UNOR INC

(FORMERLY HORNBY BAY EXPLORATION LIMITED)

QUARTERLY REPORT

December 31, 2006

unor
An Emerging Uranium Source

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 February 21, 2007 issued:**
  123,517,307 common shares
  5,745,447 options @ wt avg 48 cents
  4,094,008 warrants @ wt avg 56 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
- James Marlatt
- Andrew Rickaby

Auditors:

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

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UNOR INC.
(FORMERLY HORNBY BAY EXPLORATION LIMITED)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2006

This Management Discussion and Analysis ("MD&A") has been prepared as of February 21, 2007 and should be read in conjunction with the interim consolidated financial statements of the Company for the Nine months ended December 31, 2006, 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., formerly Hornby Bay Exploration Limited ("UNOR" or the "Company") was incorporated in Ontario with its primary focus on uranium exploration in the Hornby Bay Basin in western Nunavut, Canada.

Since 2004, the Company's uranium exploration program was focused on the discovery of high-grade, unconformity depositions such as Cameco Corporation's ("Cameco") McArthur River deposit in the Athabasca Basin on its large, wholly-owned Coppermine River and Asiak River 226 mineral claims and leases covering 536,580 acres. The Company has broadened the types of uranium targets it will be exploring for with the addition of the following new land under a Joint Venture with Adriana Resources Inc. ("Adriana") ("UNAD") and the optioning of Cameco's large holdings in the western portion of the Hornby Bay Basin:

- In September 2006, UNOR and 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 an option agreement with Cameco on 205 uranium mineral claims covering 521,500 acres in western Nunavut which adjoin the northwest corner of UNOR's wholly owed Coppermine River claim block.

During the 2006 exploration season, the Company invested $6.3 million on the systematic exploration and advancement of its wholly-owned Coppermine River and Asiak River uranium and diamonds 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; 25 gold claims and leases in the Timmins area of Ontario, and 2 gold claims in the northwestern area 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 strategy is based on:

- Aggressively and systematically pursuing the discovery of uranium deposits beneath the Hornby Bay Basin in Nunavut on its 100% owned mineral claims and leases, and on its Cameco and UNAD joint venture properties covering 1,155,000 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

Since May 2005, the Company has been debt free and as of December 31, 2006 had $7.5 million cash and cash deposits on hand.

On July 6, 2005, the Company received $401,817 deposit refunds from the Government of Canada leaving refundable deposits receivable of $959,308. $31,087 of this was received on August 22, 2006 and $258,368 was received on November 6, 2006. The balance of $669,853 is expected to be repaid during 2007.

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 Joint Technical Committee (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.

5. Exploration Properties

The Company's 2006 exploration program continued to focus on the discovery of economic uranium and diamond deposits on its large land holdings south of Kugluktuk in western Nunavut. The high grade unconformity model of uranium deposition (McArthur River) remains the primary target. However, increasing emphasis is being placed on structurally controlled, basement hosted style mineralization (Eagle Point) and the disseminated, sandstone hosted model (Mountain Lake) where the target is in the upper sequences of the basin sediments. This broadening of target types has been a driving force behind the acquisition of additional lands under the UNAD Joint Venture with Adriana Resources and the optioning of Cameco's large holdings in the western portion of the Hornby Bay basin.

The field work on the Nunavut properties commenced on April 11th, 2006 with the fuel haul to the Mouse Lake camp, located just north of the Coppermine River property, and concluded on September 22nd with the demobilization of the drill to Yellowknife. The weather was much better than in previous seasons and it was possible to complete the program on schedule and avoid the deteriorating weather conditions of late September.

The required permits have been obtained to cover exploration on the Coppermine and Asiak properties for the next two seasons. The Department of Indian and Northern Affairs Canada ("INAC") has issued Land Use permit N2006COOO1 with an expiry of April 12, 2008. The Nunavut Water Board has issued Water Use and Waste Disposal permit 2BE-MOUO608 with an expiry of October 31, 2008. INAC has agreed that the Work Permit will be revised to cover the Cameco optioned claims and the western claims staked under the UNAD joint venture.

