



UNOR INC

QUARTERLY REPORT

September 30, 2007



CORPORATE PROFILE

Listing: TSX Venture - Symbol **UNI** US OTC – Symbol **UNOFF**

Share Capital:

- **Authorized:** Unlimited number of common shares
Unlimited number of preferred shares

- **As of November 21, 2007 issued:**
 - 128,841,175 common shares
 - 6,670,447 options @ wt avg 49 cents
 - 5,684,513 warrants @ wt avg 44 cents

Officers:

- George Bell, President & CEO
- David Bent, Vice President Exploration
- Ian Shaw, Vice President Finance & CFO
- Thomas Devlin, Secretary

Directors:

- Ronald Barnes, Chairman
- Bruno Arnold
- Birks Bovaird
- Andrew Rickaby

Auditors:

McGovern, Hurley, Cunningham, LLP
2005 Sheppard Avenue, Suite 300
Toronto, Ontario M2J 5B4

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UNOR INC.
MANAGEMENT DISCUSSION AND ANALYSIS
September 30, 2007

This Management Discussion and Analysis (“MD&A”) has been prepared as of November 21, 2007 and should be read in conjunction with the interim unaudited consolidated financial statements of the Company for the six months ended September 30, 2007, and the related notes. The Company’s reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless noted otherwise. The Company reports its financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles.

1. Forward-Looking Statements

This MD&A contains certain forward-looking statements. These statements are based on certain estimates and assumptions and involve risks and uncertainties, including but not limited to: political risks, title risks, commodity price and currency exchange rate risks, operating and environmental hazards encountered in the mineral exploration and development business, general industry and economic conditions, changes in the regulatory requirements affecting the Company’s business, future capital expenditures and the availability and terms of financing. Consequently, actual results and events may vary significantly from those included, contemplated or implied by such statements.

2. Corporate Overview

In 1996, UNOR Inc. (“UNOR” or the “Company”) was incorporated in Ontario with its primary focus on uranium exploration in Nunavut, Canada. Nunavut is the only territory and/or province that has settled its native land claim issues.

In June 2006, Cameco Corporation (“Cameco”) acquired 19.5% of the Company and the companies agreed to a Strategic Alliance Agreement that provides to UNOR ongoing uranium technical knowledge, guidance and exploration opportunities.

In September 2006, Cameco and UNOR established a Joint Technical Committee (“JTC”) to facilitate consultations between the companies with respect of exploration programs.

Since September 2006, the Company has increased its Nunavut uranium exploration area from 0.5 million acres to 2.7 million acres as shown below:

- In September 2006, UNOR and Adriana Resources Inc. (“Adriana”) agreed to form UNAD a 50/50 uranium joint-venture project between the companies. UNAD has staked 41 claims that cover 89,325 acres. These 41 claims include several historic uranium occurrences and are located on the eastern edge of the Hornby Bay Basin, Nunavut, adjoining UNOR’s and Adriana’s properties;

- In October 2006, UNOR entered into the Lac Rouviere option/joint venture agreement with Cameco on 206 uranium mineral claims covering 521,500 acres in western Nunavut which adjoin the northwest corner of UNOR's wholly owed Coppermine River claim block and UNOR is the operator; and
- In February 2007, UNOR entered into the Baffin Island joint venture agreement with Cameco to explore for uranium on 27 Prospecting Permits covering 1,588,000 acres on Baffin Island in eastern Nunavut.

Since 2003, the Company has invested a total of \$28 million on the systematic exploration and advancement of these uranium mineral claims.

Also, the Company owns 100% of four copper crown grants in the Princeton area of British Columbia; one nickel claim in the Thompson area of Manitoba and 26 gold claims and leases in the Timmins and Dryden areas of Ontario.

The Company is a reporting issuer in Ontario, British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol UNI.

3. Operating Strategy

The Company's overall mineral exploration strategy is based on:

- Aggressively and systematically pursuing the discovery of uranium deposits in Nunavut on its 100% owned mineral claims and leases, and on its Cameco and UNAD joint venture properties covering 2.7 million acres; and
- Evaluating its properties in Nunavut, Ontario, British Columbia and Manitoba for all forms of economic mineral development, including uranium, diamonds, precious metals, copper and nickel.

4. Highlights

On March 31, 2006, the Company entered into a Memorandum of Understanding with Cameco Corporation to form a strategic alliance and for Cameco to subscribe for a non-brokered private placement of shares representing a 19.5% ownership of the Company at a price of \$0.40 per share. On May 9, 2006, the Company announced that the parties had executed a binding subscription agreement in which Cameco subscribed for 19.5% of the outstanding shares of UNOR for aggregate gross proceeds of \$9,162,765. A special meeting of shareholders on June 16, 2006 approved the Cameco transaction and the closing of the transaction occurred on June 19, 2006. At the closing of this non-brokered private placement the companies entered into a Strategic Alliance Agreement. The Strategic Alliance Agreement includes the following terms and conditions:

- (a) for as long as Cameco maintains ownership of at least 16% of the issued and outstanding shares of UNOR, Cameco will have the right to participate in any future equity issuances by UNOR, to match any equity or debt funding required by UNOR for development of a mine, to operate any mine developed, to provide milling capacity and to market any uranium produced by UNOR;
- (b) for as long as Cameco maintains ownership of at least 10% of the issued and outstanding shares of UNOR, Cameco will have the right to nominate one person for election to the board of directors of UNOR and UNOR will consult with Cameco concerning exploration, development and mining technical work

- programs; and
- (c) each party will have first right of refusal to purchase from the other any uranium exploration projects the other may wish to sell in a specified area of western Nunavut or eastern North West Territories.

On September 22, 2006, the Company and Cameco Corporation established a JTC to facilitate consultations between the companies with respect to technical work programs. The JTC is comprised of four members with two senior exploration personnel from both companies. The JTC duties are to review and recommend exploration plans and budgets for UNOR.

On October 23, 2006, the Company announced that it has entered into an option agreement with Cameco Corporation on uranium mineral claims held by Cameco covering 521,500 acres in western Nunavut (the "Property") which adjoins the northwest corner of UNOR's wholly owned Coppermine River claim block. The Option Agreement is subject to the following terms and conditions:

- To earn a 60% interest in the Property, UNOR must incur exploration and development expenditures of \$3.0 million by March 31, 2010, of which a minimum of \$2.0 million must be incurred on or before June 30, 2008.
- UNOR is the operator subject to the guidance of a joint UNOR/Cameco Technical Committee and the Strategic Alliance Agreement between the parties.
- The parties will establish a joint venture on the date UNOR has exercised its earn-in rights of 60%.
- Cameco has the right within 90 days after the joint venture has either operated for two years or incurred \$3.0 million of expenditures on the Property to earn back 15% by investing an additional \$3.0 million to increase its interest to 55% and reduce UNOR's interest in the Property to 45%.

On November 29, 2006 the Company issued 4,867,000 flow-through common shares at \$0.52 per share pursuant to a brokered private placement to raise gross proceeds of \$2,530,840 and Cameco, pursuant to the terms of the UNOR/Cameco Strategic Alliance Agreement, subscribed for 1,178,963 flow-through common shares for gross proceeds of \$613,060.

On February 28, 2007 the Company entered into a letter agreement with Cameco Corporation to establish a joint venture to explore for uranium on 27 Prospecting Permits currently held by Cameco covering 1,588,000 acres on Baffin Island, Nunavut, Canada. The joint venture agreement includes the following provisions:

- The formation of a management committee comprised of two representatives from each party.
- UNOR will be the operator of the joint venture.
- The operator will be subject to the general control and direction of the JTC established pursuant to the Strategic Alliance Agreement dated June 19, 2006 between the parties.

