

URANIUM NORTH RESOURCES CORP.

**Financial Statements
November 30, 2006**

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NOTICE - No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of Uranium North Resources Corp. ("the Company"), for the nine months ended November 30, 2006, have been prepared by management and have not been the subject of a review by the Company's external independent auditor.

URANIUM NORTH RESOURCES CORP.

Statements of Operations and Deficit

(Unaudited – See Notice)

	For the Three Months Ended November 30, 2006	From March 1, 2006 (Date of Incorporation) to November 30, 2006
General and administrative expenses		
Accounting and audit	\$ 24,158	37,383
Administration fees	6,626	15,678
Bank charges	159	538
Consulting fees	1,240	8,740
Filing fees	32,859	35,131
Interest	3,740	10,322
Investor relations and promotion	34,543	40,620
Legal fees	(22,766)	128,081
Office and miscellaneous	4,118	8,283
Stock-based compensation	161,318	161,318
Transfer agent fees	2,580	3,397
	(248,575)	(449,491)
Other income		
Interest	4,583	8,252
Loss for period	(243,992)	(441,239)
Deficit, beginning of period	(197,247)	-
Deficit, end of period	(441,239)	(441,239)
Loss per share		
-Basic and Diluted	(0.04)	(0.11)
Weighted average number of common shares outstanding		
-Basic and Diluted	8,334,338	3,851,247

See Accompanying Notes to the Financial Statements

URANIUM NORTH RESOURCES CORP.

Statements of Cash Flows

(Unaudited – See Notice)

	For the Three Months Ended November 30, 2006	From March 1, 2006 (Date of Incorporation) to November 30, 2006
Cash flows used in operating activities		
Loss for the period	(243,992)	(441,239)
Items not involving cash:		
Stock-based compensation	161,318	161,318
	(82,674)	(279,921)
Net change in non-cash working capital items		
Accounts receivable	(14,550)	(44,677)
Prepaid expenses	(17,961)	(22,581)
Accounts payable and accrued liabilities	40,555	117,437
	(74,630)	(229,742)
Cash flows applied to investing activities		
Expenditures on mineral interests	(72,189)	(413,511)
	(72,189)	(413,511)
Cash flows provided by financing activities		
Note payable	-	300,000
Advance from Diamonds North Resources Ltd.	79,319	436,849
Shares issued for cash	718	410,718
Share subscriptions	402,001	402,001
	482,038	1,549,568
Increase in cash	335,219	906,315
Cash, beginning of period	571,096	-
Cash, end of period	906,315	906,315

Supplemental Cash Flow Information (Note 7)

See Accompanying Notes to the Financial Statements

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

1. Nature of Operations and Economic Dependence

Uranium North Resources Corp. (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 has transferred certain of its uranium mineral property interests covering approximately 4,000,000 acres of land in Nunavut and Northwest Territories 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.

Shareholders of Diamonds North approved the plan of arrangement at their annual general meeting held on May 10, 2006. Pursuant to the Arrangement, completed on July 28, 2006, the shareholders of Diamonds North received 7,264,164 shares of the Company on the basis of one 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 holder 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 has been provided by a \$300,000 loan with interest at 5% per annum from Diamonds North (Note 4), which, at the option of Diamonds North, may be convertible in whole or in part into common shares of the Company at a conversion price equal to the planned private placement offering price, or may be repaid in cash. In consideration of the working capital loan, the Company became obligated to issue 1,500,000 common shares to Diamonds North (Note 7).

The reorganization was completed July 28, 2006.

Subsequent to the period ended November 30, 2006, the Company completed a private placement (the "PP") (Note 9) and the TSX Ventures Exchange listed and posted for trading the Uranium North common shares under the symbol "UNR".

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles on a going-concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business.

The Company has reported an operating loss of \$441,239 in the period from March 1, 2006 (Date of Incorporation) to November 30, 2006. The Company's ability to continue as a going-concern is dependent upon continued financial support from Diamonds North, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financing and further share issuances to meet the Company's liabilities as they become payable. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue its operations as a going-concern.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

2. Significant Accounting Policies

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

(a) Use of 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. Actual results may differ from those estimates.