During the 2006 exploration season, the company hired seventeen Inuit employees from Kugluktuk on a rotational basis and the company provided helicopter support for the Bear Monitoring program conducted by the Nunavut Wildlife department in the area south of Kugluktuk.

There were 294 surface samples and 494 core samples collected during the season. Ground geophysical surveys included approximately 490 kilometers of magnetometer surveying, 3.5 kilometers of Induced Polarization/ Resistivity and 178.8 kilometers of Transient Domain Electromagnetic surveys.

A budget of $7.0 million has been allocated for exploration of the Nunavut properties in 2007. To date, six Hercules aircraft loads of fuel and drill supplies have been flown to Kugluktuk. The field crew and drill will be mobilized in early April to initiate work on the Asiak property where six diamond and two uranium targets will be tested prior to starting work on the Coppermine Block. Total drilling for the 2007 season is anticipated at about 5500 meters in 27 holes.

Coppermine River Area

Eighteen diamond drill holes totalling 5,097.4 meters were completed during the season to test uranium targets on the Coppermine property. Eight of the holes tested unconformity targets at the base of the Hornby Bay sandstone and ten holes tested the basement hosted mineralization in the Damien-Bog zone.

The unconformity drilling was targeted on specific geophysical anomalies within the more than eighty kilometers of conductive trends outlined on the property by the MEGATEM survey completed in 2005, and as follow up to favorable drill results from the past two drill campaigns. The most encouraging results were from the Contact East zone on claim DM 33 and the C2-32 alteration zone in the southern panhandle.

The Contact East conductor has been shown to be a graphite zone in excess of 35 meters in width with highly anomalous uranium values (up to 107 ppm) in the sandstone strata above the unconformity. The drilling indicates that uranium values are increasing to the north where the conductor appears to link up with the poorly tested DM 34 zone.

Detailed mapping and ground magnetometer surveying has resulted in a better understanding of the C2-32 alteration zone. The complex silicifica - clay alteration within the predominantly aeolian HB 5 unit of the Hornby Bay sandstone is controlled by a series of cross faults intersecting the southeastern marginal fault of a major graben. The discovery of several radioactive occurrences within remnants of the basal section of the sandstone on the upthrown side of the fault is very encouraging. Two holes were completed this season to complement drill hole HB-05-24. The sandstone units are approximately 800 meters thick and are variably crossed by clay rich faults having anomalous uranium values and significant amounts of dravite. This boron rich mineral is common in the alteration halo of the Athabasca basin uranium deposits. Vectoring from the existing holes indicates that the best potential for significant mineralization exists to the north of hole HB-06-35 and east of hole HB-05-24 near the marginal fault in an area largely covered by a blanket of glacial till.

The ten short holes at the Damien-Bog zone were drilled from four set ups. Pitchblende was encountered in all of the holes with the best intersection in hole HB-06-33B that had 0.12% U_3O_8 across 9.1 meters in the interval from 61.6 meters to 70.7 meters. The uranium mineralization is associated with hematite and pyrite in quartz - carbonate veins and along fractures. The veins and fractures occur within granitoid rocks in the footwall of a strong thrust fault. From the very limited outcrop and drilling to date, the mineralization appears to occur over an area of about 800m by 200m.

The most interesting new discovery during the season on the Coppermine property was a series of large sandstone boulders with uranium-copper mineralization on the west side of a stream south of Mouse River. The boulders are local in origin and run up to 7000 cps (1140 ppm uranium). The zone has been designated Hot Creek and lies along the western margin of a major graben that displaces the Dismal Lake - Hornby Bay contact. The structural setting and style of mineralization is analogous to that of the Mountain Lake deposit located 40 kilometers to the west. The zone will be a top priority for drilling in 2007.

