



## **ANNUAL REPORT**

**February 29, 2008**

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**Financial Statements  
February 29, 2008 and February 28, 2007  
(Canadian Funds)**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Uranium North Resources Corp. have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the financial statements with management and the external auditors. Smythe Ratcliffe LLP, an independent firm of chartered accountants, appointed as external auditors by the shareholders, have audited the financial statements and their report is included herein.

*"Mark Kolebaba"*

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Mark Kolebaba  
President and Chief Executive Officer

Vancouver, British Columbia  
June 9, 2008

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF URANIUM NORTH RESOURCES CORP.

We have audited the balance sheets of Uranium North Resources Corp. as at February 29, 2008 and February 28, 2007 and the statements of operations and comprehensive loss, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2008 and February 28, 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

*"Smythe Ratcliffe LLP" (signed)*

Chartered Accountants

Vancouver, British Columbia  
June 9, 2008, except as to Note 12(b)  
which is as of June 19, 2008.

# URANIUM NORTH RESOURCES CORP

## Balance Sheets Canadian Funds

	February 29, 2008	February 28, 2007
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 2,208,198	\$ 5,152,372
Accounts receivable	373,567	35,906
Prepaid expenses	52,000	65,249
Field supplies	68,912	-
	2,702,677	5,253,527
<b>Mineral interests</b> (Note 5)	8,913,291	2,953,009
<b>Equipment</b> (Note 6)	17,819	-
	\$ 11,633,787	\$ 8,206,536
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 382,400	\$ 84,704
Due to related party (Note 9)	396,102	47,537
Note payable (Note 7)	300,000	300,000
	1,078,502	432,241
Future income tax liability (Note 11)	628,580	-
	1,707,082	432,241
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital</b> (Note 8)	11,004,572	8,510,317
<b>Option compensation</b> (Note 8(e))	720,666	396,928
<b>Contributed surplus</b>	91,091	-
<b>Deficit</b>	(1,889,624)	(1,132,950)
	9,926,705	7,774,295
	\$ 11,633,787	\$ 8,206,536
Continued Operations (Note 1)		
Subsequent Events (Note 12)		
On behalf of the Board:	<u>“Mark Kolebaba”</u> Mark Kolebaba	<u>“Maynard E. Brown”</u> Maynard E. Brown

See Accompanying Notes to the Financial Statements

## URANIUM NORTH RESOURCES CORP.

### Statements of Operations and Comprehensive Loss

Canadian Funds

	Years Ended	
	February 29, 2008	February 28, 2007
		<i>(Note 2(j))</i>
<b>General and administrative expenses</b>		
Accounting and audit	\$ 50,630	\$ 66,363
Administration and management fees	112,856	39,203
Amortization	2,834	-
Annual report and meeting	5,951	-
Consulting fees	58,343	38,525
Directors' fees	55,000	-
Filing fees	9,709	41,731
Interest	15,041	14,021
Investor relations and promotion	333,144	81,970
Legal fees	18,843	132,571
Office and miscellaneous	24,559	23,302
Rent	27,892	4,611
Stock-based compensation <i>(Note 8(e))</i>	323,738	401,012
Transfer agent fees	18,413	18,415
	(1,056,953)	(861,724)
<b>Other income (expenses)</b>		
Interest income	110,649	48,229
Property investigation costs	(1,671)	(5,999)
Write-off of mineral interests <i>(Note 5)</i>	(255,692)	(313,456)
<b>Loss before income taxes</b>	(1,203,667)	(1,132,950)
<b>Recovery of future income taxes</b> <i>(Note 11)</i>	446,993	-
<b>Net loss and comprehensive loss for the year</b>	\$ (756,674)	\$ (1,132,950)
<b>Basic and diluted loss per share</b>	\$ (0.03)	\$ (0.14)
<b>Weighted average number of common shares outstanding</b>	24,136,958	8,177,276

See Accompanying Notes to the Financial Statements

# URANIUM NORTH RESOURCES CORP.

## Statements of Cash Flows

Canadian Funds

	Years Ended	
	February 29, 2008	February 28, 2007
<b>Cash flows provided by (used in) operating activities</b>		
Loss for the year	\$ (756,674)	\$ (1,132,950)
Items not involving cash		
Amortization	2,834	-
Stock-based compensation	323,738	401,012
Write-off of mineral interests	255,692	313,456
Recovery of future income taxes	(446,993)	-
	(621,403)	(418,482)
Net change in non-cash working capital items		
Accounts receivable	(337,661)	(35,906)
Prepaid expenses	13,249	(65,249)
Field supplies	(68,912)	-
Accounts payable and accrued liabilities	(35,203)	33,208
Due to related party	348,565	47,537
	(701,365)	(438,892)
<b>Cash flows used in investing activities</b>		
Expenditures on mineral interests, net of recoveries	(5,708,075)	(1,899,774)
Purchase of equipment	(20,653)	-
	(5,728,728)	(1,899,774)
<b>Cash flows provided by financing activities</b>		
Shares issued for cash, net of issue costs	3,485,919	7,191,038
Note payable	-	300,000
	3,485,919	7,491,038
<b>Increase (decrease) in cash and cash equivalents</b>	(2,944,174)	5,152,372
<b>Cash and cash equivalents, beginning of year</b>	5,152,372	-
<b>Cash and cash equivalents, end of year</b>	\$ 2,208,198	\$ 5,152,372

Supplemental Cash Flow Information (Note 10)

See Accompanying Notes to the Financial Statements

**URANIUM NORTH RESOURCES CORP.**  
**Statements of Shareholders' Equity**

**Years Ended February 29, 2008 and February 28, 2007**  
*Canadian Funds*

	Share Capital		Option	Contributed	Deficit	Total
	No. of Shares	Amount	Compensation	Surplus		Shareholders' Equity
	<i>(Note 8)</i>		<i>(Note 8(e))</i>			
Balance, February 28, 2006	-	\$ -	\$ -	\$ -	\$ -	\$ -
Shares issued for cash						
Private placements, net of issue costs	10,517,900	6,920,861				6,920,861
Exercise of options	96,580	56,810				56,810
Exercise of warrants	261,798	213,365				213,365
Pursuant to the working capital loan	1,500,000	1				1
Pursuant to the Assignment Agreement	2,000,000	1				1
Issued for other consideration						
Pursuant to the Arrangement	7,264,164	1,065,195				1,065,195
Mineral interests	333,332	250,000				250,000
Transfer to share capital on exercise of options		4,084	(4,084)			-
Stock-based compensation			401,012			401,012
Loss for the year					-	(1,132,950)
						(1,132,950)
Balance, February 28, 2007	21,973,774	8,510,317	396,928	-	(1,132,950)	7,774,295
Shares issued for cash						
Private placements, net of issue costs	5,420,500	3,399,068				3,399,068
Exercise of options	139,499	59,845				59,845
Exercise of warrants	21,000	27,006				27,006
Issued for other consideration						
Mineral interests	188,536	175,000				175,000
Tax cost recognized on issuance of flow-through shares		(1,075,573)				(1,075,573)
Stock-based compensation			323,738			323,738
Fair value of broker warrants		(91,091)		91,091		-
Loss for the year						(756,674)
						(756,674)
	5,769,535	2,494,255	323,738	91,091	(756,674)	2,152,410
<b>Balance, February 29, 2008</b>	<b>27,743,309</b>	<b>\$ 11,004,572</b>	<b>\$ 720,666</b>	<b>\$ 91,091</b>	<b>\$ (1,889,624)</b>	<b>\$ 9,926,705</b>

See Accompanying Notes to the Financial Statements

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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### 1. Continued Operations

Uranium North Resources Corp. (the "Company") is engaged in the exploration of mineral properties.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at February 29, 2008, the Company has an accumulated deficit of \$1,889,624 (February 28, 2007 - \$1,132,950), has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The Company's ability to continue as a going concern is dependent on its ability to raise equity financing and attain profitable operations.