(b) Financial Instruments

(i) Fair Value

The fair values of the Company's cash, accounts receivable, accounts payable and accrued liabilities, and amount due to Diamonds North and related parties approximate their carrying amounts because of the immediate or short-term to maturity of these financial instruments. It is not practicable to determine the fair value of the note payable due to its related party nature (Note 4) and the absence of a market for such instruments.

(ii) Interest Rate Risk

The Company is exposed to interest rate price risk to the extent that the note payable (Note 4) bears a fixed rate of interest.

(iii) Credit Risk

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

(c) Mineral Interests

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition, exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

property costs or recoveries when the payments are made or received. When the amount of recoveries exceeds the total amount of capitalized costs of the property, the amount in excess of costs is credited to income.

2. Significant Accounting Policies (Continued)

(c) Mineral Interests (Continued)

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

(d) Asset Retirement Obligations

The Company has adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA"), Handbook Section 3110 "Asset Retirement Obligations". This statement establishes standards for accounting for the recognition and measurement of liabilities for obligations associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operations of the assets. As at August 31, 2006, the Company did not have any asset retirement obligations.

(e) Impairment of Long-Lived Assets

The Company has adopted CICA Section 3063, "Impairment of Long-Lived Assets". This statement establishes standards for the recognition, measurement and disclosure of the impairment of non-monetary long-lived assets, including property, plant and equipment, intangible assets with finite useful lives, deferred pre-operating costs and long-term prepaid assets. The adoption of this standard did not have a material impact on its financial position or results of operations.

(f) Stock-Based Compensation

The Company follows CICA Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", to account for stock-based compensation expense 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.

(g) 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.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

3. Mineral Interests

As at November 30, 2006, the Company's mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Amer Lake Nunavut	S. Baker Nunavut	Thelon NWT	Hepburn NWT	Sask	Others	Total
Additions during the period							
Acquisition	\$648,922	\$323,555	\$388,162	\$ -	\$362,657	\$542,528	\$2,265,824
Geology	2,467	9,964	-	2,488	-	-	14,919
Geochemistry	30,977	-	-	-	-	-	30,977
Geophysics	1,000	-	-	-	1,200	1,000	3,200
Airborne	-	-	-	168,194	-	-	168,194
Camp costs	198	-	-	-	-	-	198
Permitting	-	-	-	31	-	-	31
	34,642	9,964	-	170,713	1,200	1,000	217,519
Additions during period	683,564	333,519	388,162	170,713	363,857	543,528	2,483,343
November 30,2006	\$683,564	\$333,519	\$388,162	\$170,713	\$363,857	\$543,528	\$2,483,343

(a) Pursuant to the Arrangement agreement 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 in four permits covering 151,921 acres subject to a 2% gross overriding royalty ("GOR") in respect of diamonds, a 5% royalty on uranium production and a 2% net smelter returns royalty ("NSR") in respect of other metals.

(ii) S. Baker, Nunavut

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

(iii) Thelon, NWT

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

(iv) Hepburn, NWT

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

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

3. Mineral Interests (Continued)

(v) Kazan, Nunavut

The Company holds a 100% interest in nine permits covering 401,994 acres subject to a 2% GOR in respect of diamonds, a 5% royalty on uranium production and a 2% NSR in respect of other metals.

(vi) Beatty River, Saskatchewan

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

(vii) Carswell East, Saskatchewan

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

(viii) Tasiq, Nunavut

The Company holds a 100% interest in 192 claims covering a 467,576-acre property to explore and develop uranium and all other metals (except diamonds) subject to a 5% uranium royalty and a 2% NSR in respect of other metals.

(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, which provided that:

- (i) on or before the earlier of the date the Company lists its shares for trading on the Exchange (the "Listing Date") or September 30, 2006, \$50,000 in cash (paid) and a number of common shares (issued) of the Company equal to \$125,000 based on the issue price of the PP (Note 1); and
- (ii) on or before the date that is 180 days following the first payment, \$50,000 in cash and a number of common shares of the Company equal to \$125,000 based on the average closing price of the Company for ten trading days.

