



Condensed Interim Financial Statements
(Unaudited)
(Expressed in Canadian Dollars)

For the Three Months Ended May 31, 2011

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**Financial Statements
May 31, 2011
(Canadian Funds)**

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URANIUM NORTH RESOURCES CORP.
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	May 31, 2011	February 28, 2011	March 1, 2010
Assets			
Current			
Cash	\$ 6,806,280	\$ 7,625,019	\$ 738,794
Receivables (Note 4)	81,288	61,485	7,844
Prepays	5,320	12,751	12,078
	6,892,888	7,699,255	758,716
Mineral properties (Note 7)	12,038,556	11,224,164	11,249,740
Deposits (Note 6)	13,525	13,525	-
Equipment (Note 5)	24,685	24,341	22,420
	\$ 18,969,654	\$ 18,961,285	\$ 12,030,876
Liabilities			
Current			
Accounts payable and accrued liabilities (Note 8)	\$ 306,340	\$ 110,479	\$ 78,075
Due to related parties (Note 9)	48,177	85,112	244,123
	354,517	195,591	322,198
Deferred income tax liability	-	-	267,000
	354,517	195,591	589,198
Shareholders' Equity			
Share capital (Note 10)	25,101,908	25,086,060	16,834,638
Share-based compensation reserve	1,224,664	1,320,529	1,034,099
Deficit	(7,711,435)	(7,640,895)	(6,427,059)
	18,615,137	18,765,694	11,441,678
	\$ 18,969,654	\$ 18,961,285	\$ 12,030,876

Nature and Continuance of Operations (Note 1)
Commitments (Note 14)
Subsequent events (Note 15)

Approved and authorized by the Board on August 29, 2011

On behalf of the Board:

Mark Kolebaba

Geir Liland

See accompanying notes to the financial statements

URANIUM NORTH RESOURCES CORP.
Condensed Interim Statements of Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended May 31, 2011	Three Months Ended May 31, 2010
Expenses		
Accounting and audit	\$ 20,500	\$ 11,100
Administration and management fees	29,516	18,756
Annual report and meeting	-	1,467
Consulting fees	2,103	450
Depreciation	1,645	1,471
Directors' fees	16,500	-
Filing fees	3,166	-
Insurance	5,660	5,660
Investor relations and promotion	56,731	55,665
Legal fees	4,605	1,035
Office and miscellaneous	5,801	3,743
Rent	13,483	12,893
Share-based payments <i>(Note 10(d))</i>	3,360	9,303
Transfer agent fees	3,330	2,950
Wages and benefits	23,484	3,533
	(189,884)	(128,026)
Other items		
Interest income	20,745	6
Property investigation	(626)	-
Loss and comprehensive loss for the period	\$ 169,765	\$ (128,020)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding	84,465,025	45,825,470

See accompanying notes to financial statements

URANIUM NORTH RESOURCES CORP.
Condensed Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended May 31, 2011	Three Months Ended May 31, 2010
Cash flows used in operating activities		
Loss for the period	\$ (169,765)	\$ (128,020)
Items not affecting cash:		
Depreciation	1,645	1,471
Share-based compensation	3,360	9,303
Net change in non-cash working capital		
Receivables	(19,803)	572
Prepaid expenses	7,431	5,994
Accounts payable and accrued liabilities	(19,430)	(5,351)
Due to related parties	(30,646)	(37,814)
	(227,208)	(153,845)
Cash flows used in investing activities		
Expenditures on mineral properties, net of recoveries	(590,390)	(153,132)
Purchase of equipment	(1,989)	-
	(592,379)	(153,132)
Cash flows provided by financing activities		
Shares issued for cash, net of issue costs	848	-
Decrease in cash	(818,739)	(306,977)
Cash, beginning of period	7,625,019	738,794
Cash, end of period	\$ 6,806,280	\$ 431,817

Supplemental Disclosure with Respect to Cash Flows (Note 13)

URANIUM NORTH RESOURCES CORP.
Condensed Interim Statements of Shareholders' Equity
For the Period Ended May 31, 2011