On October 4, 2007 the Company issued 4,285,714 flow-through units at a price of \$0.35 per unit for total gross proceeds of \$1,500,000. Each unit consists of one flow-through share and one-half of a common share purchase warrant. UNOR has paid a finder's fee of 7.0% of the gross proceeds received and has issued compensation options equal to 10.0% of the number of units sold, which compensation options will entitle the holders to purchase (non flow-through) common shares of Unor for a period of 24 months from the closing date at a price of \$0.35 per share. Cameco Corporation exercised its right of participation to maintain its 19.5% ownership of UNOR. Therefore, the company issued by private placement 1,038,154 non flow-through units at a price of \$0.30 per unit to Cameco for net proceeds of \$311,446.20. Each unit consists of one non flow-through share and one-half of a common share purchase warrant.

5. Exploration Properties

The Company's 2007 exploration program continues to focus on the discovery of economic uranium deposits on its large land holdings south of Kugluktuk in western Nunavut. The high grade unconformity model of uranium deposition (Cameco's McArthur River deposit) remains the primary target. However, increasing emphasis is being placed on structurally controlled, basement hosted mineralization (Cameco's Eagle Point deposit) and also on the disseminated, sandstone hosted model (Triex's Mountain Lake deposit) where the target is in the upper sequences of the basin sediments. The acquisition of additional lands in 2006 under the UNAD Joint Venture with Adriana Resources and the option of Cameco's large holdings west of the Coppermine River (Lac Rouviere project) substantially expanded the Company's land holdings within the Hornby Bay Basin and have enhanced the potential for a significant discovery.

A new joint venture project with Cameco on Baffin Island in eastern Nunavut was initiated in 2007 to explore 27 exploration permits covering large portions of the Brodeur and Fury-Hecla Proterozoic sandstone basins. The area is remote and historical exploration for uranium has been far less intensive than in the other major Canadian basins to the south. The 2007 program has included data compilation and a three-week helicopter assisted field evaluation of the area during August which will serve as the basis for planning a more comprehensive exploration program for the 2008 season.

The 2007 field work on the western Nunavut properties commenced on April 1st with the mobilization of the geophysical crew to Kugluktuk to conduct detailed magnetometer surveying of selected kimberlite targets on the company's Asiak project and concluded on September 25th with the demobilization of the drill from the last hole at the Bog zone on the company's Coppermine project. The ground geophysical program and drill campaign commenced on April 20th and continued for the remainder of the season except for a two week suspension in June to allow for break up of the ice in the area. After break up, a team of geologists was added to the project to conduct mapping and prospecting programs on the Lac Rouviere project and a second helicopter was brought in to assist in crew mobilization and drill moves.

The allocated budget for 2007 for western Nunavut was \$7.0 million. The initial plan to drill targets on the Asiak project before moving to the Coppermine project had to be changed due to very difficult weather conditions from mid-April until mid-May. Delays caused by weather also forced the postponement until July 2008 of the planned fixed-wing airborne gamma ray/ magnetometer survey of the Lac Rouviere project by Fugro Airborne Surveys.

The Company is continuing the policy of hiring local Inuit to complement the field crews and preferentially purchases local supplies and services from Kugluktuk. The

contribution to the ecological surveys being conducted by the Nunavut Wildlife Department continued in 2007 and was expanded to include assistance for a new initiative by the Wildlife Officer to study the local vegetation. The Company's participation in these surveys will be of great significance when the necessity for baseline environmental data becomes a requirement.

Statistics for field work completed during the season include the following:

- 18 drill holes (uranium) for a total of 5,585.7 meters on the Coppermine project
- 4 drill holes (diamonds) for a total of 776 meters on the Coppermine project
- 419 drill core samples submitted for assay from the Coppermine project
- 544 surface rock samples collected for assay
- 262 surface rock samples collected for mineralogical studies
- 825.5 kilometers of ground geophysics on the Coppermine project
- 93.3 kilometers of ground geophysics on the Lac Rouviere project
- 82.6 kilometers of ground geophysics on the UNAD project
- 35.7 kilometers of ground geophysics on the Asiak project
- Two new claims covering 2,350 hectares staked under the UNAD project

Please note that the above ground geophysics statistics include 274.4 kilometers of deep penetrating electromagnetic surveys and 16 kilometers of IP/ Resistivity surveying.

Major highlights of the field program on the Coppermine project include:

- Intersection (HB-07-42) of uranium within the Leroux sandstone on the Hot Creek structure. First known intersection of mineralization in the lower Dismal Lakes stratigraphy outside of the immediate area of the Mountain Lake deposit
- Discovery of a new uranium showing (Beep) in the Leroux sandstone on claim CM 78
- Confirmation of a basement conductor (CM 90, LB 73 and LB 74 grids) coincident with the surface alteration zone northeast of Bluto lake and continuing to the southeast of the Bog mineralized zone
- Significant vertical off set of the unconformity in the fault zone associated with the Contact East conductor
- Multiple, narrow, high grade pitchblende veins intersected during the continued drilling of the Bog zone

Major highlights of the field program on the Lac Rouviere project include:

- Fourteen new radioactive occurrences discovered on the Lac Rouviere property including a one kilometer long series of hot spots in conglomeratic sandstones to the southwest of the Mountain Lake deposit
- Two sub-rounded radioactive (10,000 cps) Leroux sandstone boulders discovered on the Lac Rouviere property near the eastern border of Triex Mineral's Dismal Lakes property

The major highlight of the field program on the Baffin Island project includes:

- Discovery of a zone of greater than 5000 cps radioactivity in a hot granite located in the central part of the Robertson River block of exploration permits (Baffin Island)

UNOR Coppermine Project:

A total of 6361.7 meters of drilling were completed in 22 drill holes. Four of the holes were abandoned due to technical problems.

Initial drilling concentrated on the Hot Creek structure located south of the Mouse Lake camp. The structure is considered to be the western boundary fault of the Mouse River graben and is marked by a distinct off-set in the Dismal Lakes/ Hornby Bay contact. A significant number of large sandstone blocks were discovered on the western side of the fault that carried anomalous uranium and copper values similar to the mineralization at the Mountain Lake deposit.

Seven holes to test the Hot Creek structure were completed and an eighth hole was abandoned after the rods broke and froze in the hole. The drilling indicates a vertical displacement of approximately 30 meters across the fault. Uranium mineralization occurs in syndepositional debris flows within the lower portion of the Leroux sandstone. A 6.8 meter intersection in hole HB-07-42 gave readings of up to 2000 cps on the down-hole gamma ray probe (best assay 115 ppm U) over the interval 59.2 – 66.0 meters. In the surface showing the uranium is associated with hematite indicating deposition under oxidizing conditions, whereas in the case of the drill intersection the uranium is associated with pyrite indicating deposition under reducing conditions. An east – west line of Induced Polarization/Resistivity was completed over the zone in late August to define drill targets for the 2008 season.

Two holes were drilled to test the most westerly of three basement conductors that define the northern extension of the Contact East zone. Both holes encountered technical problems and did not reach final target depth. They were, however, successful in proving that the vertical fault off set of the unconformity in the target zone exceeds 100 meters and that there is extensive leaching within the sandstone overlying the conductor. A larger drill will be required to adequately test the target.