The Patterson geophysical contracting crews completed Moving Loop and Fixed Loop TDEM surveys over fifteen grids established to cover anomalous responses from the MEGATEM airborne survey. In addition, they completed two detailed magnetometer surveys over the C2-32 and Damien-Bog zones to aid in the structural interpretation of these complex areas. Small ground magnetometer grids were surveyed over three potential kimberlite targets picked from the airborne magnetic data. Two of these targets resulted in bulls-eye anomalies beneath heavy till cover to the south of the Kendall River that will be drill tested in 2007.

A six-man crew from Ollerhead Associates completed the legal boundary surveys of an additional 62 claims that were approaching their tenth anniversary and are being converted to mining leases.

Dating of zircon grains from the lower units of the Hornby Bay sandstone have given an age of approximately 1770 ma which is equivalent to the Fair Point formation within the Athabasca basin. The Fair Point hosts the Cluff Lake and Maybelle River uranium deposits.

UNAD Joint Venture

The UNAD Joint Venture with Adriana Resources Inc. covers 25 claims totalling 29,346 hectares along the northern and eastern boundaries of the Coppermine Block. An additional 17 claims totalling 17,767 hectares have been staked to cover three specific targets north of the Kendall River and Dismal Lakes.

The claims immediately north of the Coppermine Block boundary were flown by GEOTEM. The airborne survey consisted of 864 line kilometers of electromagnetic and magnetic surveying at 200 meter line spacing. There are a series of horizontal conductors paralleling the Mouse and Kendall rivers. The data is being inverted by Fugro in order to identify bedrock conductors that may be associated with Mountain Lake style uranium mineralization. A fixed loop TDEM grid was surveyed over a north-south striking fault breccia zone within sandstone on the CD 25 claim. The breccia has several anomalous radiometric zones with scintillometer readings in the 1500 – 2000 cps range within a background of less than 100 cps. The TDEM survey indicates a conductor may be present in the southwest corner of the grid. Additional TDEM surveying will be required to confirm the strength of the conductor.

Asiak River Area

There were 212 samples from the 2005 till program that contained diamond indicator minerals including G 10 (Harzburgite) garnets, chromium diopsides and kimberlitic ilmanites. Plotting all of the anomalous sites from the till results to date shows there are two significant indicator mineral trains on the property as well as several individual clusters that are dominated by G 10 garnets. The more northerly of the indicator mineral trains is approximately 6 kilometers long and appear to originate on the A 15 claim. The more southerly train is approximately 11 kilometers long and appears to originate on claim HB 9. The most significant mineral indicator cluste is located at the boundary between the FM 20 and FM 26 claims.

Approximately 240 line kilometers of ground magnetic surveying was completed over additional picks from the airborne data. There are fifteen magnetic targets that require further detailed surveying prior to selecting drill targets.

A total of 305 till samples were taken during the season. The majority of the samples were taken down-ice from magnetic anomalies or as follow-up to anomalous tills from previous programs. The samples were shipped to Loring Laboratories in Calgary for processing and the first results are expected in March.

The Tara West and Asiak Island showings were examined. Both are approximately one meter wide, east-west striking shear zones within Epworth shales in the Asiak River valley. Mineralization consists of pitchblende and copper oxides along the fracture planes. Samples from the Tara West occurrence assayed up to 0.43% U3O8 and 2.7 % copper. and will be drill tested in 2007.

Other Properties

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

Ontario Properties:

The Company finalized an option agreement with Laurion Gold Inc. in April 2005 whereby the Company has granted Laurion the option to acquire a 50% interest in UNOR's East Clavos gold project 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.

The property hosts a 2-kilometer section of the Pipestone fault that is the gold bearing structure presently being exploited on the neighboring Clavos Mine property of St. Andrew Goldfields. The fault marks the contact between sedimentary and ultramafic volcanic rocks.