(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital		Share-based	Deficit	Total
	No. of Shares	Amount	Compensation Reserve		Shareholders' Equity
Balance, March 1, 2010	45,825,470	\$16,834,638	\$1,034,099	\$(6,427,059)	\$11,441,678
Share-based compensation			9,303		9,303
Loss for the period				(128,020)	(128,020)
Balance May 31, 2010	45,825,470	16,834,638	1,043,402	(6,555,079)	11,322,961
Shares issued for cash					
Private placements, net of issue costs	37,666,185	8,409,410			8,409,410
Exercise of options	853,750	100,875			100,875
Exercise of warrants	92,430	11,092			11,092
Share-based compensation			31,270		31,270
Fair value of finder's fee warrants		(332,274)	332,274		-
Transfer to deficit on expiry of options			(24,098)	24,098	-
Transfer to share capital on expiry of warrants		897	(897)		-
Transfer to share capital on exercise of options		61,422	(61,422)		-
Loss for the period				(1,109,914)	(1,109,914)
Balance February 28, 2011	84,437,835	\$25,086,060	\$1,320,529	\$(7,640,895)	\$18,765,694
Shares issued for cash					
Exercise of warrants	7,070	848			848
Issued for other consideration					
Mineral properties	75,000	15,000			15,000
Share-based compensation			3,360		3,360
Transfer to deficit on expiry of options			(99,225)	99,225	-
Loss for the period				(169,765)	(169,765)
Balance May 31, 2011	84,519,905	\$25,101,908	\$1,224,664	\$(7,711,435)	\$18,615,137

See accompanying notes to the financial statements

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

1. Nature and Continuance of Operations

The Company was incorporated on March 2, 2006 pursuant to the *Company 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 exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow.

The Company's head office, principal address and registered and records office is 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6

The recovery of the amounts comprising mineral properties and deferred exploration costs is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Basis of Preparation and First-Time Adoption of IFRS

(a) Statement of Compliance

These interim financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's transition date to IFRS is March 1, 2010. The rules for first-time adoption of IFRS are set out in IFRS 1, "First-time adoption of International Financial Reporting Standards". In preparing the Company's first IFRS financial statements, these transition rules have been applied to the amounts previously reported in accordance with Canadian generally accepted accounting principles ("GAAP"). Historical results and balances have been restated under IFRS. These consolidated interim financial statements should be read in conjunction with the Company's 2011 GAAP annual financial statements, and in consideration of the disclosure regarding the transition from Canadian GAAP to IFRS included in Note 16. Certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in these interim financial statements nor in the Company's most current annual GAAP financial statements.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

2. Basis of Preparation and First-Time Adoption of IFRS (continued)

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

(c) Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of receivables, valuation and depreciation of equipment and mineral properties, valuation of share-based payments, recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

3. Significant Accounting Policies

(a) Mineral Properties

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore are recognized in profit and loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

3. Significant Accounting Policies (continued)

(b) Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is recognized using the following:

Computer equipment - 30% declining balance

Furniture and fixtures - 20% declining balance

Leasehold improvements - straight line basis over term of lease

(c) Share-Based Payments

The Company grants stock options to directors, officers, employees and consultants. The fair value of stock options is measured on the grant date, using the Black-Scholes option pricing model and is recognized over the vesting period of the related options. Consideration paid for the shares on the exercise of stock options is credited to share capital.

(d) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(e) Impairment of Non-Financial Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

3. Significant Accounting Policies (continued)

(f) Foreign Exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

(g) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

(h) Flow-Through Shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in income at the same time the qualifying expenditures are made.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

3. Significant Accounting Policies (continued)

(i) Financial instruments

(i) Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit and loss - Financial assets are classified as fair value through profit and loss when the financial asset is held for trading or it is designated as such. A financial asset is classified if it has been acquired for the purpose of selling in the near future, it is part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument. Financial assets are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified cash as fair value through profit and loss financial assets.