These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities and the reported revenues and expenses 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.

#### (a) Basis of Presentation

The Company was incorporated on March 1, 2006 pursuant to the *Business Corporations Act* (British Columbia).

On March 14, 2006, the Company entered into an Arrangement Agreement with Diamonds North Resources Ltd. ("Diamonds North") in order to implement a statutory procedure known as a plan of arrangement (the "Arrangement") pursuant to Section 288 of the *Business Corporations Act* (British Columbia).

Under terms of the Arrangement, Diamonds North transferred certain of its uranium mineral property interests to the Company in consideration for the Company assuming the ongoing obligations of Diamonds North with respect to the respective properties and varying royalty interests payable to Diamonds North ranging from 2% to 5% of production on the transferred properties. The properties are recorded at Diamonds North's carrying value.

Pursuant to the Arrangement, completed on July 28, 2006, the shareholders of Diamonds North received 7,264,164 common shares of the Company on the basis of one common share of the Company for each six common shares of Diamonds North held on the completion date. In addition, for every six common shares of Diamonds North issuable on exercise of stock options and share purchase warrants, the holders of Diamonds North stock options and share purchase warrants received one stock option or one share purchase warrant of the Company with the same expiry dates and other material terms, but at adjusted exercise prices, which are six-sevenths of their original exercise prices.

Initial working capital of the Company was provided by a \$300,000 loan with interest at 5% per annum from Diamonds North (*Note 7*) and by a private placement (*Note 8(c)(iv)*) of \$410,000 completed July 21, 2006. On December 6, 2006, the Company completed an additional private placement financing and on December 7, 2006, the TSX Venture Exchange (the "Exchange") listed and posted the Company's common shares for trading under the symbol "UNR".

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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### 2. Significant Accounting Policies (Continued)

#### (b) Mineral Interests

Acquisition costs of mineral interests and direct exploration and development expenditures thereon are capitalized on an individual prospect basis. Costs relating to properties abandoned are written-off when such decision is made. When production is attained, these costs will be reclassified as mining assets and amortized using the unit-of-production method based upon estimated recoverable reserves.

If, after management review, it is determined that the carrying amount of a mineral interest is impaired, that property is written down to its estimated net realizable value. A mineral interest is reviewed for impairment quarterly, or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The recoverability of amounts shown for mineral interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to develop the properties and future profitable production from the properties or proceeds from disposition.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain mineral claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated title to its mineral interests and, to the best of its knowledge, ownership of its interests are in good standing.

#### (c) Property Option Agreements

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mineral interests or recoveries when the payments are made or received. The Company does not accrue the estimated costs of maintaining its mineral interests in good standing.

#### (d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recognized using the following:

Furniture and fixtures - 20% declining balance

Computer equipment - 30% declining balance

#### (e) Stock-Based Compensation

The Company accounts for stock-based compensation using the fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this standard, stock-based payments are recorded as an expense in the period the option vests or when the awards or rights are granted, with a corresponding increase to option compensation under shareholders' equity. When stock options are exercised, the corresponding fair value, previously recognized, is transferred to share capital or when stock options are forfeited, cancelled or expire, the corresponding fair value is transferred to contributed surplus. The fair value of agent's warrants is included in contributed surplus and transferred to share capital when the warrants are exercised.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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### 2. Significant Accounting Policies (Continued)

#### (f) Loss per Share

Basic loss per share is calculated on the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings per share. However, diluted loss per share has not been presented as the potential exercise of options and warrants is anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, have not been included in the calculation of the weighted average number of common shares outstanding.

#### (g) Asset Retirement Obligation

An asset retirement obligation is an obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

The Company does not have any significant asset retirement obligations.

#### (h) Share Capital

- (i) The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.
- (ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

#### (i) Cash and Cash Equivalents

The Company considers cash and cash equivalents to be cash and short-term investments with original maturities or redeemable features of three months or less from the date of acquisition, and readily convertible to known amounts of cash without a significant risk of change in value.

#### (j) Certain comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

#### (k) Flow-Through Shares

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares whereby the flow-through shareholder may claim the tax deductions arising from the related qualifying resource expenditures incurred by the Company. On the date that the resource expenditures are renounced to the shareholder, the Company recognizes, as a cost of issuing the flow-through shares, a change in its future tax assets resulting from the difference between the book value and the tax value of the related resource expenditures.

If the date of renunciation is prior to the date of the related expenditures being incurred, the Company will recognize the timing difference if it has reasonable assurance that all qualifying expenditures will be made in accordance with the flow-through subscription agreement.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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### 2. Significant Accounting Policies (Continued)

#### (l) Income Taxes

Income taxes are calculated using the asset and liability method. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax amounts (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

#### (m) Management's 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas of estimate include the impairment of assets and rates for amortization, collectability of accounts receivable, accrued liabilities, future income tax balances and related valuation allowances, and the inputs used in calculating the fair value of stock-based compensation. While management believes the estimates are reasonable, actual results may differ from those estimates and may impact future results of operations and cash flows.

### 3. Change in Accounting Policies

#### (a) Financial Instruments

Effective March 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.

##### (i) 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 cost. Changes in fair value are to be recognized in the statements of operations and 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 October 1, 2006 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. As a result of the adoption of these standards, the Company has made the following classifications:

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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

#### (a) Financial Instruments (Continued)

- (i) Financial Instruments – Recognition and Measurement (Section 3855) (Continued)
  - (a) Cash and cash equivalents, are classified as held-for-trading and are measured at fair value.
  - (b) Accounts receivables are classified as loans and receivables and are initially measured at fair value and subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the fair value corresponds to cost.
  - (c) Accounts payable and accrued liabilities, amount due to related parties and note payable are classified as other liabilities and are initially measured at fair value and subsequent periodic revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the measured amount corresponds to cost.

#### (ii) Comprehensive Income

Effective March 1, 2007, the Company adopted the CICA Handbook Section 1530, “Comprehensive Income”, which establishes standards for presentation and disclosure of comprehensive income. Comprehensive income is the overall change in the net assets of the Company for the period, other than changes attributed to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which generally accepted accounting principles requires to be recognized in a period but excluded from net income for that period. The Company has no items of comprehensive income or loss for any period presented. Therefore, net loss equals comprehensive loss.

