensation (Continued)

Risk-free interest rate	2.98%
Expected dividend yield	-
Expected stock price volatility	59%
Expected option life in years	3

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

The following summarizes the fair value of options vested during the period which would be allocated as follows:

Accounting	\$	4,267
Administration fees		4,978
Consulting fees		9,246
Directors' fees		34,138
Investor relations and promotions		5,959
Stock-based compensation expense	\$	58,588

#### (e) Warrants

At May 31, 2007, the Company had outstanding warrants to purchase an aggregate of 5,998,209 common shares as follows:

Exercise Price	Expiry Date	Outstanding at February 28, 2007	Issued	Exercised	Expired	Outstanding at May 31, 2007
\$ 0.858	July 12, 2007	35,000	-	-	-	35,000*
\$ 1.286	July 19, 2007	573,256	-	(21,000)	-	552,256*
\$ 0.950	December 6, 2007	4,746,450	-	-	-	4,746,450
\$ 0.950	December 6, 2007	664,503	-	-	-	664,503
		6,019,209	-	(21,000)	-	5,998,209

\* Subsequent to May 31, 2007, these warrants expired.

## URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements  
For the Period Ended May 31, 2007  
(Unaudited – See Notice)

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### 8. Related Party Transactions

As at May 31, 2007, the Company is related to Diamonds North by virtue of certain common officers and directors. In addition to the note payable disclosed in Note 6, the Company had the following related party transactions and balances:

- (a) The Company incurred \$7,500 in administrative fees and \$6,040 in accounting fees with officers of the Company.
- (b) Amounts due to related parties, totalling \$42,132 consist of shared administrative expenses owed to a company related by virtue of a common director. The amount due to related parties is unsecured, bears no interest and is without specified terms of repayment.

### 9. Supplemental Cash Flow Information

- (a) During the period ended May 31, 2007, the Company issued 42,337 common shares in connection with a resource property agreement.
- (d) Other cash flow information

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Interest received	\$	57,536
Interest paid	\$	-
Income taxes paid	\$	-

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### 10. Subsequent Events

- (a) Subsequent to May 31, 2007, the Company issued 139,499 common shares for cash proceeds of \$59,845 pursuant to the exercise of stock options.
- (b) On June 25, 2007, the Company granted incentive stock options under the Company's stock option plan to directors to purchase an aggregate of 300,000 treasury shares. The options are exercisable for a period of five years at a price of \$0.87 per share and are subject to the policies of the Exchange.
- (c) On June 26, 2007, the Company announced it acquired 15 claims on the JG property. These claims have been amalgamated with the South Baker property.

**Description of Business and Report Date**

Uranium North Resources Corp. ("the Company") is an exploration stage company engaged in the acquisition and exploration of uranium properties. The principal properties are located in northern Canada throughout Nunavut ("NU"), the Northwest Territories ("NWT") and Saskatchewan. The Company trades as a Tier Two issuer on the TSX Venture Exchange (the "Exchange") under the symbol "UNR" and reporting issuer in British Columbia and Alberta. The following discussion and analysis should be read in conjunction with the audited financial statements and the notes thereto for the year ended February 28, 2007.

**Forward-Looking Information**

This Management Discussion and Analysis ("MD&A") may contain forward-looking statements that involve risks and uncertainties. Words such as "anticipate," "believe," "estimates," "expects," and similar expressions are used throughout this report to identify these statements. Forward-looking statements in this MD&A are made as of July 20, 2007 (the "Report Date"). Please keep in mind that statements which describe the Company's proposed plans, objectives, and budgets may differ materially from actual results.

**Highlights for the Three Months Ended May 31, 2007**

On March 26, 2007, the Company reported the retention of Montreal-based Renmark Financial Communications Inc. ("Renmark") to provide investor relations and independent capital market counsel. Under the terms of the agreement, Renmark will receive a fixed fee of \$6,000 per month for a term of six months beginning March 1, 2007.