Loans and receivables – Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the period in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Company classifies its receivables as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment. Deposits for reclamation are classified as held to maturity. Deposits are classified as held to maturity.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

3. Significant Accounting Policies (continued)

(i) Financial instruments (continued)

(ii) Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method. The Company classifies its accounts payable and accrued liabilities and due to related parties as other financial liabilities.

(j) Restoration Provisions

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

(k) New Standards Yet Adopted

In November 2009, the IASB published IFRS 9, "Financial Instruments", which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on March 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Company upon implementation of the issued standard.

URANIUM NORTH RESOURCES CORP.**Notes to Financial Statements****Period Ended May 31, 2011***Canadian Funds***4. Receivables**

The Company's receivables are as follows:

	May 31, 2011	February 28, 2011	March 1, 2011
HST receivable	\$ 57,568	\$ 46,244	\$ 7,844
General	23,720	15,241	-
	<u>\$ 81,288</u>	<u>\$ 61,485</u>	<u>\$ 7,844</u>

HST receivables relate to input tax credit refund from the Government of Canada

5. Equipment

	Furniture and fixtures	Office equipment	Leasehold improvements	Total
Cost				
Balance, March 1, 2010	\$12,778	\$27,343	\$ -	\$40,121
Additions	-	3,970	4,920	8,890
Balance, February 28, 2011	12,778	31,313	4,920	49,011
Additions	-	1,989	-	1,989
Disposals	-	-	-	-
Balance, May 31, 2011	\$12,778	\$33,302	\$4,920	\$51,000
Accumulated depreciation				
Balance, March 1, 2010	\$4,337	\$13,363	\$ -	\$17,700
Depreciation	1,689	4,789	492	6,970
Balance, February 28, 2011	6,026	18,152	492	24,670
Depreciation	337	1,062	246	1,645
Balance, May 2011	\$6,363	\$19,214	\$738	\$26,315
Carrying amounts				
As at March 1, 2010	\$8,440	\$13,980	\$ -	\$22,420
As at February 28, 2011	\$6,752	\$13,161	\$4,428	\$24,341
As at May 31, 2011	<u>\$6,414</u>	<u>\$14,089</u>	<u>\$4,182</u>	<u>\$24,685</u>

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

6. Deposits

	May 31, 2011	February 28, 2011	March 1, 2011
Office lease deposit	\$ 13,525	\$ 13,525	\$ -
	\$ 13,525	\$ 13,525	\$ -

Office lease deposit is held in-trust in accordance with the lease agreement (Note 14).

7. Mineral Properties

	Amer Lake Nunavut	S. Baker Nunavut	Hepburn NWT	Yathkyed Nunavut	Gold Properties	Total
Costs						
Balance, March 1, 2010	\$5,873,788	\$3,984,262	\$847,547	\$389,321	\$154,822	\$11,249,740
Additions:						
Acquisition costs	-	-	-	-	2,097	2,097
Airborne	-	-	-	-	832	832
Camp costs	6,000	46,674	-	-	15,958	68,632
Drilling	-	-	-	-	94,156	94,156
Environment	-	954	-	-	5,204	6,158
Geology	13,137	8,136	907	2,828	288,705	313,713
Mob/Demobilization	76,709	-	-	-	7,740	84,449
Permitting	-	-	-	-	165,464	165,464
Property	2,384	-	-	-	85,083	87,467
Recoveries	-	-	-	-	(90)	(90)
Write-off	-	-	(848,454)	-	-	(848,454)
Balance February 28, 2011	\$5,972,018	\$4,040,026	\$ -	\$392,149	\$819,971	\$11,224,164
Additions:						
Airborne	280	-	-	-	1,199	1,479
Camp costs	41,935	1,500	-	-	32,947	76,382
Drilling	421,464	-	-	-	194,114	615,578
Environment	4,282	-	-	-	35,696	39,978
Geology	7,741	134	-	201	71,622	79,698
Property	-	-	-	-	1,277	1,277
Balance May 31, 2011	\$6,447,720	\$4,041,660	\$ -	\$392,350	\$1,156,826	\$12,038,556

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

7. Mineral Properties (continued)

The Company holds the following mineral claims and permits:

(a) Amer Lake, Nunavut

The Company holds a 100% interest in certain claims 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.