#### (b) Fair Value

The fair values of the Company’s cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, note payable and amount due to related party approximate their carrying amounts because of the immediate or short term maturity of these financial instruments.

#### (c) Interest Rate Risk

The Company is exposed to interest rate price risk to the extent that the note payable (*Note 7*) bears a fixed rate of interest.

#### (d) Credit Risk

The Company’s financial assets that are exposed to credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are placed with a major Canadian financial institution. Accounts receivable are primarily comprised of amounts due from the Canadian federal government and amounts receivable from suppliers.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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### 4. Recent Accounting Pronouncements

#### (a) Capital Disclosures

In February 2007, the CICA issued Handbook Section 1535, "Capital Disclosures", which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the Company's objectives, policies and procedures for managing capital. The new section is effective for years beginning on or after October 1, 2007. The Company is in the process of assessing the impact of this new section on its financial statements.

#### (b) Financial Instruments

In February 2007, the CICA issued two new standards, Section 3862, "Financial Instruments Disclosures", and Section 3863, "Financial Instruments Presentation". These sections will replace the existing Section 3861, "Financial Instruments Disclosure and Presentation". Section 3862 provides users with information to evaluate the significance of the financial instruments of the Company's financial position and performance, nature and extent of risks arising from financial instruments, and how the Company manages these risks. Section 3863 deals with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The new sections are effective for years beginning on or after October 1, 2007. The Company is in the process of assessing the impact of these new sections on its financial statements.

#### (c) Assessing Going Concern

The AcSB amended CICA Handbook Section 1400 to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

#### (d) International Financial Reporting Standards ("IFRS")

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the prior year. The financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 5. Mineral Interests

As at February 29, 2008 and February 28, 2007, the Company's mineral interests are comprised of properties located in Canada. Expenditures incurred on mineral interests 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 2008:							
Acquisition costs	125,000	62,988	-	-	50,000	164,935	402,923
Exploration:							
Project management	133,458	71,478	-	4,807	30,271	36,806	276,820
Airborne	124,044	679,248	-	369,485	470,039	-	1,642,816
Camp costs	56,895	43,462	-	59,978	-	-	160,335
Geochemistry	19,160	-	-	-	-	-	19,160
Geology	1,284,653	678,052	-	282,263	16,087	215,407	2,476,462
Geophysics	-	-	-	-	335,876	-	335,876
Mobilization	498,351	-	-	-	-	-	498,351
Permitting	5,086	-	-	-	6,358	-	11,444
Property maintenance	51,332	2,805	-	-	-	55,034	109,171
Prospecting	-	353,662	-	6,770	-	206,948	567,380
	2,172,979	1,828,707	-	723,303	858,631	514,195	6,097,815
Less:							
Recoveries	-	(22,259)	(178,510)	(83,995)	-	-	(284,764)
Write-off	-	-	-	-	-	(255,692)	(255,692)
	-	(22,259)	(178,510)	(83,995)	-	(255,692)	(540,456)
Net additions	2,297,979	1,869,436	(178,510)	639,308	908,631	423,438	5,960,282
Balance, February 29, 2008	\$3,054,721	\$2,596,194	\$209,652	\$823,789	\$1,325,957	\$902,978	\$8,913,291

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 5. Mineral Interests (Continued)

	Amer Lake Nunavut	S. Baker Nunavut	Thelon NWT	Hepburn NWT	Sask	Others	Total
Additions during 2007:							
Acquisition costs	\$648,922	\$394,677	\$388,162	\$10,336	\$412,658	\$573,435	\$2,428,190
Exploration:							
Permitting	-	35,660	-	31	-	775	36,466
Property maintenance	24,953	282,266	-	-	-	208,296	515,515
Geology	50,692	14,155	-	5,682	3,468	9,490	83,487
Geochemistry	30,977	-	-	-	-	-	30,977
Geophysics	1,000	-	-	-	1,200	1,000	3,200
Airborne	-	-	-	168,432	-	-	168,432
Camp costs	198	-	-	-	-	-	198
	107,820	332,081	-	174,145	4,668	219,561	838,275
Write-off	-	-	-	-	-	(313,456)	(313,456)
Balance at February 28, 2007	\$756,742	\$726,758	\$388,162	\$184,481	\$417,326	\$479,540	\$2,953,009

(a) Pursuant to the Arrangement described in *Note 1*, the following mineral claims and permits were transferred to the Company:

(i) Amer Lake, Nunavut

The Company holds a 100% interest 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.

(ii) S. Baker, Nunavut

The Company holds a 100% interest 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 subject to an agreement with Bayswater Uranium Corp. (formerly Pathfinder Resources Ltd.), and holds the right to explore for and develop uranium and all other metals (except diamonds) in additional claims subject to a 5% royalty on uranium production and a 2% NSR in respect of other metals.

(iv) Hepburn, NWT

The Company holds a 100% interest to explore for and develop uranium subject to a 5% uranium royalty.

(v) Kazan, Nunavut

The Company holds a 100% interest subject to a 2% GOR in respect of diamonds, a 5% royalty on uranium production and a 2% NSR in respect of other metals. In 2007, the Company abandoned the property and, accordingly, wrote-off expenditures totaling \$313,456.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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### 5. Mineral Interests (Continued)

(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, pursuant to which agreement:

- (i) In 2007, \$50,000 in cash was paid and 166,666 common shares of the Company were issued.
- (ii) In 2008, an additional \$50,000 in cash was paid and 146,199 common shares of the Company were 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% GOR 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, pursuant to which agreement 166,666 common shares of the Company were issued and \$5,000 in cash was paid during 2007.

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 claims acquired by staking.

- (ii) Carswell East, Saskatchewan

The Company holds a 100% interest in claims acquired by staking.

- (iii) Tasiq, Nunavut

The Company holds a 100% interest 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 year ended February 29, 2008, the Company abandoned the property and, accordingly, wrote-off expenditures totaling \$255,692.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 5. Mineral Interests (Continued)

(c) (Continued)

(iv) Tasiq-2, Nunavut

The Company holds a 100% interest 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.

(v) Hawk and Yathkyed, Nunavut

The Company 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 made a one-time cash payment to MPH of \$25,000 and issued a total of 42,337 shares in respect of the initial property acquisition.

(d) On July 28, 2006, the Company entered into an assignment agreement whereby Diamonds North assigned substantially all of the interest in the option and staking agreements noted above together with certain mineral claims and permits held by Diamonds North to the Company. In consideration for this assignment, the Company assumed all of the obligations of Diamonds North under the option and staking agreements and issued 2,000,000 common shares to Diamonds North.

### 6. Equipment

Details are as follows:

February 29, 2008	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	\$ 5,277	\$ (528)	\$ 4,749
Computer equipment	15,376	(2,306)	13,070
	\$ 20,653	\$ (2,834)	\$ 17,819

### 7. Note Payable

In 2006, 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.