On April 19, 2007, the Company announced the completion of a deep penetrating airborne survey on the 100% owned Carswell East and Beatty River properties in the Athabasca Basin, Saskatchewan.

On May 24, 2007, the Company hired Heather Kays as Manager of Corporate Communications.

**Events Subsequent to May 31, 2007**

On June 12, 2007, the Company reported the discovery of an historic drill hole on the South Baker property.

On June 25, 2007, the Company granted incentive stock options under the Company's stock option plan to directors to purchase an aggregate of 300,000 treasury shares. The options are exercisable for a period of five years at a price of \$0.87 per share and are subject to the policies of the Exchange.

On June 26, 2007, the Company announced it has acquired the JG property north of the Company's South Baker property in Nunavut. The claims were staked over high grade uranium mineralized boulders ranging from less than 0.1% to 38% U<sub>3</sub>O<sub>8</sub>.

On July 05, 2007, the company announced that Conductors were identified on the 100% owned Carswell East property. Broad historical airborne uranium anomalies are associated with some of the conductors. A helicopter supported exploration team has been mobilized to the property for follow-up on the anomalies. Extensive boulder and geochemical sampling over six priority conductors is underway to identify alteration zones that could be associated with high grade uranium mineralization.

**Significant Events, Transactions and Activities on Mineral Properties**

(i) Amer Lake, Nunavut

The Amer Lake Property, in the Thelon region, comprises four prospecting permits near Amer Lake. The primary exploration target is a basement-hosted uranium deposit.

Uranium North's exploration mandate is to bring the property to NI 43-101 standards and to substantially expand the resource by exploring along strike and down dip of the Main Zone and by further exploring the Faucon Zone.

(ii) S. Baker, Nunavut

Uranium North has consolidated more than 10 uranium prospects within the 100% owned South Baker property located in Nunavut in the Thelon Basin region.

After completion of a comprehensive and detailed review of historic data, the company has initially prioritized 7 of the prospects for detailed follow-up. Five of the prospects are drill confirmed uranium occurrences and 2 of the prospects are defined by what are believed to be locally derived boulder fields with high grade uranium.

(iii) Carswell East, Saskatchewan

The Company holds a 100% interest in 15 claims covering a 68,072-hectare property acquired by staking.

In April 2007, the Company completed a 2,076 line-kilometre Fugro MEGATEM survey. Several multi-kilometre scale EM conductors have been identified and broad historical airborne uranium anomalies are associated with some of the conductors. Extensive boulder and geochemical sampling over six priority conductors is underway to identify alteration zones that could be associated with high grade uranium mineralization. A helicopter supported exploration team has been mobilized to the property for follow-up on the anomalies.

(iv) Tasiq, Nunavut

The Company holds a 100% interest in claims covering the Tasiq property enabling the Company to explore and develop uranium and all other metals (except diamonds) subject to a 5% uranium royalty and a 2% NSR in respect of other metals. During the period ended May 31, 2007, the Company abandoned the property and wrote-off expenditures totalling \$255,692.

**Financial Results of Operations**

The Company's operations during the period ended May 31, 2007 produced a net loss of \$405,218 (2006 - \$127,765) or \$0.02 per share.

1. The general and administrative expenses of \$205,391 (2006 - \$128,854) reflect the increase in activity as the Company moves forward in their exploration programs.

**URANIUM NORTH RESOURCES CORP.**

**Management's Discussion and Analysis**

**For the Period Ended May 31, 2007  
102F1**

**Form 51-**

2. Investor relations and promotion expense of \$57,584 reflects the Company's effort to broaden its corporate profile in financial markets, with the retention of a consulting firm and hiring a Manager of Corporate Communications. A breakdown of investor relations and promotion expenses is provided below:

Administration	\$	1,160
Advertising		8,085
Consulting		17,550
Conferences		14,677
Media		2,710
Printing		1,881
Promotional		3,027
Wages and benefits		8,494
	\$	<u>57,584</u>

3. Administration fees of \$28,831 (2006 - \$3,000); this increase results from the hiring of a corporate assistant.
4. Stock-based compensation expenses of \$58,588 was allocated to the following categories:

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Accounting	\$	4,267
Administration fees		4,978
Consulting fees		9,246
Directors' fees		34,138
Investor relations and promotions		5,959
<u>Stock-based compensation expense</u>	\$	<u>58,588</u>

5. Write down of mineral property expense of \$255,692 reflects the write down of the Tasiq project. Results did not warrant maintaining this project and the permits have been allowed to lapse or expire.