Three short holes (one abandoned) were drilled to test the best magnetic bulls-eye kimberlite targets. Anomalies BN-1 and BN-2 south of the Kendall River and BN- 4 to the north of Contact Lake proved to be caused by magnetite bearing syenite, trachyte and biotite-garnet gneiss respectfully.

Four holes were drilled to test the Bog zone for an extension to the southwest and for continuity down dip to the southeast encountered uranium mineralization in the basement granitoid. The intersections were generally narrow pitchblende veins associated with quartz/carbonate/jasperoid. All assays are pending but highlights included the following:

| Hole No. | Interval (m) | Width (m) | Peak Reading (BBS 2) |
|-----------|-----------------|-----------|----------------------|
| HB-07-50A | 55.60 - 56.30 | 0.70 | 2700 cps |
| HB-07-51A | 172.50 – 175.20 | 2.70 | 5000 cps |
| | 198.90 – 199.10 | 0.20 | 500 cps |
| | 234.30 – 236.60 | 2.30 | 350 cps |
| HB-07-55A | 171.20 – 171.60 | 0.40 | 6000 cps |
| HB-07-56B | 69.55 – 72.30 | 2.75 | 6500 cps |
| | 177.90 – 178.50 | 0.60 | 1250 cps |

A new moving loop time domain electromagnetic array termed StepWise (SWMLTDEM) was deployed this season as a first pass method to detect deep conductors. The conductors are then better defined by Fixed Loop time domain electromagnetic

(FLTDEM) surveys prior to drill testing. The crew worked extensively on the major MEGATEM conductor to the north of Sickie Lake that extends for about 20 kilometers under the central part of the basin. At least two of the stronger portions of the conductor (CM 52A and CM 53A) will be drill tested in 2008. The CM 53A basement conductor was confirmed by a line of transient audio magnetotelluric surveying that also indicated an alteration zone in the sandstone immediately above and to the east of the target.

The approximately 5 kilometer long MEGATEM anomaly located on claims CM 90, LB 73 and LB 74 to the south of the Bog zone was confirmed by fixed loop time domain electromagnetic surveys. Hole HB-07-53 was drilled to test the conductor on claim CM 90 beneath the area of surface silica-clay alteration to the northeast of Bluto Lake. The hole had to be stopped in altered sandstone short of the unconformity at a depth of 624 meters because the drill was incapable of advancing further with NQ rods. A second hole that had been planned for an additional test of the conductor about 4 kilometers to the northeast of HB-07-53, on claim LB 73, was postponed because it was considered likely that the target would be too deep for the drill. Both holes will be completed by a larger drill in 2008.

A crew from EMPulse Geophysics Ltd. completed lines of transient audio magnetotelluric (TAMT) surveys across the C2-32 alteration zone and the CM 53A conductor (see above). The system is designed to detect alteration as well as conductivity. The C2-32 the survey showed a 300 – 500 meter wide zone of alteration in the sandstone coincident with the mapped silica-clay outcrop and related to the southeast bounding fault of the graben.

A 3 kilometer long horizontal loop electromagnetic (HLEM) conductor was detected on the DM 69 grid that is coincident with a magnetic anomaly defining a fault contact in the basement rocks west of Wolverine Lake. The anomaly was prospected but the conductor is not exposed.

An Induced Polarization/ Resistivity line with two flanking follow up lines were surveyed across the Beep radioactive occurrence that was recently discovered on the CM 78 claim to the north of Mouse River. Uranium mineralization is associated with pyrite in Leroux sandstone similar to that at Hot Creek. The sandstone dips at 4 degrees to the west under glacial cover. The survey detected a 500-700 meter wide zone of high resistivity coincident with the showing that is probably cause by silica alteration in the Leroux and underlying Lady Nye sandstone. There is also a broad zone of low resistivity/ high chargeability located from about 1200 meters west of the showing that appears to relate to the overlying Fort Confidence shales. It is hypothesized that the Leroux mineralization may be associated with anomalously high graphite content in the hanging wall shales. Both targets will be drill tested in 2008.

A Queen's University graduate student under the supervision of Dr. Kurt Kyser has systematically sampled the lower Hornby Bay sandstone drill core and will study fluid flow, porosity and alteration as a means to vector towards the more favorable sites for uranium deposition at the unconformity.

UNOR Asiatic Project:

Fourteen of the magnetic anomalies were further defined by detailed magnetometer surveying. Two of the anomalies could be classified as moderate and three as weak kimberlite targets.

The planned drilling of the Little Grey Owl Lake and Tara West uranium showings along with potential kimberlite targets has been deferred due to the higher priority of testing targets on the Coppermine property.

Cameco Lac Rouviere Joint Venture Project:

The interpretations of the GEOTEM survey has been completed by both Fugro Airborne Surveys and Condor Consulting Ltd. and are being reviewed for potential ground follow up targets. Ground work was completed on a large HLEM/ magnetometer grid covering the Hanbury GEOTEM anomaly in the western portion of the property. There were no significant anomalies on the grid.

A single large loop was surveyed by FLTDEM over the Kendall South grid on claim K01614 as follow up to an isolated conductor identified by the GEOTEM survey. The survey did not locate the conductor. The same area will be covered in 2008 with a different line orientation in the hope that the coupling with the conductor will be better.

Fourteen new radioactive occurrences were discovered on the property during the mapping and prospecting program. Many of the fifty-two historical occurrences discovered by previous operators were relocated and sampled. Probably the most significant of the new occurrences is a one kilometer long zone of radioactivity in a conglomeratic unit above the unconformity about 12 kilometers southwest of the Mountain Lake deposit. In addition, two sub-rounded boulders of mineralized Leroux sandstone were discovered near the eastern boundary of Triex Mineral's Dismal Lake property. The larger boulder (70 cm diameter) ran 10,000 cps on the RS-125 spectrometer with an indicated grade of 940 ppm U.

The geological mapping has identified several areas of intense silicification in the sandstone units that will be followed up by prospecting and geophysics in 2008. The largest zone is in the northwest corner of the property in an area of extensive glacial cover.

The contract for completing a fixed-wing airborne gamma ray/ magnetometer survey at 150 meter line spacing over the entire property was awarded to Fugro Airborne Surveys but their systems were delayed by bad weather in the Yukon and the survey will be flown in 2008.

UNAD Joint Venture Project:

Two additional claims were staked north of the Mountain Lake deposit to cover sheeted quartz/ copper veins that outcrop along the Herb Dixon fault and may be indicators of deep seated uranium mineralization. Prospecting of the claims proceeded in conjunction with the work on the Lac Rouviere project.

A magnetometer/HLEM grid was surveyed over a GEOTEM anomaly north of the Kendall River. A strong east-west magnetic anomaly was detected but the corresponding HLEM response was weak which indicates that the source is a geological contact in the basement.

One short drill hole was completed to the north of CD 25, near Drill Lake (BP nomenclature), by Adriana. The hole was sited to test beneath a radioactive occurrence in the sandstone between two diabase dykes. Although the detailed log has not been received, it appears that the hole did not encounter significant mineralization.

The fixed-wing airborne gamma ray/ magnetometer survey mentioned above will be extended to cover the UNAD claims when it is flown in 2008.