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 at a per share conversion price originally set at \$0.75 per share.

Subsequent to February 29, 2008, an agreement to extend the promissory note was signed. In consideration for this extension, the Company agreed to pay a \$6,000 administration fee and amend the conversion price from \$0.75 to \$0.54. The amended agreement extends the due date for repayment of interest and principal from March 15, 2008 to December 31, 2008.

As at February 29, 2008, cumulative interest of \$29,062 (February 28, 2007 - \$14,021) is included in accounts payable and accrued liabilities as a result of interest charged during the year of \$15,041 (February 28, 2007 - \$14,021).

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

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### 8. Share Capital

#### (a) Authorized

Unlimited common shares without par value.

#### (b) Escrowed Shares

Of the shares issued, a total of 3,877,500 common shares were issued subject to escrow provisions pursuant to the policies of the Exchange. As at February 29, 2008, 2,326,500 common shares remained in escrow and are to be released from escrow in four equal installments in six-month intervals.

#### (c) Private Placements *(Note 12)*

- (i) On October 11, 2007, the Company completed a non-brokered private placement for the issue of 2,642,500 flow-through common shares at a purchase price of \$0.80 per share. Finder's fees of \$105,000 were paid and 183,750 warrants to purchase up to 183,750 common shares at a price of \$0.80 were issued to non-related parties, of which 175,000 warrants expire on February 15, 2009 and 8,750 warrants expire on April 11, 2009. Using the Black-Scholes option pricing model, a fair value of \$45,284 was assigned to these warrants and added to contributed surplus. The Company incurred additional share issue costs in the amount of \$13,079 in connection with the placement.
- (ii) On December 21, 2007, the Company completed the first tranche of a non-brokered private placement for the issue of 2,136,000 flow-through common shares at a purchase price of \$0.55 per share. Finder's fees of \$58,740 were paid and 149,520 warrants to purchase up to 149,520 common shares at a price of \$0.60 were issued to non-related parties. The warrants expire on December 21, 2008. Using the Black-Scholes option pricing model, a fair value of \$37,309 was assigned to these warrants and added to contributed surplus. The Company incurred additional share issue costs in the amount of \$7,316 in connection with the placement.
- (iii) On January 23, 2008, the Company completed the second tranche of a non-brokered private placement for the issue of 642,000 units at a purchase price of \$0.48 per unit. Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at a price of \$0.60 per common share until January 23, 2009. Finder's fees of \$12,000 were paid and 35,000 warrants to purchase up to 35,000 common shares at a price of \$0.60 were issued to non-related parties. The warrants expire on January 23, 2009. Using the Black-Scholes option pricing model, a fair value of \$8,499 was assigned to these warrants and added to contributed surplus. The Company incurred additional share issue costs in the amount of \$1,756 in connection with the placement.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 8. Share Capital (Continued)

#### (c) Private Placements (Continued)

- (iv) On July 21, 2006, the Company completed an initial non-brokered private placement of 1,025,000 common shares at a price of \$0.40 per share for gross proceeds of \$410,000.
- (v) On December 6, 2006, the Company completed a brokered private placement for the issue of 9,492,900 units at \$0.75 per unit for gross proceeds of \$7,119,675. Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at a price of \$0.95 per common share until December 6, 2007. The Company incurred share issue costs in the amount of \$608,814 in connection with the private placement.
- (vi) Pursuant to the working capital loan (Note 7), the Company issued 1,500,000 common shares to Diamonds North for an aggregate value of \$1.
- (vii) Pursuant to the Assignment Agreement dated July 28, 2006, the Company issued 2,000,000 common shares to Diamonds North in consideration of assigning the MPH option and staking agreements to the Company (Note 5(d)).
- (viii) At July 28, 2006, Diamonds North had 43,585,398 issued and outstanding common shares. As a result of the Arrangement, the Company issued to existing shareholders of Diamonds North 7,264,164 common shares of the Company.

#### (d) Stock Options

Options to purchase common shares have been granted to directors, officers, employees and consultants at an exercise price determined by reference to the market value on the date of grant. Under the Company's stock option plan, the Company may grant stock options for the purchase of up to 4,436,662 common shares. Vesting of stock options is made at the discretion of the board of directors at the time the options are granted.

As at February 29, 2008, the Company had stock options outstanding for the purchase of 2,946,403 common shares with an average remaining contractual life of 3.45 years, of which 2,230,778 stock options were exercisable at February 29, 2008.

	Shares	Weighted Average Exercise Price
Granted		
Pursuant to the Arrangement	937,895	\$ 0.75
Issued under the Stock Option Plan	1,975,000	\$ 0.75
Exercised	(96,580)	\$ 0.59
Cancelled	(4,166)	\$ 0.75
Outstanding at February 28, 2007	2,812,149	\$ 0.76
Granted	350,000	\$ 0.68
Exercised	(139,499)	\$ 0.43
Expired	(76,247)	\$ 0.69
Outstanding at February 29, 2008	2,946,403	\$ 0.77

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 8. Share Capital (Continued)

#### (d) Stock Options (Continued)

The following summarizes information about stock options outstanding at February 29, 2008:

Expiry Date	Exercise Price	Number of Shares
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 1, 2012	\$ 0.920	150,000
February 8, 2013	\$ 0.500	200,000
Options outstanding		2,946,403

#### (e) Stock-Based Compensation

During the year ended February 29, 2008, the Company granted stock options to acquire up to 150,000 common shares at an exercise price of \$0.92 and 200,000 common shares at an exercise price of \$0.50 per share, and recorded stock-based compensation expense of \$323,738 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 using the following weighted average assumptions:

	February 29, 2008	February 28, 2007
Risk-free interest rate	3.12%	3.13%
Expected dividend yield	-	-
Expected stock price volatility	116%	61%
Expected option life in years	5	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.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 8. Share Capital (Continued)

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

The following summarizes information about stock-based compensation summarized by the statement of operations categories:

	Years Ended	
	February 29, 2008	February 28, 2007
Accounting	\$ 17,069	\$ 30,249
Administration fees	22,759	-
Consulting fees	34,138	63,231
Directors' fees	155,798	282,324
Investor relations and promotion	93,974	25,208
<b>Stock-based compensation expense</b>	<b>\$ 323,738</b>	<b>\$ 401,012</b>

#### (f) Warrants

At February 29, 2008, the Company had outstanding warrants to purchase an aggregate of 5,435,720 common shares as follows:

Exercise Price	Expiry Date	Outstanding at February 28, 2007	Issued	Exercised	Expired	Outstanding at February 29, 2008
\$ 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	664,503	-	-	(664,503)	-
\$ 0.950	September 6, 2008*	4,746,450	-	-	-	4,746,450
\$ 0.600	December 21, 2008	-	149,520	-	-	149,520
\$ 0.600	January 23, 2009	-	356,000	-	-	356,000
\$ 0.800	February 15, 2009	-	175,000	-	-	175,000
\$ 0.800	April 11, 2009	-	8,750	-	-	8,750
		6,019,209	689,270	(21,000)	(1,251,759)	5,435,720

\* Expiry date extension from December 6, 2007 to September 6, 2008.