**URANIUM NORTH RESOURCES CORP.**

**Management's Discussion and Analysis**

**For the Period Ended May 31, 2007  
102F1**

**Form 51-**

**Exploration Expenditures**

As at May 31, 2007, the Company's mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Amer Lake Nunavut	S. Baker Nunavut	Thelon NWT	Hepburn NWT	Sask	Others	Total
Balance, February 28, 2007	\$756,742	\$726,758	\$388,162	\$184,481	\$417,326	\$479,540	\$2,953,009
Additions during the period:							
Acquisition costs	-	-	-	-	-	132,010	132,010
Exploration:							
Geology	16,705	26,252	-	200	2,055	11,752	56,964
Airborne	-	294,352	-	-	284,418	-	578,770
Mobilization	481,553	-	-	-	-	-	481,553
Permitting	5,690	900	-	-	-	500	7,090
	503,948	321,504	-	200	286,473	12,252	1,124,377
Less:							
Recoveries	-	(4,479)	-	-	-	-	(4,479)
Write downs	-	-	-	-	-	(255,692)	(255,692)
	-	(4,479)	-	-	-	(255,692)	(260,171)
Net additions	503,948	317,025	-	200	286,473	(111,430)	996,216
Balance at May 31, 2007	\$1,260,690	\$1,043,783	\$388,162	\$184,681	\$703,799	\$368,110	\$3,949,225

Exploration expenditures during the period ended May 31, 2007 were \$996,216 which consisted of \$132,010 in acquisition costs and \$1,124,377 in exploration costs, with write-downs of \$255,692.

**Summary of Quarterly Results**

The following are the results for the five most recent quarters with the last quarter ending May 31, 2007:

<b>Financial Data for Last Two Quarters</b>					
<b>Three months ended</b>	<b>May-07</b>	<b>Feb-07</b>	<b>Nov-06</b>	<b>Aug-06</b>	<b>May-06</b>
Exploration expenditures	996,216	469,666	322,189	2,161,154	-
General and administration expenses	205,391	412,233	248,575	72,062	128,854
Stock-based compensation	58,588	239,694	161,318	-	-
Loss for the period	405,218	691,711	243,992	69,482	127,765
Basic and diluted loss per shares	0.02	0.14	0.11	0.12	-
Weighted Average common shares					
- basic and diluted	22,005,844	8,177,276	8,334,338	1,589,017	-

**URANIUM NORTH RESOURCES CORP.**

**Management's Discussion and Analysis**

**For the Period Ended May 31, 2007  
102F1**

**Form 51-**

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Quarterly results can vary significantly depending on whether the Company realized any gain on sale of its investments, abandoned any properties or granted any stock options. See "Financial Results of Operations" and "Exploration Expenditures".

Management's Discussion and Analysis

For the Period Ended May 31, 2007  
102F1

Form 51-

**Liquidity and Capital Resources**

The Company has financed its operations through the sale of its equity securities. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interests in its properties.

As at May 31, 2007, the Company had a cash position of \$3,686,644 and working capital of \$3,545,948, which is sufficient to achieve the Company's business objectives for fiscal 2008. Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. During the period ended May 31, 2007, the Company received \$27,006 from the exercise of warrants.

**Financing Activities**

As of the report date, the Company has received an additional \$59,845 from the exercise of stock options.