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 this staking agreement to the Company, at which time the Company became obligated to pay or re-pay its share of the costs to Diamonds North, and the Company assumed the terms of the May 15, 2006 agreement with MPH, which provided that:

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

3. Mineral Interests (Continued)

(c) (Continued)

- (i) on or before the earlier of the Listing Date or September 30, 2006, a number of common shares of the Company equal to \$125,000 (issued) based on the price of the PP (Note 1); and
- (ii) reimbursement for up to \$5,000 for professional services.

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.

- (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 has assumed all of the obligations of Diamonds North under the option and staking agreements and issued 2,000,000 common shares to Diamonds North.

4. Note Payable

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

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

- (a)** prior to the first anniversary of the Listing Date, the loan and accrued interest or any portion thereof may be converted into units ("Unit") of the Company at a per Unit conversion price equal to the price of the PP (Note 1), with each Unit consisting of one common share of the Company and one share purchase warrant entitling Diamonds North to purchase one additional common share of the Company at a price equal to a 20% premium over the Unit conversion price, up to the first anniversary of the Listing Date, whereupon the warrants will expire; and
- (b)** on or after the first anniversary of the Listing Date, the loan and accrued interest or any portion thereof may be converted into common shares of the Company at a per share conversion price equal to the price of the PP (Note 1).

As at November 30, 2006, interest of \$10,322 is included in accounts payable and accrued liabilities.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

5. Share Capital

(a) Authorized

Unlimited common shares without par value.

(b) Issued and Allotted

	Number of Shares	Amount
Shares issued during the period		
Issued for cash		
Private placement (Note 5(b)(i))	1,025,000	\$ 410,000
Exercise of options	3,332	716
Pursuant to the working capital loan (Note 5(b)(ii))	1,500,000	1
Pursuant to the Assignment Agreement (Note 5(b)(iii))	2,000,000	1
Issued for other consideration		
Pursuant to the Arrangement (Note 5(b)(iv))	7,264,164	1,065,195
For resource properties	333,332	250,000
Issued and outstanding, balance at November 30, 2006	12,125,828	\$ 1,725,913

- (i) 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.
- (ii) Pursuant to the working capital loan (Note 4), the Company issued 1,500,000 common shares to Diamonds North for an aggregate value of \$1.
- (iii) 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 3(d)).
- (iv) At July 28, 2006, Diamonds North had issued and outstanding common shares of 43,585,398. As a result of the Arrangement, the Company issued to existing shareholders of Diamonds North 7,264,164 common shares of the Company.

For share issuances after November 30, 2006, see Subsequent Events (Note 9).

(c) Stock Options

As a result of the separation of stock options of Diamonds North referred to in Note 1, the Company had reserved for issuances options to acquire 937,895 common shares.

Under the Company's Stock Option Plan, the Company granted incentive stock options to directors and consultants to acquire 1,975,000 common shares.

As at November 30, 2006, the Company had stock options outstanding for the purchase of 2,909,563 common shares with an average remaining contractual life of 4.10 years, of which 1,347,898 stock options were exercisable at November 30, 2006.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

5. Share Capital (Continued)

(d) Stock Options (Continued)

	Shares	Weighted Average
Granted		
Pursuant to the Arrangement	937,895	\$0.75
Issued under the Stock Option Plan	1,975,000	\$0.75
Exercised	(3,332)	\$0.22
Outstanding at November 30, 2006	2,909,563	\$0.75

The following summarizes information about stock options outstanding at November 30, 2006:

Expiry Date	Exercise Price	Number
January 10, 2007	\$ 0.215	1,583
July 15, 2007	\$ 0.429	177,048
December 19, 2007	\$ 0.686	8,333
February 20, 2008	\$ 0.686	80,364
March 4, 2008	\$ 0.686	16,666
May 22, 2008	\$ 0.686	9,999
October 6, 2008	\$ 0.600	22,664
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	91,665
April 12, 2011	\$ 0.848	276,662
July 13, 2011	\$ 1.020	22,500
October 11, 2011	\$ 0.750	1,975,000
Options outstanding		2,909,563

For stock options exercised after November 30, 2006, see Subsequent Events (Note 9(b)).