### 9. Related Party Transactions

As at February 29, 2008, the Company is related to Diamonds North by virtue of certain common officers and directors. In addition to the note payable disclosed in Notes 2 and 7, the Company had the following related party transactions and balances:

- (a) The Company incurred \$30,000 (February 28, 2007 - \$18,500) in administrative fees, \$31,930 (February 28, 2007 - \$13,883) in accounting fees and \$4,000 (February 28, 2007 - \$Nil) in consulting fees with officers of the Company.
- (b) Included in accounts receivable is \$25,244 (2007 - \$Nil) due from Diamonds North.
- (c) A total of \$55,000 (2007 - \$Nil) has been paid to two directors of the Company for directors' fees.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 9. Related Party Transactions (Continued)

- (d) For the year ended February 29, 2008, administration fees of \$32,037 and management fees of \$50,819 have been paid to Diamonds North.
- (e) The Company incurred \$Nil (February 28, 2007 - \$106,900) in legal fees paid to a personal law corporation in which a director is a principal.
- (f) Amounts due to Diamonds North totalling \$396,102 (February 28, 2007 - \$47,537) consist of shared administrative expenses and exploration costs owed to a company related by virtue of two directors in common. The amount due to related party is unsecured, bears no interest and is without specified terms of repayment.

All of the above transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 10. Supplemental Cash Flow Information

- (a) During the year ended February 29, 2008, the Company issued 188,536 (February 28, 2007 - 333,332) common shares in connection with mineral interests.
- (b) During the year ended February 29, 2008, the Company issued broker warrants with a fair value of \$91,091, which are included in share capital.
- (c) During the year ended February 28, 2007, the Company issued 7,264,164 common shares pursuant to the Arrangement and paid Diamonds North \$754,637 for performance bonds placed in respect of mineral property interests with a carrying value of \$1,819,832.
- (d) During the year ended February 28, 2007, the Company allotted for issue 1,500,000 common shares as a bonus in respect of the working capital loan (*Note 7*) and 2,000,000 common shares in consideration of the assignment of the MPH mineral property option agreement at an aggregate value of \$2.
- (e) Other cash flow information

	Years Ended	
	February 29, 2008	February 28, 2007
Interest received	\$ 110,649	\$ 48,229
Accounts payable related to mineral interests	\$ 332,899	\$ -
Shares issued for acquisition of mineral interests	\$ 175,000	\$ 250,000
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

Canadian Funds

### 11. Income Taxes

The Company has accumulated non-capital losses for Canadian income tax purposes of approximately \$1,322,000. The losses may be carried forward to reduce taxable income in future years and, unless utilized, will expire as follows:

2027	\$	530,000
2028		792,000
	\$	1,322,000

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates of 33.6% (February 28, 2007 - 34.12%), are as follows:

	February 29, 2008	February 28, 2007
Future income tax assets		
Non-capital losses carried forward	\$ 343,761	\$ 180,933
Temporary differences on mineral properties	(410,473)	108,999
Temporary differences on other assets	155,814	166,182
	89,102	456,114
Valuation allowance for future income tax assets	(89,102)	(456,114)
Future income tax assets, net	-	-
Future income tax liability		
Unrecognized liability on renunciation of expenditures	628,580	-
	\$ 628,580	\$ -

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	Years Ended	
	February 29, 2008	February 28, 2007
Income tax benefit computed at Canadian statutory rates	\$ 404,432	\$ 386,563
Temporary differences not recognized	(26,535)	(65,407)
Permanent differences not recognized	(111,827)	(140,233)
Net effect of flow through share renunciation	446,993	-
Unrecognized tax losses	(266,070)	(180,923)
Future income tax recovery	\$ 446,993	\$ -

During the current year, the Company renounced \$3,288,800 of its mineral expenditures to flow-through shareholders. The resultant loss of future income tax assets, which is treated as a cost of issuing flow-through shares, gives rise to a future income tax liability of \$1,075,573. This liability has been offset by the Company's recognition of future income tax assets that have been previously offset by a valuation allowance. As at February 29, 2008, the amount of flow-through proceeds remaining to be expended is approximately \$1,130,000.

# URANIUM NORTH RESOURCES CORP.

## Notes to Financial Statements

Years Ended February 29, 2008 and February 28, 2007

*Canadian Funds*

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### 12. Subsequent Events

#### Financing

- (a) On June 6, 2008, the Company completed the first tranche of a non-brokered private placement for the issue of 12,287,031 flow-through common shares at a purchase price of \$0.30 per share. Finder's fees of \$164,755 were paid and warrants issued to purchase up to 739,228 common shares at a price of \$0.45 per share to non-related parties. The warrants expire on June 6, 2009.
  
- (b) On June 18, 2008, the Company completed the second tranche of a non-brokered private placement for the issue of 1,243,332 flow-through common shares at a purchase price of \$0.30 per share. Finder's fees of \$12,500 were paid and warrants issued to purchase up to 58,333 common shares at a price of \$0.45 per share to non-related parties. The warrants expire on June 18, 2009.

**Description of Business and Report Date**

This Management's Discussion and Analysis ("MD&A") of Uranium North Resources Corp. ("Uranium North" or "the Company") is dated June 18, 2008. This MD&A should be read in conjunction with the audited financial statements of Uranium North Resources Corp. and the notes thereto for the year ended February 29, 2008 which have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). All amounts referred to herein are in Canadian dollars unless otherwise specified. Additional information relating to the Company including material change notices, certifications of Annual and Interim Filings, and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

**Forward-Looking Information**

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the ability to properly and efficiently staff the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties.

This list is not exhaustive and these and other factors should be considered carefully; readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The Company disclaims any intention and assumes no obligation to update any forward-looking statement contained in this document, even if new information becomes available, as a result of future events or for any other reason.

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's shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol "UNR" and is a reporting issuer in British Columbia and Alberta.

**Highlights for the Year Ended February 29, 2008**

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 June 12, 2007, the Company reported on a historic drill hole on the South Baker property.

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. A helicopter supported exploration team was mobilized to the property for follow-up on the anomalies.

## URANIUM NORTH RESOURCES CORP.

### Management's Discussion and Analysis

For the Period Ended February 29, 2008  
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Form 51-

Extensive boulder and geochemical sampling over six priority conductors is underway to identify alteration zones that could be associated with high grade uranium mineralization.

On October 11, 2007, the Company completed a non-brokered flow-through private placement for the issue of 2,642,500 flow-through common shares at a price of \$0.80 per share for gross proceeds of \$2,144,000.

On November 7, 2007, the Company announced that recent sample results coincident with preliminary geophysical data indicate that uranium mineralization is more widespread than originally thought within the central part of the Amer Lake property in Nunavut. Numerous rock samples collected across a 7.5 by 5 kilometre central radiometric anomaly have yielded high uranium values. (See Significant Events, on Mineral Properties below).