The claims are subject to a 3% royalty on uranium payable to MPH, of which the Company 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 Resources Ltd. ("Diamonds North"), a company related by virtue of directors in common.

(b) S. Baker, Nunavut

The Company holds a 100% interest in certain claims subject to a 2% GOR in respect of diamonds, a 5% royalty on uranium production and a 2% NSR in respect of other metals.

(c) Hepburn, NWT

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

During the year ended February 28, 2011, the Company wrote off acquisition and exploration costs of \$848,454. The Company still holds the uranium rights on the property and due to the prospective nature, may further fund and explore in the future.

(d) Yathkyed, Nunavut

The Company holds a 100% interest in mineral claims located in the Thelon Region of Nunavut.

(e) Gold Properties

i) Mallery Lake, Nunavut

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

ii) Aura, Nunavut

The Company holds a 100% interest in certain prospecting permits and mineral claims.

iii) Garry, Nunavut

The Company holds a 100% interest in certain prospecting permits located northwest of the Amer Lake property

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are as follows:

	May 31, 2011	February 28, 2011	March 1, 2010
Trade payables	\$ 306,340	\$ 110,479	\$ 78,075
	\$ 306,340	\$ 110,479	\$ 78,075

Trade payables are normally settled within 30 days or less of receipt of the original invoice. Invoices from northern suppliers are often received several weeks past the invoice date and the amount is accrued as a liability for the period the service was received rather than the invoice date.

9. Related Party Transactions

For the period ended May 31, 2011, the Company entered into the following related party transactions:

- (a) Administration fees of \$8,516 (2010 - \$6,534), rent of \$13,483 (2010 - \$12,893 and management fees of \$Nil (2010 - \$4,722) were charged by Diamonds North.
- (b) Amounts due to related parties, totalling \$48,177 (2010 - \$85,112), consists of \$4,573 (2010 - \$4,719) for expenses owed to a director and officers of the Company, and \$43,604 (2010 - \$80,393) to a company with common directors for shared administrative expenses and exploration costs.

The remuneration of directors and key management personnel during the three months ended May 31, 2011 and 2010 are as follows:

	2011	2010
Directors fees	\$ 16,500	\$ -
Accounting services	10,500	10,500
Corporate secretarial services	7,500	7,500
Salary (i)	24,600	13,500
Share-based payments (ii)	2,136	5,915
	\$ 61,236	\$ 37,415

(i) Salary includes amounts expensed as mineral property exploration

(ii) Share-based payments are the fair value of options granted to key management personnel.

10. Share Capital

(a) Authorized

As at May 31, 2011, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares were fully paid common shares.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

10. Share Capital (continued)

(b) Share Issuances

During the period ended May 31, 2011, the Company issued 7,070 common shares with a value of \$848 on exercise of warrants dated July 5, 2011.

On May 6, 2011, the Company issued 75,000 common shares, with a value of \$15,000 as consideration for mineral property exploration and evaluation data.

(c) 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 16,900,000 common shares. Vesting of stock options is either at 25% on the date of grant and 12.5% every quarter thereafter, or at the discretion of the board of directors.

As at May 31, 2011, the Company had stock options outstanding for the purchase of 4,331,250 common shares of which 4,331,250 stock options were exercisable with a weighted average exercise price of \$0.40 per option.

	Shares	Weighted Average Exercise Price
Outstanding at February 28, 2010	5,970,577	\$0.40
Granted	-	-
Exercised	(853,750)	0.12
Forfeited/Expired	(201,249)	0.80
Outstanding at February 28, 2011	4,915,578	\$0.44
Granted	-	-
Exercised	-	-
Forfeited/Expired	(584,328)	0.73
Outstanding at May 31, 2011	4,331,250	\$0.40

The following summarizes information about stock options outstanding at May 31, 2011:

Expiry Date	Exercise Price	Number of Shares
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URANIUM NORTH RESOURCES CORP.