(e) Stock-Based Compensation

During the period ended November 30, 2006, the Company granted stock options to acquire up to an aggregate of 1,975,000 common shares at an exercise price of \$0.75 per share, and recorded a stock-based compensation expense of \$161,318 based on the fair value of options vested during the period. The stock-based compensation expense was calculated using the Black-Scholes Option Pricing Model.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions at November 30, 2006:

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

5 Share Capital (Continued)

(e) Stock-Based Compensation (Continued)

Risk-free interest rate	3.03%
Expected dividend yield	-
Expected stock price volatility	62%
Expected option life in years	3

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

(f) Share Purchase Warrants

As a result of the separation of share purchase warrants of Diamonds North referred to in Note 1, the Company has reserved for issuances the following share purchase warrants, with a weighted average remaining life of 0.75 years, to acquire 870,054 common shares.

Expiry Date	Exercise Price	Number
December 13, 2006	\$ 0.815	261,798
July 12, 2007	\$ 0.858	35,000
July 19, 2007	\$ 1.286	573,256
Warrants outstanding		870,054
Weighted average price	\$ 1.127	

For warrants exercised after November 30, 2006, see Subsequent Events (Note 9(c)).

6. Related Party Transactions

As at November 30, 2006, the Company is related to Diamonds North by virtue of certain common officers and directors. In addition to the note payable disclosed in Notes 3 and 4, the Company had the following related party transactions and balances:

- (a) The Company incurred \$12,000 in administrative fees and \$9,903 in accounting fees with officers of the Company.
- (b) The Company incurred \$106,900 in legal fees paid to a personal law corporation in which a director is a principal.
- (c) The amount due to Diamonds North was paid subsequent to November 30, 2006.

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount agreed upon by the transacting parties.

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

7. Supplemental Cash Flow Information

- (a) During the period ended November 30, 2006, the Company issued 7,264,164 common shares pursuant to the Arrangement agreement and agreed to reimburse Diamonds North \$754,637 for performance bonds placed in respect of mineral property interests with a carrying value of \$1,819,832.
- (b) The Company issued 1,500,000 common shares as a bonus in respect of the working capital loan (Note 4) and 2,000,000 common shares in consideration of the assignment of the MPH mineral property option agreement at an aggregate value of \$2.
- (c) During the period ended November 30, 2006, the Company issued 333,332 common shares in connection with a resource property agreement.
- (d) Other cash flow information

Interest received	\$	8,252
Interest paid	\$	-
Income taxes paid	\$	-

8. Income Taxes

As at November 30, 2006, the Company has non-capital losses for Canadian tax purposes of approximately \$441,240, which may be applied against future taxable income and expire in 2026. The potential income tax benefits of the losses have not been recorded in these financial statements.

Future income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for Canadian income tax purposes.

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates of 34.12%, are as follows:

	November 30, 2006
Future income tax assets	
Non-capital losses carried forward	\$ 150,551
Valuation allowance	(150,662)
Net future income tax assets	-
Future income tax liabilities	-
Future income tax assets, net	\$ -

URANIUM NORTH RESOURCES CORP.

Notes to Financial Statements

For the Period from March 1, 2006 (Date of Incorporation) to November 30, 2006

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

	November 30, 2006
	34.12%
Income tax benefit computed at Canadian statutory rates	\$ 150,551
Unrecognized tax losses	(150,551)
	\$ -

9. Subsequent Events

- (a) Subsequent to November 30, 2006, the Company completed a brokered private placement for the issue of 9,492,900 units at a price of \$0.75 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 purchase one common share at a price of \$0.95 per common share for a period of twelve months after the closing of the offering.
- (b) Subsequent to November 30, 2006, the Company issued 86,998 common shares for cash proceeds of \$51,407 pursuant to the exercise of stock options.
- (c) Subsequent to November 30, 2006, the Company issued 261,798 common shares for cash proceeds of \$213,366 pursuant to the exercise of warrants.
- (d) Subsequent to November 30, 2006, the Company paid the \$1,191,486 that was owing to Diamonds North Resources Ltd.
- (e) On December 7, 2006, the TSX Venture Exchange listed and posted for trading the Uranium North common shares under the symbol "UNR".