Cameco Baffin Island Joint Venture Project:

Four hundred drums of Jet B fuel have been shipped by barge to the project area for use during the 2008 season. A three week evaluation of the exploration permits was completed by two Cameco and two UNOR geologists using two Long Ranger helicopters. The study concentrated on evaluating the alteration and porosity within the basinal sandstones and the nature of the unconformable contact with the basement rocks. During the trip, a zone of radioactivity running about 5000 cps was discovered in porphyritic granite in the central part of the Robertson River block. Several of the historical showings associated with the hot granites within the Fury-Hecla block were sampled. The planning of the 2008 program will be based in large part on the observations made during this trip.

Other UNOR Properties:

The Company has ensured that its Ontario gold and British Columbia copper properties remained in good standing.

Ontario Gold Properties:

In April 2005, the Company granted Laurion Mineral Exploration Inc. ("Laurion") the option to acquire a 50% interest in UNOR's East Clavos 20 gold claims near Timmins, Ontario in consideration for Laurion making certain payments, deliveries and expenditures. Laurion will be able to earn the interest by incurring work expenditures of \$1.0 million on the East Clavos property over a four year period and by issuing 480,000 Laurion common shares and making cash payments totalling \$100,000 to UNOR over a three year period.

Also, the Company owns a gold claim in the Dryden area of northern Ontario.

British Columbia Copper Properties:

The Company has two assets in southern British Columbia that are of renewed interest due to the increase in the price of copper.

UNOR has a 5% net smelter royalty interest on 4,000 acres at the Similkameen copper porphyry mine located at Copper Mountain about 30 kilometers south of Princeton. The mine was a 22,000 ton/day operation that was closed by Princeton Mining in 1996 due to low copper prices. Currently, the Company is monitoring the copper mine development in the area.

Also, the Company owns four mineral Crown Grants located in the Princeton area that was once part of the Camsell property. The Crown Grants cover the historical Independence workings that exploited high grade copper in a breccia pipe. The pipe is part of a much larger porphyry copper-gold deposit that has not been explored at depth. The surface mineralization is generally very low grade and the few holes drilled in the past were targeted on specific structures and did not test depths greater than 400 feet. In early November, the Company will examine the property to evaluate the intensity of the alteration zone and decide if it warrants further work.

Exploration and Development Costs Summary

| Property | Balance September 30, 2007 | Additions During Period | Balance March 31, 2007 |
|--------------------------------|---|--|---------------------------------------|
| | \$ | \$ | \$ |
| Asiak River, Nunavut | | | |
| Airborne Geophysics | 587,575 | - | 587,575 |
| Assaying | 443,613 | 29,943 | 413,670 |
| Camp Operations & Support | 1,299,245 | - | 1,299,245 |
| Drilling | 374,025 | - | 374,025 |
| Geology | 509,293 | - | 509,293 |
| Ground Geophysics | 837,210 | 11,305 | 825,905 |
| Program Planning & Reports | 268,783 | 1,414 | 267,369 |
| Recording fees | 70,732 | - | 70,732 |
| Sampling | 612,142 | - | 612,142 |
| Surveying | 100,000 | - | 100,000 |
| Total Asiak | 5,102,618 | 142,662 | 4,959,956 |
| Coppermine River, Nunavut | | | |
| Airborne Geophysics | 1,779,502 | 4,150 | 1,775,352 |
| Assaying | 247,139 | 10,991 | 236,148 |
| Camp Operations & Support | 2,130,918 | - | 2,130,918 |
| Drilling | 6,842,978 | 1,328,160 | 5,514,818 |
| Geology | 910,649 | 50,349 | 860,300 |
| Ground Geophysics | 2,317,872 | 58,667 | 2,259,205 |
| Lease Rental Payments | 273,289 | - | 273,289 |
| Program Planning & Reports | 616,965 | 1,810 | 615,155 |
| Recording fees | 105,257 | - | 105,257 |
| Sampling | 426,321 | - | 426,321 |
| Surveying | 885,460 | - | 885,460 |
| Total Coppermine | 16,536,350 | 1,454,127 | 15,082,223 |
| East Block, Nunavut | | | |
| Airborne Geophysics | 103,595 | - | 103,595 |
| Assaying | 16,619 | - | 16,619 |
| Camp Operations & Support | 229,010 | - | 229,010 |
| Geology | 83,802 | - | 83,802 |
| Ground Geophysics | 46,892 | - | 46,892 |
| Program Planning & Reports | 61,672 | - | 61,672 |
| Recording fees | 16,582 | - | 16,582 |
| Sampling | 44,924 | - | 44,924 |
| Total East Block | 603,096 | - | 603,096 |
| Unad JV, Nunavut | | | |
| Airborne Geophysics | 52,387 | 5,275 | 47,112 |
| Camp Operations & Support | 55,104 | - | 55,104 |
| Geology | 34,603 | - | 34,603 |
| Ground Geophysics | 56,483 | - | 56,483 |
| Program Planning & Reports | 14,459 | - | 14,459 |
| Recording fees | 8,035 | - | 8,035 |
| Staking | 37,902 | - | 37,902 |
| Total Unad JV | 258,973 | 5,275 | 253,698 |
| Lac Rouviere Property, Nunavut | | | |
| Airborne Geophysics | 53,267 | 53,267 | - |
| Geology | 15,179 | 15,179 | - |
| Ground Geophysics | 1,450 | 1,450 | - |
| Program Planning & Reports | 29,877 | 21,271 | 8,606 |
| Total Lac Rouviere | 99,773 | 91,167 | 8,606 |
| Baffin Island Project | | | |
| Fuel Costs | 186,235 | 186,235 | - |
| Geology | 12,218 | 12,218 | - |
| Helicopters | 167,753 | 167,753 | - |
| Program Planning & Reports | 523 | 523 | - |
| Travel and Accommodations | 34,795 | 34,795 | - |
| Cameco share of costs | (215,318) | (215,318) | - |

| | | | |
|--------------------------|-------------------|------------------|-------------------|
| Total Baffin Island | 186,206 | 186,206 | - |
| Expenses to be allocated | 4,798,374 | 4,798,374 | - |
| Total Nunavut | 27,585,390 | 6,677,811 | 20,907,579 |
| Ontario Gold Properties | 142,971 | (23,954) | 166,925 |
| B.C. Properties | 32,514 | 104 | 32,410 |
| Ace Claim, Manitoba | 1,321 | - | 1,321 |
| | 27,762,196 | 6,653,961 | 21,108,235 |

6. Liquidity and Capital Resources

The Company has no operating revenues and relies primarily on equity financings as well as the exercise of warrants and options to fund its exploration and administrative costs. During the six months ended September 30, 2007, the Company did not complete any financings.

The Company's operations consist of the exploration and evaluation of its various properties, a process that is ongoing, and is dependent on many factors some of which are beyond the Company's control. The Company maintains a policy of reviewing its working capital requirements on a continuous basis and is mindful of its property and administrative commitments.

During the year ended March 31, 2004, the Company found it necessary to secure its land positions in the Hornby Bay Basin and Asiak River areas of Nunavut by making cash deposits with the Government of Canada in amounts totalling \$2,375,030. Funds to make these deposits were sourced from loans totalling \$2,376,974 which have been repaid.

As at September 30, 2007, the Company had received \$2,067,932 in deposit refunds from the government, and is awaiting approval of assessment reports it has filed with the government for the balance refundable of \$307,098.

At September 30, 2007, the Company's working capital totalled \$775,945 compared to \$7,147,395 at March 31, 2007. Cash balances were \$740,355 compared with \$6,491,389 at March 31, 2007. These decreases are primarily due to exploration costs of \$5,983,151 and an operating loss of \$378,483. The Company's cash resources will fund the Company's planned activities until 2008.