On November 28, 2007, the Company announced that trace element and clay alteration patterns often associated with unconformity uranium deposits elsewhere in the Athabasca Basin have been identified in composite boulder samples from the west portion of the 100% owned Carswell East property in Saskatchewan.

On December 11, 2007, the Company announced that preliminary airborne geophysical survey data over the 100% owned South Baker property in Nunavut identifies new prospective uranium targets and corroborated known prospects on the property.

On December 21, 2007, the Company completed the first tranche of a non-brokered private placement for the issue of 2,136,000 flow-through common shares at a price of \$0.55 per share for gross proceeds of \$1,174,800.

On January 23, 2008, the Company completed the final tranche of a non-brokered private placement for the issue of 642,000 common shares at a price of \$0.48 per share for gross proceeds of \$308,160.

On January 24, 2008, the Company announced the appointment of Mr. Daniel Faure to the Board of Directors.

On February 8, 2008, the Company granted 200,000 incentive stock options at a price of \$0.50 per share to a director.

In February 2008, the Company was awarded two exploration permits to explore and develop in the Fury-Hecla Basin. (Tasiq-2, NU)

### Events Subsequent to February 29, 2008

On June 6, 2008, the Company completed the first tranche of a non-brokered private placement for the issue of 12,287,031 flow-through common shares at a price of \$0.30 per share for gross proceeds of \$3,686,109.

On June 18, 2008, the Company completed the second and final tranche of a non-brokered private placement for the issue of 1,243,332 flow-through common shares at a price of \$0.30 per share for gross proceeds of \$373,000.

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

In order to more fully understand Uranium North's financial results, it is important that the reader gain an appreciation for the significant events, transactions and activities on mineral properties, which occurred during the year ended February 29, 2008 and to the date of this MD&A.

Field surveys were carried out on more than 50 prospects on the Amer Lake, South Baker, Thelon UNR, Hepburn, Carswell East and Beatty River properties. To date 1,750 rock samples, 2,150 soil samples and approximately 50,000 line km of airborne geophysical data have been collected.

Management’s Discussion and Analysis

For the Period Ended February 29, 2008  
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Form 51-

Summary of Phase One exploration includes:

- (i) Amer Lake, Nunavut

Initiated 43-101 resource estimate review on the ‘Main Zone’ (\*6.7M lb historic resource-non NI 43-101 compliant)  
1882 soil samples and 169 rock samples collected  
3150 line km of airborne geophysics surveyed  
Land use permit for drilling obtained

A total of 37 grab samples collected within the anomalous area returned U<sub>3</sub>O<sub>8</sub> values ranging for 0.07% to 3.57% (average of 0.60%). Samples with anomalously high uranium have been collected as far as seven kms east of the Main Zone.

2007 Sample Results Central Zone

Sample	%U <sub>3</sub> O <sub>8</sub>
O-825	<b>3.572</b>
B-835	<b>1.698</b>
B-529	<b>1.497</b>
O-534	<b>1.321</b>
B-821	<b>0.936</b>
B-838	<b>0.829</b>
B-834	<b>0.827</b>
B-527	<b>0.809</b>
B-522	<b>0.785</b>
B-523	<b>0.717</b>
B-528	<b>0.698</b>
B-832	<b>0.69</b>

Sample	%U <sub>3</sub> O <sub>8</sub>
B-822	<b>0.684</b>
O-531	<b>0.516</b>
O-533	<b>0.493</b>
O-532	<b>0.488</b>
B-819	<b>0.488</b>
B-830	<b>0.483</b>
B-836	<b>0.468</b>
B-818	<b>0.437</b>
B-301	<b>0.435</b>
B-535	<b>0.416</b>
B-829	<b>0.407</b>
B-524	<b>0.36</b>

Sample	%U <sub>3</sub> O <sub>8</sub>
B-831	<b>0.355</b>
O-828	<b>0.317</b>
O-833	<b>0.239</b>
B-525	<b>0.217</b>
O-824	<b>0.211</b>
B-526	<b>0.197</b>
B-520	<b>0.195</b>
O-823	<b>0.179</b>
O-820	<b>0.133</b>
B-826	<b>0.13</b>
O-530	<b>0.098</b>
B-837	<b>0.075</b>
O-536	<b>0.07</b>

O= Samples from Outcrop

B= Samples from frost heaved boulders, interpreted to be locally derived

Mineralization may be associated with a tightly folded stratigraphic sequence that is repeated throughout the Central Zone. The Central Zone has minimal outcrop exposure of approximately 5-10 % and has only been drilled in two locations; the Main Zone and the Faucon prospect both of which have uranium mineralization. This data provides Uranium North with numerous new drill targets.

Elevated contents of lead, and on occasion silver, copper and molybdenum are associated with elevated uranium values. Lead values range from less than 0.1% to greater than 0.5% with an average of about 0.2%. The above noted sample which assayed 3.57% U<sub>3</sub>O<sub>8</sub> also returned 31.4 g/t silver. The degree of correlation between uranium and the other elements is being thoroughly examined as a guide to exploration.

Plans for the 2008 drill program include approximately 2,000 metres of diamond drilling, designed to expand the uranium mineralization outward from the Main Zone, and focus on areas that may represent increased uranium grades.

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(ii) S. Baker, Nunavut

11 prospects evaluated with 873 rock and 269 soil samples  
A total of 16,500 line kilometres of geophysical surveying was completed  
Laboratory analyses have been received and are currently subject to compilation and interpretation.  
Land use permit application in progress

Highlights from initial review of the preliminary magnetic and total count radiometric data for the property are provided below. More detailed information will be provided upon completion of a comprehensive final interpretation of the geophysical data.

**Hawk Prospect** - Several radiometric anomalies have been identified near the known Hawk uranium prospect. These anomalies are 200-500 metres in diameter and include areas coincident with boulder samples collected in 2007 that have yielded  $U_3O_8$  values ranging from less than 0.1 to 4.39%. At least two of the radiometric anomalies appear to be new and untested by previous explorers.

An initial six to ten drill holes have been planned to verify the historical drill data and begin to test the extent of the uranium mineralization of Hawk Lake. Five other nearby airborne radiometric anomalies have been identified and will be targeted as similar mineralized zones.

**KAM Prospect** - Linear magnetic low features identified from the magnetic data, which may relate to structurally controlled alteration associated with uranium mineralization, are coincident with a uranium bearing boulder train that extends for approximately two kilometres. Further, a radiometric anomaly identified along the magnetic low feature is coincident with uraniumiferous boulders collected in 2007 that have yielded  $U_3O_8$  values ranging from less than 0.1 to 2.98%.

Plans for the 2008 drill program include approximately 1,200 metres of diamond drilling to test for mineralization within and along the structure and in particular, will test for zones of high grade  $1\% + U_3O_8$ .

**L1 Prospect** - A radiometric anomaly has been identified at L1. It is coincident with uranium enriched boulders collected in 2007 that yielded  $U_3O_8$  values ranging from less than 0.1 to 3.7%.

(iii) Carswell East and Beatty River, Saskatchewan

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 was completed to identify alteration zones that could be associated with high grade uranium mineralization.