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Period Ended May 31, 2011

Canadian Funds

October 11, 2011	0.750	1,575,000
May 1, 2012	0.920	150,000
February 8, 2013	0.500	200,000
September 19, 2013	0.150	1,270,000
November 25, 2014	0.100	1,136,250

Options outstanding	4,331,250
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10. Share Capital (continued)

(c) Stock Options (continued)

Subsequent to May 31, 2011, the Company granted 3,400,000 options with an exercise price of \$0.15 to directors, officers, employees and consultants.

(d) Options - Stock-based Compensation

Stock based compensation expense recognized for options that vested during the period was \$3,360 (2010 - \$9,303).

(e) Warrants

At May 31, 2011, the Company had outstanding warrants to purchase an aggregate of 11,893,774 common shares as follows:

Exercise Price	Expiry Date	Outstanding at February 28, 2011	Issued	Exercised	Expired	Outstanding at May 31, 2011
\$0.12	July 5, 2011	142,570	-	(7,070)	-	135,500
\$0.12	July 7, 2011	1,075,000	-	-	-	1,075,000
\$0.38	*August 8, 2012	9,265,000	-	-	-	9,265,000
\$0.30	August 8, 2012	1,418,274	-	-	-	1,418,274
		11,900,844	-	(7,070)	-	11,893,774

* These warrants have an exercise price of \$0.38 for the first year and \$0.45 for the following six months.

Subsequent to May 31, 2011, 960,500 warrants with an exercise price of \$0.12 were exercised for gross proceeds of \$115,260 and 175,000 warrants with an exercise price of \$0.12 expired, unexercised.

11. Segment Information

The Company has one operating segment, being mineral exploration, and all assets of the Company are located in Canada.

12. Financial and Capital Risk Management

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities a due to related parties. The fair value of these financial instruments, other than cash, approximates their carrying value, due to their short-term nature. Cash is measured at fair value using level 1 inputs.

Credit Risk

URANIUM NORTH RESOURCES CORP.

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Period Ended May 31, 2011

Canadian Funds

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in major Canadian financial institutions. The Company's receivables consist mainly of HST receivables due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in receivables is minimal.

12. Financial and Capital Risk Management (continued)

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash and cash equivalent holdings. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

Foreign Exchange Risk

The Company is not exposed to significant foreign exchange risk as it operates in Canada and makes few foreign currency purchases.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

13. Supplemental Disclosure With Respect to Cash Flows

	2011	2010
Significant non-cash investing and financing activities:		
Shares issued for mineral properties	\$ 15,000	\$ -
Mineral property expenditures included in accounts payable	248,084	-
Mineral property expenditures included in due to related parties	26,958	-
Other cash flow information		
Income taxes paid	-	-
Interest paid	-	-

14. COMMITMENTS

On May 4, 2010, the Company entered into a five-year sub lease agreement with Diamonds North Resources Corp., a company with a common director, for office premises effective August 1, 2010. Approximate future annual lease payments based on basic rent charges are as follows:

Year	Amount
2012	\$ 22,941
2013	31,901
2014	33,529
2015	34,208
2016	17,104
	\$ 139,683

In addition to basic rent, the Company is also subject to its proportionate share of taxes and operating costs.

15. SUBSEQUENT EVENTS

Except as disclosed elsewhere in these financial statements, the Company had the following subsequent events:

- (a) Subsequent to May 31, 2011, the Company granted 3,400,000 options with an exercise price of \$0.15 to directors, officers, employees and consultants.
- (b) The Company issued 960,500 common shares pursuant to the exercise of warrants.
- (c) Subsequent to May 31, 2011, 175,000 warrants with an exercise price of \$0.12 expired, unexercised.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

16. FIRST TIME ADOPTION OF IFRS

As stated in Note 2, these financial statements are for the period covered by the Company's first interim condensed financial statements prepared in accordance with IFRS. The accounting policies in Note 3 have been applied in preparing the condensed financial statements for the period ended May 31, 2011 and 2010, the consolidated financial statements for the year ended February 28, 2011 and the opening IFRS statement of financial position on March 1, 2010, the "Transition Date".