Selected Annual Information

| | Year ending | | |
|-------------------------------------|-------------|-------------|-------------|
| | March 31, | | |
| | 2007 | 2006 | 2005 |
| | \$ | \$ | \$ |
| Total revenues | 218,641 | 65,833 | 37,022 |
| Net Income (loss) | (614,934) | (1,036,748) | (1,296,702) |
| Basic net Income (loss) per share | (0.01) | (0.01) | (0.02) |
| Diluted net Income (loss) per share | (0.01) | (0.01) | (0.02) |
| Total assets | 29,531,960 | 18,560,769 | 14,795,517 |

7. Results of Operations

During the six months ended September 30, 2007, the Company recorded an operating loss before Stock Option Compensation of \$327,853 compared to \$309,909 for the six months ended September 30, 2006.

Summary of Quarterly Results

| | Fiscal 2008 | | | |
|-------------------------------------|-------------|-------------|-------------|-------------|
| | 4th Quarter | 3rd Quarter | 2nd Quarter | 1st Quarter |
| | | \$ | \$ | \$ |
| Total Revenues | | | 33,030 | 56,400 |
| Net loss (income) | | | 196,893 | 181,590 |
| Basic net loss (income) per share | | | - | - |
| Diluted net loss (income) per share | | | - | - |
| | Fiscal 2007 | | | |
| | 4th Quarter | 3rd Quarter | 2nd Quarter | 1st Quarter |
| | | \$ | \$ | \$ |
| Total Revenues | 65,727 | 56,692 | 72,778 | 23,444 |
| Net loss (income) | 356,616 | (88,115) | 108,526 | 237,907 |
| Basic net loss (income) per share | 0.01 | - | - | - |
| Diluted net loss (income) per share | 0.01 | - | - | - |
| | Fiscal 2006 | | | |
| | 4th Quarter | 3rd Quarter | 2nd Quarter | 1st Quarter |
| | | \$ | \$ | \$ |
| Total Revenues | 12,662 | 14,505 | 9,487 | 29,179 |
| Net loss (income) | 102,887 | 178,636 | 354,174 | 401,051 |
| Basic net loss (income) per share | - | - | 0.01 | - |
| Diluted net loss (income) per share | - | - | 0.01 | - |

8. Outstanding Share Data

As of November 21, 2007, the Company has issued one class of common shares and a total of 128,841,175 shares are outstanding. The Company has 5,684,513 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at prices of \$0.35 to \$0.45 per share until October 3, 2009. Stock options outstanding as of November 21, 2007 total 6,670,447 and are exercisable for common shares at prices ranging from \$0.35 per share to \$ 0.67 per share

9. Commitments

- (a) The Company is party to certain management contracts. Minimum management contract commitments remaining under the agreements are approximately \$163,000, all payable within one year.
- (b) The Company is committed to minimum rentals under a long-term lease for premises, which expires May 31, 2012. Minimum rental commitments remaining under this lease approximate \$167,000 including \$34,000 due

within one year. Minimum rental commitments for successive years approximate:

| <u>Year</u> | <u>Amount</u> |
|-------------|----------------|
| | \$ |
| 2008 | 25,000 |
| 2009 | 34,000 |
| 2010 | 34,000 |
| 2011 | 34,000 |
| 2012 | 34,000 |
| 2013 | 6,000 |
| | <u>167,000</u> |

10. Changes in Accounting Policies

- a) Effective April 1, 2007, the company adopted the Canadian Institute of Chartered Accountants ("CICA") section 3855, "Financial Instruments – Recognition and Measurement," section 3865, "Hedges," section 1530, "Comprehensive Income". These standards have been adopted prospectively with no restatement of prior periods.

i) Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

ii) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the six month period ended September 30, 2007, the Company had no hedges.

iii) Comprehensive income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of

comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity.

The application of these new standards has had no impact on the Company's financial statements as at and for the six month period ended September 30, 2007, and as such, a statement of comprehensive income has not been included in these financial statements.

- b) Effective April 1, 2007, the Company adopted the revised CICA section 1506, "Accounting Changes." Under the revised section, voluntary changes in accounting policy are permitted only if they result in financial statements that provide more reliable and relevant information to the reader. Changes in accounting policy must be applied retrospectively, while changes in accounting estimates are to be applied prospectively. The revised section also outlines additional disclosure required when accounting changes are applied, including the justification for the change, a complete description of the policy, the primary source of GAAP and the detailed effect of financial statement line items.

The Company has determined that the adoptions of these new policies had no material impact on its financial statements and determined that no adjustments are required for the period ended September 30, 2007.

11. Financial Instruments

Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash and equivalents, refundable deposits, GST receivable and accounts payable and accruals on the balance sheet approximate fair value because of the limited term of the instruments.

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

12. Litigation

The Company is not involved in any outstanding litigation.

13. Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

14. Related Party Transactions

The Company had no related party transactions except in the normal course of operations that were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Cameco currently holds a 19.5% interest in the Company. Under the terms of a strategic alliance agreement dated June 19, 2006, Cameco has the right to maintain this interest through future participation in cash and non-cash share offerings of the Company as well as share issuances on the conversion of convertible instruments. Cameco can exercise this right as long as at the time of the offering it holds a minimum of 16% of the issued and outstanding shares of the Company. Cameco is also entitled to nominate one individual for election to the board of directors of the Company as long as it holds not less than 10% of the issued and outstanding shares of the Company.

15. Directors and Officers Compensation

During the six months ended September 30, 2007 the Company paid \$31,250 to directors of the Company and \$243,300 to officers of the Company as remuneration for services provided.

16. Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company has established and is maintaining disclosure controls and procedures. These provide reasonable assurance that material information relating to the Company is disclosed in annual filings, interim filings or other reports and is recorded, processed, summarized and reported within the time periods as required by securities regulations.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures and believes that they are sufficient to provide reasonable assurance that the Company's disclosures are compliant with securities regulations.

The Company has established and is maintaining internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Generally Accepted Accounting Practices.

No changes in the Company's internal control over financial reporting has occurred that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

17. Risks & Uncertainties

Exploration

The Company's exploration projects are subject to conditions beyond its control that can affect the carrying costs and development costs for varying lengths of time. Such conditions include environmental hazards, unusual or unexpected geological formations or pressures and periodic interruptions due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury, environmental damage, delays in exploration programs, monetary losses and possible legal liability. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land holdings, the availability of suitable contractors, and other factors. Through high standards and continuous improvement the Company works to reduce these risks and maintains insurance to cover normal business risks.

If mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment of resources or reserves. Whether a resource deposit will ultimately be commercially viable depends on a number of factors, including the particular attributes of the deposit such as the deposit's size, financing costs and the prevailing prices for the applicable resource. Also of key importance are government regulations, including those relating to prices, taxes, royalties, land tenure, land use and environmental protection.

Financing

In the absence of cash flow from operations the Company relies on the capital markets to fund operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company. Failure to obtain such additional finance could result in delay or the indefinite postponement of further exploration and the development of the Company's properties.

Licenses and Permits, Laws and Regulations

The Company's exploration activities require permits from various government authorities, and are subject to extensive federal provincial and local laws and regulations governing prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become stringent and compliance can therefore become more costly. The Company relies on the expertise and commitment of its management team, their advisors, its employees and contractors to ensure compliance with current laws and fosters a climate of open communication and co-operation with regulatory bodies.

The Company believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations.