2076 line km airborne geophysics completed  
10 conductors identified, 3 with regional airborne radiometric association  
665 composite boulder samples collected  
Land use permit application in progress

The trace element data for the samples indicates uranium concentrations varying from 0.05 to 1.24 ppm. Twenty of the samples are considered anomalous with values greater than 0.15 ppm uranium. Most of the anomalous values form a distinct grouping that is coincident with an airborne uranium radiometric anomaly.

The total clay content of the samples from the property varies from 0.072% to 12.6%. Fifteen of the samples exceed an anomalous threshold of 5% total clay. Illite to illite plus kaolinite ratios varied from

6.3% to 100% with a median of 84%. The clay data outlines a significant and widespread clay alteration (illitization) zone that requires exploration follow up.

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(iv) Thelon - UNR, Northwest Territories

Detailed ground surveys over several targets completed  
4250 line km of airborne geophysics surveyed  
Land use permit application in progress

(v) Hepburn, North West Territories

10 prospects evaluated with 64 rock samples  
21,000 line km of airborne geophysics  
Land use permit for drilling obtained  
Interpretation of the data is currently underway

B. Brereton, P.Eng. is the qualified person reviewing the data for these projects.

#### Tasiq, Nunavut

The Company held 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 year ended February 29, 2008, the Company abandoned the property and wrote-off expenditures totalling \$255,692.

### Selected Annual Information

Selected annual information from the audited financial statements for the years ended February 29, 2008 and February 28, 2007 is summarized in the table below.

	2008 (\$)	2007 (\$)
Total revenues	Nil	Nil
General and administration expenses	1,056,953	861,724
Loss for the year	(756,674)	(1,132,950)
Basic and diluted loss per share	(0.03)	(0.14)
Working capital	1,624,175	4,821,286
Total assets	11,633,787	8,206,536
Total shareholders' equity (deficiency)	9,926,705	7,774,295
Cash dividends per share	Nil	Nil
Number of shares issued and outstanding	27,743,309	21,973,774

### Results of Operations

The Company's operations during the year ended February 29, 2008 produced a net loss of \$756,674 or \$0.03 per share (2007 - \$1,132,950) or \$0.14 per share.

1. The general and administrative expenses of \$1,056,943 (2007 - \$861,724) reflect the increase in activity as the Company moves forward in their exploration programs.

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2. Investor relations and promotion expense of \$333,144 (2007 - \$81,970) 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:

	February 29 2008	February 28, 2007
Administration	\$ 7,220	\$ 2,403
Advertising	30,985	7,052
Consulting	56,040	26,450
Conferences	100,023	18,689
Media	18,398	6,617
Printing	4,756	8,740
Promotional	14,824	7,921
Travel	14,897	4,098
Wages and benefits	86,001	-
	<u>\$ 333,144</u>	<u>\$ 81,970</u>

3. Administration fees of \$112,856 (2007 - \$39,203); this increase results from the hiring of a corporate assistant and reimbursements of administration costs incurred by Diamonds North Resources Ltd.
4. Directors fees of \$55,000 (2007 - \$Nil) reflects compensation for two directors.
5. Stock-based compensation expenses of \$323,738 (2007 - 401,012) would be allocated to the following categories:

	2008	2007
Accounting	\$ 17,069	\$ 30,249
Administration fees	22,759	-
Consulting fees	34,138	63,231
Directors' fees	155,798	282,324
Investor relations and promotions	93,974	25,208
	<u>\$ 323,738</u>	<u>\$ 401,012</u>

6. 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.
7. Future income tax recovery of \$446,993 (2007 - \$Nil) was recorded due to the renouncement of flow-through shares and resulting recognition of future tax assets.

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**Exploration Expenditures**

As at February 29, 2008, the Company's mineral interests are comprised of properties located in Canada. Expenditures incurred on mineral interests 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 2008:							
Acquisition costs	125,000	62,988	-	-	50,000	164,935	402,923
Exploration:							
Administration	133,458	71,478	-	4,807	30,271	36,806	276,820
Airborne	124,044	679,248	-	369,485	470,039	-	1,642,816
Camp costs	56,895	43,462	-	59,978	-	-	160,335
Geochemistry	19,160	-	-	-	-	-	19,160
Geology	1,284,653	678,052	-	282,263	16,087	215,407	2,476,462
Geophysics	-	-	-	-	335,876	-	335,876
Mobilization	498,351	-	-	-	-	-	498,351
Permitting	5,086	-	-	-	6,358	-	11,444
Property	51,332	2,805	-	-	-	55,034	109,171
Prospecting	-	353,662	-	6,770	-	206,948	567,380
	2,172,979	1,828,707	-	723,303	858,631	514,195	6,097,815
Less:							
Recoveries	-	(22,259)	(178,510)	(83,995)	-	-	(284,764)
Write-off	-	-	-	-	-	(255,692)	(255,692)
	-	(22,259)	(178,510)	(83,995)	-	(255,692)	(540,456)
Net additions	2,297,979	1,869,436	(178,510)	639,308	908,631	423,438	5,960,282
Balance, February 29, 2008	\$3,054,721	\$2,596,194	\$209,652	\$823,789	\$1,325,957	\$902,978	\$8,913,291

Exploration expenditures during the year ended February 29, 2008 were \$5,960,282 (2007 - \$2,953,009 which consisted of \$402,923 (2007 - \$2,428,190) in acquisition costs; \$6,097,815 (2007 - \$838,275) in exploration costs and \$284,764 (2007 - \$Nil) in cost recoveries, with write-downs of \$255,692 (2007 - \$313,456).

**Summary of Quarterly Results**

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The following are the results for the eight most recent quarters with the last quarter ending February 29, 2008:

Financial Data								
Three months ended	Feb-08	Nov-07	Aug-07	May-07	Feb-07	Nov-06	Aug-06	May-06
Exploration expenditures	230,450	1,288,023	3,445,593	996,216	469,666	322,189	2,161,154	-
General and administration expenses	323,140	233,711	294,701	205,391	412,233	248,575	72,062	128,854
Stock-based compensation	113,551	65,800	65,799	58,588	239,694	161,318	-	-
Income (loss) for the period	(632,894)	119,837	(285,392)	(405,218)	(691,711)	(243,992)	(69,482)	(127,765)
Basic and diluted loss per shares	0.03	0.02	0.03	0.02	0.14	0.11	0.12	-
Weighted Average common shares								
- basic and diluted	24,136,958	23,222,660	22,728,462	22,005,844	8,177,276	8,334,338	1,589,017	-

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".

### 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 February 29, 2008, the Company has a cash position of \$2,208,198 and working capital of \$1,624,175 compared to cash of \$5,152,372 and working capital of \$4,821,286 at February 28, 2007. The amount of flow-through proceeds remaining to be expended is \$1,130,000. Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. During the year ended February 29, 2008, the Company completed the financings noted below and received \$27,006 from the exercise of warrants and \$59,845 from the exercise of stock options.