In preparing the opening IFRS statement of financial position and the financial statements for the interim period ended May 31, 2011, the Company has adjusted amounts reported previously in financial statements that were prepared in accordance with GAAP. An explanation of how the transition from GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables. The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company elected to take the following IFRS 1 optional exemptions:

- a) to apply the requirements of IFRS 2, Share-based payment, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date; and

Additionally, in accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of March 1, 2010 are consistent with its GAAP estimates for the same date.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

16. FIRST TIME ADOPTION OF IFRS (continued)

The reconciliation between GAAP and IFRS consolidated statement of financial position as at March 1, 2010 (date of transition to IFRS) is provided below:

	March 1, 2010			
	Note	GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current				
Cash		\$ 738,794	\$ -	\$ 738,794
Receivables		7,844	-	7,844
Prepays		12,078	-	12,078
		758,716	-	758,716
Mineral properties		11,249,740	-	11,249,740
Equipment		22,420	-	22,420
		\$ 12,030,876	\$ -	\$ 12,030,876
Liabilities				
Current				
Accounts payable and accrued liabilities		\$ 78,075	\$ -	\$ 78,075
Due to related parties		244,123	-	244,123
		322,198	-	322,198
Deferred income tax liability		267,000	-	267,000
		589,198	-	589,198
Shareholders' Equity				
Share capital	(a)	14,310,053	2,524,585	16,834,638
Share-based compensation reserve	(b)	1,033,202	897	1,034,099
Contributed surplus	(b)	160,034	(160,034)	-
Deficit		(4,061,611)	(2,365,448)	(6,427,059)
		11,441,678	-	11,441,678
Total Shareholders' Equity and Liabilities		\$ 12,030,876	\$ -	\$ 12,030,876

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

16. FIRST TIME ADOPTION OF IFRS (continued)

The reconciliation between GAAP and IFRS consolidated statement of financial position as at May 31, 2010 is provided below:

	May 31, 2010			
	Note	GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current				
Cash	\$	431,817	\$ -	\$ 431,817
Receivables		7,272	-	7,272
Prepays		6,084	-	6,084
		445,173	-	445,173
Mineral properties		11,306,425	-	11,306,425
Equipment		20,949	-	20,949
		\$ 11,772,547	\$ -	\$ 11,772,547
Liabilities				
Current				
Accounts payable and accrued liabilities	\$	47,930		\$ 47,930
Due to related parties		134,656	\$ -	134,656
		182,586	-	182,586
Deferred income tax liability		267,000		267,000
		449,586		449,586
Shareholders' Equity				
Share capital	(a)	14,310,053	2,524,585	16,834,638
Share-based compensation reserve	(b)	1,042,505	897	1,043,402
Contributed surplus	(b)	160,034	(160,034)	-
Deficit		(4,189,631)	(2,365,448)	(6,555,079)
		11,322,961	-	11,322,961
Total Shareholders' Equity and Liabilities		\$ 11,772,547	\$ -	\$ 11,772,547

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

16. FIRST TIME ADOPTION OF IFRS (continued)

The reconciliation between GAAP and IFRS consolidated statement of financial position as at February 28, 2011 is provided below:

	February 28, 2011			
	Note	GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current				
Cash		\$ 7,625,019	\$ -	\$ 7,625,019
Receivables		61,485	-	61,485
Prepays		12,751	-	12,751
		7,699,255	-	7,699,255
Mineral properties		11,224,164	-	11,224,164
Deposits		13,525	-	13,525
Equipment		24,341	-	24,341
		\$ 18,961,285	\$ -	\$ 18,961,285
Liabilities				
Current				
Accounts payable and accrued liabilities		\$ 110,479	\$ -	\$ 110,479
Due to related parties		85,112	-	85,112
		195,591	-	195,591
Shareholders' Equity				
Share Capital	(a)	22,339,828	2,746,232	25,086,060
Share-based compensation reserve	(b)	988,255	332,274	1,320,529
Contributed surplus	(b)	516,406	(516,406)	-
Deficit		(5,078,795)	(2,562,100)	(7,640,895)
		18,765,694	-	18,765,694
Total Shareholders' Equity and Liabilities		\$ 18,961,285	\$ -	\$ 18,961,285