Management's Discussion and Analysis

For the Nine Months Ended November 30, 2006
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Form 51-

This Management's Discussion and Analysis dated January 24, 2007 supplements, but does not form part of, the unaudited interim financial statements of the Company and the notes thereto for the period ended November 30, 2006. Consequently, the following discussion and analysis of the financial condition and results of operations Uranium North Resources Corp. should be read in conjunction with the unaudited financial statements for the period ended November 30, 2006 and related notes thereto, which have been prepared in accordance with Canadian generally accepted accounting principles.

Additional information can be found on SEDAR www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following Management's Discussion and Analysis (MD&A) constitutes forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set out below.

General

Uranium North Resources Corp. (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 covering approximately 4,000,000 acres of land in Nunavut and Northwest Territories 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 reorganization was completed on July 28, 2006.

On December 6, 2006, the Company completed a brokered private placement (the "PP") to realize gross proceeds of \$7,119,675 (see "Financial Activities" below).

On December 7, 2006, the TSX Venture Exchange listed and posted for trading the Uranium North common shares under the symbol "UNR".

Significant Events, Transactions and Activities on Mineral Properties

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

(i) Amer Lake, Nunavut

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

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(ii) S. Baker, Nunavut

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

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(iii) Thelon, NWT

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

(iv) Hepburn, NWT

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

(v) Kazan, Nunavut

The Company holds a 100% interest in nine permits covering 401,994 acres subject to a 2% GOR in respect of diamonds, a 5% royalty on uranium production and a 2% NSR in respect of other metals.

(vi) Beatty River, Saskatchewan

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

(vii) Carswell East, Saskatchewan

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

(viii) Tasiq, Nunavut

The Company holds a 100% interest in 192 claims covering a 467,576-acre property to explore and develop uranium and all other metals (except diamonds) subject to a 5% uranium royalty and a 2% NSR in respect of other metals.

(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, which provided that:

- (i) on or before the earlier of the date the Company lists its shares for trading on the Exchange (the "Listing Date") or September 30, 2006, \$50,000 in cash (paid) and a number of common shares (issued) of the Company equal to \$125,000 based on the price of the PP; and
- (ii) on or before the date that is 180 days following the first payment, \$50,000 in cash and a number of common shares of the Company equal to \$125,000 based on the average closing price of the Company for ten trading days.

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.

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(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 this staking agreement to the Company, at which time the Company became obligated to pay or re-pay its share of the costs to Diamonds North and the Company assumed the terms of the May 15, 2006 agreement with MPH, which provided that:

- (i) on or before the earlier of the Listing Date or September 30, 2006, a number of common shares (issued) of the Company equal to \$125,000 based on the price of the PP; and
- (ii) reimbursement for up to \$5,000 for professional services.

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.

(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 will assume all of the obligations of Diamonds North under the option and staking agreements and issue 2,000,000 common shares to Diamonds North.

Financial Results of Operations

The Company's operations during the period ended November 30, 2006 produced a net loss of \$441,239 or \$0.11 per share.

1. As a result of the Arrangement with Diamonds North, the Company incurred legal costs of \$128,081 and audit and accounting expenses of \$37,383.
2. Investor relations and promotion expense was \$40,620. A breakdown of investor relations and promotion expenses is provided below:

Administration	\$	2,185
Consulting		14,000
Conferences		8,051
Media		4,175
Printing		6,581
Promotional		1,567
Travel		4,061
	\$	<u>40,620</u>