### Financing Activities

The Company completed a non-brokered flow-through private placement for the issue of 2,642,500 flow-through common shares at a price of \$0.80 per share for gross proceeds of \$2,114,000.

On December 21, 2007, the Company completed the first tranche on a non-brokered private placement and issued 2,136,000 flow-through common shares at a price of \$0.55 per share for gross proceeds of \$1,174,800.

On January 23, 2008, the Company completed the final tranche on a non-brokered private placement and issued 642,000 common shares at a price of \$0.48 per unit for gross proceeds of \$308,160.

On June 6, 2008 and June 18, 2008, the Company completed a two tranche non-brokered private placement and issued 13,530,363 flow-through common shares at a price of \$0.30 per share for gross proceeds of \$4,059,109.

### Related Party Transactions

In addition to the note payable disclosed in Note 7, the Company had the following related party transactions:

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- (a) The Company incurred \$30,000 (February 28, 2007 - \$18,500) in administrative fees, \$31,930 (February 28, 2007 - \$13,883) in accounting fees and \$4,000 (February 28, 2007 - \$Nil) in consulting fees with officers of the Company.
- (b) Included in accounts receivable is \$25,244 (2007 - \$Nil) due from Diamonds North.
- (c) A total of \$55,000 (2007 - \$Nil) has been paid to two directors of the Company for directors fees.
- (d) For the year ended February 29, 2008, administration fees of \$32,037 and management fees of \$50,819 have been paid to Diamonds North.
- (e) The Company incurred \$Nil (February 28, 2007 - \$106,900) in legal fees paid to a personal law corporation in which a director is a principal.
- (f) Amounts due to Diamonds North totalling \$396,102 (February 28, 2007 - \$47,537) consists of shared administrative expenses and exploration costs owed to a company related by of virtue two directors in common. The amount due to related parties is unsecured, bears no interest and is without specified terms of repayment.

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.

**Critical Accounting Estimates**

The most significant accounting estimates for the Company relate to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to identify any conditions that may indicate impairment. A provision is made for impairment in value when the carrying value of a property exceeds its net recoverable amount, estimated by quantifiable evidence of an economic geological resource or reserve joint venture expenditure commitments, or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs.

Management's estimates of mineral prices, recoverable proven and probable reserves, and operating, capital and reclamation costs are all subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimates of these factors, it is possible that changes could occur in the near term that could adversely affect the Company's estimates of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a single, reliable measure of the fair value of the Company's stock options granted/vested during the year.

## Changes in Accounting Policies

### (a) Financial Instruments

Effective March 1, 2007, the Company adopted the following new accounting standards issued by the CICA relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

#### (i) 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 cost. Changes in fair value are to be recognized in the statements of operations and 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 October 1, 2006 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. As a result of the adoption of these standards, the Company has made the following classifications:

- (a) Cash and cash equivalents, and cash exploration funds are classified as financial assets held for trading and are measured at fair value. Gains and losses related to periodical revaluation are recorded in net income.
- (b) Accounts receivable are classified as loans and receivables and are initially measured at fair value; subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the fair value generally corresponds to cost.
- (c) Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value; subsequent periodic revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.

#### (ii) Comprehensive Income

Effective March 1, 2007, the Company adopted the CICA Handbook Section 1530, "comprehensive income", which establishes standards for presentation and disclosure of comprehensive income. Comprehensive income is the overall change in the net assets of the Company for the period, other than changes attributed to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which GAAP requires to be recognized in a period, but excluded from net income for that period.

### (b) Fair Value

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The fair values of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, note payable and amount due to related party approximate their carrying amounts because of the immediate or short term maturity of these financial instruments.

**(c) Interest Rate Risk**

The Company is exposed to interest rate price risk to the extent that the note payable (*Note 7*) bears a fixed rate of interest.

**(d) Credit Risk**

The Company's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are placed with a major Canadian financial institution. Accounts receivable are primarily comprised of amounts due from the Canadian federal government.

**(e) Derivatives – Mineral Properties**

The Company retains and/or has obligations related to certain carried interest rights and net smelter return royalties ("NSR"), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral properties to which they relate are not sufficiently developed to reasonably determine value.

### Recent Accounting Pronouncements

**(a) Capital Disclosures**

In February 2007, the CICA issued Handbook Section 1535, "Capital Disclosures" requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the Company's objective, policies and procedures for managing capital. The new section is effective for years beginning on or after October 1, 2007. The Company is in the process of assessing the impact of this new section on its financial statements.

**(b) Financial Instruments**

In February 2007, the CICA issued two new standards, Section 3862 "Financial Instruments Disclosures" and Section 3863 "Financial Instruments Presentation". These sections will replace the existing Section 3861 "Financial Instruments Disclosure and Presentation". Section 3862 provides users with information to evaluate the significance of the financial instruments of the Company's financial position and performance, nature and extent of risks arising from financial instruments, and how the Company manages these risks. Section 3863 deals with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The new sections are effective for years beginning on or after October 1, 2007. The Company is in the process of assessing the impact of these new sections on its financial statements.

**(c) Assessing Going Concern**

The AcSB amended CICA Handbook Section 1400 to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

**(d) International Financial Reporting Standards ("IFRS")**

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the prior year. The financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

### Off-balance Sheet Arrangements

The Company had no off-balance sheet arrangements in place as at February 29, 2008.

### Financial Instruments and other Instruments

The Company's financial assets consist of cash, accounts receivable, prepaid expenses, field supplies and accounts payable. No amounts are invested other than in chartered bank term deposits. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. The carrying value of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

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**Management's Report on Internal Controls**

In connection with exemption orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certification with respect to financial information contained in the Company's unaudited interim financial statements, the Company's Audited annual financial statements and the respective accompanying Management Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and internal controls over financial reporting as defined in Multilateral Instrument 52-109.

**Approval**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of Uranium North has approved the year-end financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

**Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

As of June 18, 2008, the Company had 41,273,672 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>
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
February 8, 2013	\$0.500	200,000
		<b>2,946,403</b>

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-Warrants

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>
September 6, 2008	\$0.95	4,746,450
December 6, 2008	\$0.60	149,520
January 23, 2009	\$0.60	356,000
February 15, 2009	\$0.80	175,000
April 11, 2009	\$0.80	8,750
June 6, 2009	\$0.45	739,228
June 18, 2009	\$0.45	58,333
		6,233,281

**HEAD OFFICE**

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**OFFICERS & DIRECTORS**

Mark Kolebaba  
*President, CEO & Director*

Stuart (Tookie) Angus  
*Director*

Maynard E. Brown, LL.B.  
*Director*

Geir Liland  
*Director*

*Daniel Faure*  
*Director*

Terry A. Lyons,  
*Corporate Advisor*

Patricia Tanaka  
*Chief Financial Officer*

Janice Davies  
*Corporate Secretary*

**LISTINGS**

TSX Venture Exchange: **UNR**

**CAPITALIZATION**

(as of February 29, 2008)

Shares Authorized: Unlimited

Shares Issued: 27,743,309

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