URANIUM NORTH RESOURCES CORP.**Notes to Financial Statements****Period Ended May 31, 2011**

Canadian Funds

16. FIRST TIME ADOPTION OF IFRS (continued)

The reconciliation between GAAP and IFRS comprehensive loss for the three months ended May 31, 2010, and the year ended February 28, 2011 is provided below:

		Three Months Ended May 31, 2010		
	Note	GAAP	Effect of Transition to IFRS	IFRS
Expenses				
Accounting and audit	\$	11,100	\$ -	\$ 11,100
Administrative and management fees		18,756	-	18,756
Annual report and meeting		1,467	-	1,467
Consulting fees		450	-	450
Depreciation		1,471	-	1,471
Insurance		5,660	-	5,660
Investor relations and promotion		55,665	-	55,665
Legal fees		1,035	-	1,035
Office and miscellaneous		3,743	-	3,743
Rent		12,893	-	12,893
Stock-based payments		9,303	-	9,303
Transfer agent fees		2,950	-	2,950
Wages and benefits		3,533	-	3,533
		(128,026)	-	(128,026)
Other items				
Interest income		6	-	6
Loss and comprehensive loss for the period	\$	(128,020)	\$ -	\$ (128,020)

URANIUM NORTH RESOURCES CORP.**Notes to Financial Statements****Period Ended May 31, 2011**

Canadian Funds

16. FIRST TIME ADOPTION OF IFRS (continued)

		Year Ended February 28, 2011		
	Note	GAAP	Effect of Transition to IFRS	IFRS
Expenses				
Accounting and audit		\$ 80,600	\$ -	\$ 80,600
Administrative and management fees		95,433	-	95,433
Annual report and meeting		14,293	-	14,293
Consulting fees		2,878	-	2,878
Depreciation		6,970	-	6,970
Directors' fees		89,000	-	89,000
Filing fees		9,616	-	9,616
Insurance		22,642	-	22,642
Investor relations and promotion		187,601	-	187,601
Legal fees		4,057	-	4,057
Office and miscellaneous		23,963	-	23,963
Rent		43,042	-	43,042
Stock-based payments		40,573	-	40,573
Transfer agent fees		14,555	-	14,555
Wages and benefits		25,363	-	25,363
		(660,586)	-	(660,586)
Other items				
Interest income		4,390	-	4,390
Property investigation		(284)	-	(284)
Write-off of mineral properties		(848,454)	-	(848,454)
Loss before income taxes		(1,504,934)	-	(1,504,934)
Deferred income tax recoveries	(b)	487,750	(220,750)	267,000
Loss and comprehensive loss for the year		\$ (1,017,184)	\$ -	\$ (1,237,934)

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

Period Ended May 31, 2011

Canadian Funds

16. FIRST TIME ADOPTION OF IFRS (continued)

There are no significant differences between IFRS and GAAP in connection with the Company's statements of cash flows for the period ended May 31, 2010 or the year ended February 28, 2011.

(a) Flow through shares

Under IFRS, flow-through instruments are treated as a compound instrument consisting of a liability component and an equity component. When issued at a premium, the fair value of the equity component is allocated to share capital, and the remainder is considered a liability representing the Company's obligation to pass a tax deduction on to the shareholder. Where there is no excess value of attribute to the liability, no liability is recognized. As the Company discharges the liability by making the required mineral property expenditures, the liability is reduced into income. As at March 1, 2010 and February 28, 2010, the Company has no liability with respect to its flow-through obligations. An adjustment was recorded to reverse the GAAP treatment of recognizing a share issuance cost upon the renouncement of the flow through shares.

(b) Reclassification with equity section

Under GAAP, a balance within contributed surplus existed to record the issuance of warrants and expired options. Under the adoption of IFRS, the balances in this account have been reclassified to 'Share-based payments reserve' and additionally, the Company has reclassified amounts relating to forfeited and expired options and compensatory warrants back into deficit or share capital where they were originally recorded.