Environmental, Health and Safety

The Company's activities are subject to extensive federal, provincial and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, where enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The company is also subject to various reclamation-related conditions imposed under federal or provincial rules and permits, and there can be no assurance that they will not change in the future in a manner that could have a material effect on the Company's financial condition, liquidity or results of operations.

18. Subsequent Events.

On October 4, 2007, the Company issued 4,285,714 units at \$0.35 per unit pursuant to a non-brokered private placement to raise gross proceeds of \$1,500,000. Each unit consists of one (1) flow-through common share and one half (1/2) common share purchase warrant. Each share purchase warrant entitles the holders to purchase one common share at \$0.45 per share for two years. And, Cameco, pursuant to the terms of the UNOR/Cameco Strategic Alliance Agreement, subscribed for 1,038,154 units at \$0.30 per unit for gross proceeds of \$311,446. Each unit consists of one (1) common share and one half (1/2) common share purchase warrant.

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

I, **George P. Bell**, the Chief Executive Officer of Unor Inc., certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Unor Inc. (the issuer) for the interim period ending September 30, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 21, 2007

(Signed) "George P. Bell"

[Name] George P. Bell

[Office] President and CEO

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

I, **Ian Shaw**, the Chief Financial Officer of Unor Inc., certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Unor Inc. (the issuer) for the interim period ending September 30, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 21, 2007

(Signed) "*Ian Shaw*"

[Name] Ian Shaw

[Office] Vice President and CFO

UNOR INC.

(A Development Stage Company)

Interim Consolidated Financial Statements

September 30, 2007

Unaudited

UNOR INC.
(A Development Stage Company)
Consolidated Balance Sheets

| | September 30, 2007 Unaudited \$ | March 31, 2007 Audited \$ |
|---|--|------------------------------------|
| Assets | | |
| Current | | |
| Cash and equivalents | 740,355 | 6,491,389 |
| Due from Cameco (Note 10) | 228,237 | - |
| Refundable deposits | 342,098 | 669,853 |
| GST receivable | 212,626 | 46,505 |
| Prepaid expenses | 13,000 | 13,000 |
| | <u>1,536,316</u> | <u>7,220,747</u> |
| Equipment (Note 4) | 38,614 | 32,168 |
| Prepaid Mineral Exploration Expenditures | 500,000 | 1,170,810 |
| Interest in Mineral Properties (Note 5) | 27,762,196 | 21,108,235 |
| | <u>29,837,126</u> | <u>29,531,960</u> |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable and accruals | 706,371 | 73,352 |
| Future income tax liability | 3,016,600 | 3,134,700 |
| | <u>3,722,971</u> | <u>3,208,052</u> |
| Shareholders' Equity | | |
| Capital stock (Note 6) | 31,681,098 | 31,966,098 |
| Contributed surplus (Note 7) | 3,148,649 | 2,813,019 |
| Deficit | <u>(8,715,592)</u> | <u>(8,455,209)</u> |
| Total Equity | <u>26,114,155</u> | <u>26,323,908</u> |
| | <u>29,837,126</u> | <u>29,531,960</u> |

Going Concern (Note 2)

Commitments (Notes 5 and 9)

APPROVED ON BEHALF OF THE BOARD

_____, Director

_____, Director

See accompanying notes to the interim unaudited consolidated financial statements

UNOR INC.

(A Development Stage Company)

Consolidated Statements of Operations and Deficit

Unaudited

| | 6 Months Ending September 30, | | 3 Months Ending September 30, | |
|---|----------------------------------|-------------|----------------------------------|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Revenue | | | | |
| Interest | 89,430 | 96,221 | 33,030 | 72,778 |
| Expenditures | | | | |
| Stock option compensation | 50,630 | 36,524 | 23,919 | 6,712 |
| Professional fees | 104,248 | 118,825 | 42,666 | 57,462 |
| Interest and bank charges | 1,954 | 1,531 | 1,075 | 1,147 |
| Travel and promotion | 34,658 | 21,619 | 21,196 | 3,995 |
| Shareholders information | 62,791 | 60,401 | 44,119 | 37,135 |
| Office and general | 50,885 | 59,048 | 24,288 | 20,256 |
| Insurance | 36,615 | 40,299 | 1,115 | 1,115 |
| Salaries and benefits | 77,390 | 66,458 | 40,628 | 32,858 |
| Directors fees | 31,250 | 31,250 | 15,625 | 15,625 |
| Ontario capital taxes | 12,492 | 3,299 | 12,492 | 3,299 |
| Depreciation | 5,000 | 3,400 | 2,800 | 1,700 |
| | 467,913 | 442,654 | 229,923 | 181,304 |
| Loss before income taxes | (378,483) | (346,433) | (196,893) | (108,526) |
| Future income tax recovery | 118,100 | - | - | - |
| Net loss for the period | (260,383) | (346,433) | (196,893) | (108,526) |
| (Deficit), beginning of period | (8,455,209) | (7,840,275) | (8,636,799) | (8,078,182) |
| (Deficit) end of period | (8,715,592) | (8,186,708) | (8,833,692) | (8,186,708) |
| Net Loss per share - basic and diluted | (0.00) | (0.00) | (0.00) | (0.00) |
| Weighted average number of common shares outstanding | 123,517,307 | 107,456,027 | 123,517,307 | 117,471,344 |

See accompanying notes to the interim unaudited consolidated financial statements

UNOR INC.
(A Development Stage Company)
Consolidated Statements of Cash Flows
Unaudited

| | 6 Months Ending | | 3 Months Ending | |
|---|------------------------|-------------|------------------------|-------------|
| | September 30, | | September 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Cash Flows From | | | | |
| Operating activities | | | | |
| Net (Loss) for the period | (260,383) | (346,433) | (196,893) | (108,526) |
| Less: Items not involving cash | | | | |
| Future income tax recovery | (118,100) | | | |
| Depreciation | 5,000 | 3,400 | 2,800 | 1,700 |
| Stock option compensation | 50,630 | 36,524 | 23,919 | 6,712 |
| Change in non cash working capital | | | | |
| (Increase) in accounts receivable | (228,237) | - | (228,237) | - |
| Decrease in refundable deposits | 327,755 | 31,087 | - | 31,087 |
| (Increase) in GST receivable | (166,121) | (164,648) | (53,984) | (45,736) |
| Decrease (increase) in prepaid expenses | - | 8,457 | (5,000) | - |
| Increase (decrease) in accounts payable | 633,019 | 131,786 | (307,669) | 63,864 |
| | 243,563 | (299,827) | (765,064) | (50,899) |
| Financing activities | | | | |
| Issuance of common shares & warrants | - | 9,119,187 | - | - |
| | - | 9,119,187 | - | - |
| Investing activities | | | | |
| Purchase of equipment | (11,447) | - | - | - |
| Prepaid mineral exploration expenditures | 670,810 | 6,412 | 150,000 | (400,000) |
| Interest in mineral properties | (6,653,960) | (6,001,670) | (3,524,500) | (3,188,711) |
| | (5,994,597) | (5,995,258) | (3,374,500) | (3,588,711) |
| (Decrease) increase in cash and equivalents | (5,751,034) | 2,824,102 | (4,139,564) | (3,639,610) |
| Cash & equivalents at beginning of period | 6,491,389 | 2,576,585 | 4,879,919 | 9,040,297 |
| Cash and equivalents at end of period | 740,355 | 5,400,687 | 740,355 | 5,400,687 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | | | |
| Interest paid | 902 | 501 | 418 | 501 |
| Income taxes paid | - | - | - | - |
| Common shares issued for debt | - | - | - | - |
| Common shares issued for issue costs | - | - | - | - |
| Cash and equivalents are composed of the following | | | | |
| Cash | 33,221 | (260,345) | 33,221 | (260,345) |
| Cash equivalents | 707,134 | 5,661,032 | 707,134 | 5,661,032 |
| | 740,355 | 5,400,687 | 740,355 | 5,400,687 |

See accompanying notes to the interim unaudited consolidated financial statements

UNOR INC.
(A Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
September 30, 2007

1. BASIS OF PRESENTATION

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

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

These interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods of application as the audited consolidated financial statements for the year ended March 31, 2007, except as disclosed in Note 3. They do not include all of the information and disclosures required by Canadian GAAP for annual consolidated financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these consolidated financial statements. Operating results for the period ended September 30, 2007 are not necessarily indicative of the results that may be expected for the full year ended March 31, 2008. For further information, see the Company's consolidated financial statements including the notes thereto for the year ended March 31, 2007.