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Exploration Expenditures

As at November 30, 2006, the Company's mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Amer Lake Nunavut	S. Baker Nunavut	Thelon NWT	Hepburn NWT	Sask	Others	Total
Additions during the period							
Acquisition	\$648,922	\$323,555	\$388,162	\$ -	\$362,657	\$542,528	\$2,265,824
Geology	2,467	9,964	-	2,488	-	-	14,919
Geochemistry	30,977	-	-	-	-	-	30,977
Geophysics	1,000	-	-	-	1,200	1,000	3,200
Airborne	-	-	-	168,194	-	-	168,194
Camp costs	198	-	-	-	-	-	198
Permitting	-	-	-	31	-	-	31
	34,642	9,964	-	170,713	1,200	1,000	217,519
Additions during period	683,564	333,519	388,162	170,713	363,857	543,528	2,483,343
November 30,2006	\$683,564	\$333,519	\$388,162	\$170,713	\$363,857	\$543,528	\$2,483,343

Exploration expenditures during the period ended September 30, 2006 were \$2,483,343 which consisted of \$2,265,824 in acquisition costs and \$217,519 in exploration costs.

Summary of Quarterly Results

The following are the results for the three most recent quarters with the last quarter ending November 30, 2006:

Financial Data for Last Two Quarters			
Three months ended	Nov-06	Aug-06	May-06
Total revenues	Nil	Nil	Nil
General and administration expenses	248,575	72,062	128,854
Loss for the period	243,992	69,482	127,765
Basic and diluted loss per shares	0.11	0.12	-
Total assets	3,456,916	2,766,997	227,967
Exploration expenditures	2,483,343	2,161,154	-

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.

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As at November 30, 2006, the Company had a cash position of \$906,315 and working capital deficit of \$635,350. Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

On December 6, 2006, the Company completed a brokered private placement (the "PP") to realize gross proceeds of \$7,119,675 (see "Financial Activities" below).

Financing Activities

Initial working capital of the Company was provided by a \$300,000 loan with interest at 5% per annum from Diamonds North, which, at the option of Diamonds North, may be convertible in whole or in part into common shares of the Company at a conversion price equal to the planned private placement offering price, or may be repaid in cash. At the time of the transfer of the mineral property interests, the Company allotted for issue 1,500,000 common shares to Diamonds North in consideration of the working capital loan.

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.

On December 6, 2006, the Company completed a brokered private placement of 9,492,900 unit at a price of \$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 purchase one common share at a price of \$0.95 per common share for a period of twelve months after the closing of the offering.

Subsequent to November 30, 2006, the Company issued 86,998 common shares for cash proceeds of \$51,407 pursuant to the exercise of stock options and 261,798 commons shares for cash proceeds of \$213,366 pursuant to the exercise of warrants.

Outstanding Share Data

	No. of Shares	Exercise Price	Expiry Date
Issued and Outstanding at January 16, 2007	21,967,524		
Stock Options	2,822,565	\$0.215 to \$1.021	Dec 19, 2007 to Oct 11, 2011
Warrants	6,019,209	\$0.858 to \$1.286	Jul 12, 2007 to Dec 6, 2007
Fully diluted at January 16, 2007	30,809,298		

Related Party Transactions

Transactions and balances with related parties are as follows:

- (a) The Company incurred \$12,000 in administrative fees and \$9,903 in accounting fees with officers of the Company.
- (b) The Company incurred \$113,700 in legal fees paid or accrued to a personal law corporation in which a director is a principal.
- (c) The amount due to Diamonds North was paid subsequent to November 30, 2006.

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These transactions are in the normal course of business and are measured at the exchange amount, which is the amount agreed upon by the transacting parties.

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Financial Instruments

The fair values of the Company's cash, marketable securities, accounts receivable and accounts payable approximates their carrying amounts due to the immediate or short-term maturity of these financial instruments.

Risk Factors

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the company:

Industry

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those, which could impact them, and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Metal Prices

The principal activity of the Company is the exploration and development of resource mineral properties. The feasible development of such properties is highly dependent upon the price of metals. A sustained and substantial decline in commodity prices could result in the write-down, termination of exploration and development work or loss of the Company's interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect commodity prices in order to assess the feasibility of its resource projects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD & A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

Outlook

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Uranium North will continue to advance exploration of its current properties and will continue to seek out and review projects that exhibit potential to host economic uranium ore bodies.