**Related Party Transactions**

In addition to the note payable disclosed in Note 6, the Company had the following related party transactions:

- (a) The Company incurred \$7,500 in administrative fees and \$6,040 in accounting fees with officers of the Company.
- (b) Amounts due to related parties, totalling \$42,132 consist of shared administrative expenses owed to a company related by virtue of a common director.

Mark Kolebaba and Maynard Brown are directors of the Company as well as Diamonds North and the transactions described throughout this MD&A between the Company and Diamonds North are deemed to be related party transactions.

Given that the Company's directors and officers are engaged in a wide range of activities, the Company operates under the conflict of interest provisions found within the Business Corporations Act of British Columbia. In addition, management adopted a set of Corporate Governance policies which incorporated language from these provisions into the Company's Code of Business Conduct and Ethics.

**Proposed Transactions**

None.

**Changes in Accounting Policies**

In 2005, the Canadian Institute of Chartered Accountants ("CICA") issued new accounting standards concerning Comprehensive Income, Financial Instruments - Recognition and Measurement and Hedges. The standards require prospective application however, the adoption of this policy had no effect on these financial statements.

**(a) Comprehensive Income**

The CICA issued CICA Section 1530 "Comprehensive Income," which became effective for fiscal years beginning on or after October 1, 2006. Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of net income to be presented in "other comprehensive income" until it is considered appropriate to

Management's Discussion and Analysis

For the Period Ended May 31, 2007  
102F1

Form 51-

recognize into net income. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements.

**(b) Financial Instruments**

The CICA issued CICA Section 3855 "Financial Instruments - Recognition and Measurement" and Section 3860 "Financial Instruments – Disclosure and Presentation," which both became effective for fiscal years beginning on or after October 1, 2006. These standards require all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income.

**(c) Hedges**

The CICA issued CICA Section 3865 "Hedges," which became effective for fiscal years beginning on or after October 1, 2006. This standard specifies the circumstances which hedge accounting is permissible and how hedge accounting may be performed. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

**Financial Instruments**

The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash, cash equivalents and cash exploration funds have been placed with major financial institutions.

**Certification of Interim Filing**

Based on their knowledge, the President and Chief Financial Officer of the Company have reviewed the interim filing and certified that the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows. The President and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company, and they believe:

- the disclosure controls and procedures provide reasonable assurance that material information relating to the Company are made known to them, particularly during the period in which the annual filings are being prepared; and
- the internal control over financial reporting provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Canadian generally accepted accounting principles.

Due to the small size of the Company, there is a lack of segregation of duties which is an internal control weakness. Management mitigates this risk through direct involvement of senior management in day to day operations. It is unlikely that this weakness can be properly addressed until the Company grows to a significant size. During the period ended May 31, 2007, there were no changes in the Company's internal control over financial reporting that occurred that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

**URANIUM NORTH RESOURCES CORP.****Management's Discussion and Analysis****For the Period Ended May 31, 2007  
102F1****Form 51-****Additional Information**Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

As of the Report Date, the Company had 22,322,809 issued common shares outstanding and the following unexercised stock options and warrants:

**-Stock Options**

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>
December 19, 2007	\$0.686	8,333
February 20, 2008	\$0.686	67,864
March 4, 2008	\$0.686	16,666
May 22, 2008	\$0.686	9,999
October 6, 2008	\$0.600	14,332
March 30, 2009	\$1.021	33,333
August 8, 2009	\$0.944	93,330
October 18, 2009	\$0.858	50,000
January 27, 2010	\$0.858	8,333
March 22, 2010	\$0.987	42,083
May 17, 2010	\$0.729	74,999
April 12, 2011	\$0.848	268,328
July 13, 2011	\$1.020	22,500
October 11, 2011	\$0.750	1,962,500
May 01, 2012	\$0.920	150,000
June 25, 2012	\$0.870	300,000
		3,122,600

**-Warrants**

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>
December 06, 2007	\$0.950	4,746,450
December 06, 2007	\$0.950	664,503
		5,410,953