2. NATURE OF OPERATIONS AND GOING CONCERN

Unor Inc. (the "Company") is a development stage company and currently has interests in exploration and development properties in Canada. Substantially all of the Company's efforts are devoted to financing and developing these properties. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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 and non-compliance with regulatory requirements.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements.

The Company has a need for equity capital and financing in order to explore and develop its properties and for working capital requirements. Because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

UNOR INC.
(A Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
September 30, 2007

3. CHANGES IN ACCOUNTING POLICIES

- a) Effective April 1, 2007, the company adopted the Canadian Institute of Chartered Accountants ("CICA") section 3855, "Financial Instruments – Recognition and Measurement," section 3865, "Hedges," section 1530, "Comprehensive Income". These standards have been adopted prospectively with no restatement of prior periods.

i) Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

ii) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the six month period ended September 30, 2007, the Company had no hedges.

iii) Comprehensive income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity.

The application of these new standards has had no impact on the Company's financial statements as at and for the six month period ended September 30, 2007, and as such, a statement of comprehensive income has not been included in these financial statements.

- b) Effective April 1, 2007, the Company adopted the revised CICA section 1506, "Accounting Changes." Under the revised section, voluntary changes in accounting policy are permitted only if they result in financial statements that provide more reliable and relevant information to the reader. Changes in accounting policy must be applied retrospectively, while changes in accounting estimates are to be applied prospectively. The revised section also outlines additional disclosure required when accounting changes are applied, including the justification for the change, a complete description of the policy, the primary source of GAAP and the detailed effect of financial statement line items.

The Company has determined that the adoptions of these new policies had no material impact on its financial statements and determined that no adjustments are required for the period ended September 30, 2007.

UNOR INC.
(A Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
September 30, 2007

4. EQUIPMENT

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Sept. 30, 2007</u> | <u>Net March 31, 2007</u> |
|------------------------|---------------|-------------------------------------|-------------------------------|-------------------------------|
| | \$ | \$ | \$ | \$ |
| Furniture and fixtures | 43,224 | 27,957 | 15,267 | 16,968 |
| Computer equipment | <u>50,631</u> | <u>27,284</u> | <u>23,347</u> | <u>15,200</u> |
| | <u>93,855</u> | <u>55,241</u> | <u>38,614</u> | <u>32,168</u> |

5. INTEREST IN MINERAL PROPERTIES

| Property | Balance September 30, 2007 | Additions During Period | Balance March 31, 2007 |
|-------------------------------|---|--|---------------------------------------|
| Asiak River, Nunavut (a) | \$ 5,102,618 | \$ 142,662 | \$ 4,959,956 |
| Coppermine River, Nunavut (b) | 21,334,724 | 6,252,501 | 15,082,223 |
| East Block, Nunavut (c) | 603,096 | - | 603,096 |
| Unad JV, Nunavut (d) | 258,973 | 5,275 | 253,698 |
| Lac Rouviere, Nunavut (e) | 99,773 | 91,167 | 8,606 |
| Baffin Island, Nunavut (f) | 186,206 | 186,206 | - |
| Ontario Gold Properties (g) | 142,971 | (23,954) | 166,925 |
| B.C. Properties (h) | 32,514 | 104 | 32,410 |
| Ace Claim, Manitoba (i) | 1,321 | - | 1,321 |
| | <u>\$ 27,762,196</u> | <u>\$ 6,653,961</u> | <u>\$ 21,108,235</u> |

(a)(b)(c) ASIAK RIVER, COPPERMINE RIVER and EAST BLOCK, NUNAVUT

The Company holds a 100% interest in 225 mineral claims and leases covering 530,908 acres in Nunavut. During the 2004 fiscal year the Company re-evaluated these claims and made refundable deposits of \$2,375,030 with the Government of Canada to bring these claims into good standing. Since that time the Company has completed exploration work totaling \$27,040,436 on these properties. 209 of these claims and leases are subject to a 1% net smelter royalty and/or a 1% gross diamond royalty subject to a combined maximum of \$10,000,000.

(d) UNAD JV, NUNAVUT

Pursuant to agreements dated September 30, 2006 the Company holds a 50% interest in 42 mineral claims covering 91,896 acres in Coppermine River area of Nunavut.

(e) LAC ROUVIERE PROPERTY, NUNAVUT

On October 23, 2006 the Company entered into an option agreement with Cameco Corporation ("Cameco") on 206 uranium mineral claims held by Cameco covering approximately 521,500 acres in western Nunavut which adjoin the northwest corner of the Company's wholly owned Coppermine River claim block.

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5. INTEREST IN MINERAL PROPERTIES (Continued)

In order to earn a 60% interest in the property, the Company must incur exploration and development expenditures of \$3.0 million by March 31, 2010, of which a minimum of \$2.0 million must be incurred on or before June 30, 2008. The parties will establish a joint venture on the date the Company has exercised its earn-in right of 60%.

The Company will be the operator of the joint venture.

Cameco has the right within 90 days after the joint venture has either operated for two years or incurred \$3.0 million of expenditures on the property to earn back 15% by investing an additional \$3.0 million to increase its interest to 55% and reduce the Company's interest to 45%.

(f) BAFFIN ISLAND, NUNAVUT

On February 28, 2007, the Company entered into a letter agreement with Cameco to establish a joint venture to explore for uranium on 27 prospecting permits currently held by Cameco covering 1,588,000 acres on Baffin Island, Nunavut, Canada.

The Company will be the operator of the joint venture.

The initial participating interest of the parties will be Cameco - 51% and the Company - 49%. Cameco has the right, exercisable within 90 days after the joint venture has either operated for four years or incurred \$6.0 million of expenditures on the property, to increase its interest in the joint venture to 65% and reduce the Company's interest to 35% by committing to incur an additional \$6.0 million on exploration and development of the property during a two-year period following the date on which Cameco makes such an election.

(g) ONTARIO GOLD PROPERTIES

The Company holds a 100% interest in five mineral properties located in Ontario.

On April 21, 2005 the Company entered into an agreement with Laurion Mineral Exploration Inc. (formerly "Laurion Gold Inc.") ("Laurion") whereby Laurion would have the right to earn a 50% interest in the Company's East Clavos gold project in consideration for Laurion making certain payments, deliveries and expenditures.

Laurion will be able to earn the interest by incurring work expenditures of \$1.0 million on the property over a four-year period, issuing 480,000 Laurion common shares (360,000 received and valued at a nominal amount) and by making cash payments totaling \$100,000 (\$75,000 received) to the Company over a three year period.

(h) B.C. PROPERTIES

The Company holds a 100% interest in four Crown grants in the Camsell and Similkameen area of British Columbia and a 5% net smelter royalty interest on certain parts of the Similkameen Copper Mine.

(i) ACE 1 CLAIM, MANITOBA

The Company holds a 100% interest in the Ace 1 Claim Block at Asean Lake, in Manitoba.

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6. CAPITAL STOCK

Authorized

Unlimited number of common shares
Unlimited number of preference shares

Common Shares Issued

123,517,307 common shares

Balance, March 31, 2007 and September 30, 2007

| September 30, 2007 | |
|-----------------------------|-------------------|
| Number of Shares | Amount |
| | \$ |
| 123,517,307 | 31,328,081 |

Warrants Issued

2,594,008 warrants

Balance, March 31, 2007

Exercised

Expired

Balance, September 30, 2007

| September 30, 2007 | |
|-------------------------------|------------------|
| Number of Warrants | Amount |
| | \$ |
| 4,094,008 | 638,017 |
| - | - |
| (1,500,000) | (285,000) |
| 2,594,008 | 353,017 |

31,681,098

**Warrants
Outstanding**

| <u>Number of Warrants</u> # | <u>Exercise Price</u> \$ | <u>Expiry Date</u> | <u>Book value</u> \$ |
|--------------------------------|---------------------------------|--------------------|-----------------------------|
| 2,164,007 | 0.45 | 24-Dec-07 | 288,000 |
| 430,001 | 0.45 | 24-Dec-07 | 65,017 |
| <u>2,594,008</u> | | | <u>353,017</u> |

Each warrant entitles the holder to purchase one common share of the Company.

Share purchase warrant transactions for the six months ended September 30, 2007 were as follows:

| | <u>Number</u> | <u>Weighted average exercise price per shares</u> \$ |
|-----------------------------|------------------|---|
| Balance, March 31, 2007 | 4,094,008 | 0.56 |
| Expired | (1,500,000) | 0.75 |
| Balance, September 30, 2007 | <u>2,594,008</u> | <u>0.45</u> |

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6. CAPITAL STOCK (Continued)

Options

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed five years at exercise prices not less than the closing sale price of the shares on the Exchange on the trading day immediately preceding the date options are granted, and are not transferrable. The plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued shares.

Options transactions for the six months ended September 30, 2007 were as follows:

| | Number | Weighted average exercise price per share |
|---|------------------|--|
| | # | \$ |
| Options outstanding, March 31, 2007 | 6,720,447 | 0.48 |
| Cancelled | (50,000) | 0.35 |
| Options outstanding, September 30, 2007 | <u>6,670,447</u> | <u>0.49</u> |

Options to purchase common share outstanding at September 30, 2007 carry exercise prices and remaining terms to maturity as follows:

| Number of Options | Options Exercisable | Exercise Price | Expiry Date |
|-------------------|---------------------|-------------------|-------------|
| # | # | \$ | |
| 877,947 | 877,947 | 0.385 | 10-Mar-09 |
| 1,092,500 | 1,092,500 | 0.40 | 31-Mar-09 |
| 425,000 | 425,000 | 0.35 | 14-Apr-09 |
| 1,300,000 | 1,300,000 | 0.60 | 20-Sep-09 |
| 100,000 | 100,000 | 0.67 | 04-Oct-09 |
| 100,000 | 100,000 | 0.63 | 04-Oct-09 |
| 50,000 | 50,000 | 0.55 | 20-Oct-09 |
| 150,000 | 150,000 | 0.55 | 26-Oct-09 |
| 350,000 | 350,000 | 0.55 | 21-Apr-10 |
| 150,000 | 150,000 | 0.60 | 13-Jul-10 |
| 1,100,000 | 1,100,000 | 0.38 | 05-Jan-11 |
| 975,000 | 661,000 | 0.57 | 06-Mar-12 |
| <u>6,670,447</u> | <u>6,356,447</u> | | |

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7. CONTRIBUTED SURPLUS

Contributed surplus transactions for the six months ended September 30, 2007 were as follows:

| | |
|---------------------------------------|-------------------------|
| | \$ |
| Balance, March 31, 2007 | 2,813,019 |
| Employee stock-based compensation | 43,316 |
| Non employee stock-based compensation | 7,314 |
| Expiry of warrants | <u>285,000</u> |
| Balance, September 30, 2007 | <u><u>3,148,649</u></u> |

8. FINANCIAL INSTRUMENTS

Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash and equivalents, due from Cameco, refundable deposits, GST receivable and accounts payable and accruals on the balance sheet approximate fair value because of the limited term of the instruments.

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

9. COMMITMENTS

- (a) The Company is party to certain management contracts. Minimum management contract commitments remaining under the agreements are approximately \$163,000, all payable within one year.
- (b) Pursuant to the issuance of 6,045,963 flow-through shares in November 2006 the Company renounced \$3,143,900 of qualified exploration expenditures with an effective date of December 31, 2006. As of September 30, 2007, the Company has met its expenditure requirements.
- (c) The Company is committed to minimum rentals under a long-term lease for premises, which expires May 31, 2012. Minimum rental commitments remaining under this lease approximate \$167,000 including \$34,000 due within 12 months. Minimum rental commitments for successive years approximate:

| <u>Year ended March 31</u> | <u>Amount</u> |
|----------------------------|-----------------------|
| | \$ |
| 2008 | 17,000 |
| 2009 | 34,000 |
| 2010 | 34,000 |
| 2011 | 34,000 |
| 2012 | 34,000 |
| 2013 | <u>6,000</u> |
| | <u><u>159,000</u></u> |

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10. RELATED PARTY TRANSACTIONS

Cameco currently holds a 19.5% interest in the Company. Under the terms of a strategic alliance agreement dated June 19, 2006, Cameco has the right to maintain this interest through future participation in cash and non-cash share offerings of the Company as well as share issuances on the conversion of convertible instruments. Cameco can exercise this right as long as at the time of the offering it holds a minimum of 16% of the issued and outstanding shares of the Company. Cameco is also entitled to nominate one individual for election to the board of directors of the Company as long as it holds not less than 10% of the issued and outstanding shares of the Company. Due from Cameco of \$228,237 is Cameco's share of the Baffin Island joint venture and was received on October 18, 2007.

11. INTEREST IN JOINT VENTURES

The Company's proportionate share of the assets, liabilities and cash flows of its joint ventures included in these consolidated financial statements are as follows:

| | September 30, 2007 \$ |
|--------------------------------------|-----------------------------|
| | <u> </u> |
| Current assets | - |
| Interest in mineral properties | 445,179 |
| Current liabilities | - |
| Revenues | - |
| Expenses | - |
| Cash flows from operating activities | - |
| Cash flows from financing activities | - |
| Cash flows from investing activities | (191,481) |

12. SUBSEQUENT EVENT

On October 4, 2007, the Company issued 4,285,714 units at \$0.35 per unit pursuant to a non-brokered private placement to raise gross proceeds of \$1,500,000. Each unit consists of one (1) flow-through common share and one half (1/2) common share purchase warrant. Cameco, pursuant to the terms of the UNOR/Cameco Strategic Alliance Agreement, subscribed for 1,038,154 units at \$0.30 per unit for gross proceeds of \$311,446. Each unit consists of one (1) common share and one half (1/2) common share purchase warrant. Each common share purchase warrant entitles the holders to purchase one common share at \$0.45 per share for two years.