Laurion drilled four holes totalling 1867 meters to test the structure in the area of historic gold intercepts near the western boundary of the property. All four holes intersected the pipestone fault and had significant results.

The first two holes were drilled to test below a 1996 intersection of 5.83 gpt Au over 4.27m. Hole EC-06-01 intersected 0.28 gpt Au over 4.0m at 236.5 – 240.5 meters and hole EC-06-02 intersected 1.09 gpt Au over 5.8m at 279.4 – 285.2 meters.

The second two holes were drilled to test the up dip and down dip extent of the 6.3 gpt Au/ 4.1 m intersection in hole EC-02-04. The up dip hole, EC-06-03 intersected 1.01 gpt Au/ 9.0m at 284.0 – 293.0 meters. The undercut hole, EC-06-04 intersected 1.26 gpt Au/ 16.5m at 235.5 – 252.0 meters.

Laurion Gold Inc recently changed its' name to Laurion Mineral Exploration Inc.

Manitoba, British Columbia & Northwestern Ontario Properties:

No work was conducted on the Manitoba gold/nickel, the British Columbia copper and northwestern gold properties during 2006.

Exploration and Development Costs Summary

Property	Balance December 31, 2006 $	Additions During Period $	Balance March 31, 2006 $
Asiak River, Nunavut			
Airborne Geophysics	**587,575**	-	587,575
Assaying	**365,970**	34,807	331,163
Camp Operations & Support	**826,178**	-	826,178
Drilling	**374,025**	-	374,025
Geology	**257,889**	-	257,889
Ground Geophysics	**522,322**	7,429	514,893
Program Planning & Reports	**148,614**	951	147,663
Recording fees	**70,732**	22,171	48,561
Sampling	**612,142**	-	612,142
	3,765,447	65,358	3,700,089
Coppermine River, Nunavut			
Airborne Geophysics	**1,830,522**	112,282	1,718,240
Assaying	**231,582**	44,061	187,521
Camp Operations & Support	**1,539,957**	-	1,539,957
Drilling	**4,634,208**	1,275,777	3,358,431
Geology	**657,131**	63,202	593,929
Ground Geophysics	**1,380,603**	157,017	1,223,586
Lease Rental Payments	**120,097**	120,097	-
Program Planning & Reports	**466,079**	29,446	436,633
Recording fees	**104,194**	30,693	73,501
Sampling	**426,321**	-	426,321
Surveying	**760,728**	249,120	511,608
Costs to be allocated	**4,190,352**	4,190,352	-
	16,341,774	6,272,047	10,069,727
East Block, Nunavut			
Airborne Geophysics	**103,595**	-	103,595
Assaying	**16,619**	-	16,619
Camp Operations & Support	**154,723**	-	154,723
Geology	**56,606**	-	56,606
Program Planning & Reports	**43,142**	-	43,142
Recording fees	**16,582**	3,479	13,103
Sampling	**44,924**	-	44,924
	436,191	3,479	432,712
Total Nunavut	**20,543,412**	6,340,884	14,202,528
Ontario Gold Properties	**164,812**	(21,116)	185,928
B.C. Properties	**32,410**	105	32,305
Ace Claim, Manitoba	**1,321**	-	1,321
	20,741,955	6,319,873	14,422,082

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 nine months ended December 31, 2006, the company received gross proceeds of $12,306,666 on equity financings and $17,500 on the exercise of options.

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.

To date, the Company has received $1,705,177 in deposit refunds from the government, and is awaiting approval of assessment reports it has filed with the government for the balance refundable of $669,853.

At December 31, 2006, the Company's working capital totaled $8,317,793 compared to $3,006,603 at March 31, 2006. Cash balances were $7,467,445 compared with $2,576,585 at March 31, 2006. These increases are primarily due to the proceeds of the private placements less exploration costs in Nunavut. The Company's cash resources will fund the Company's planned activities until 2008.

Selected Annual Information

	9 Months ending Dec. 30 2007	2006	Year ending March 31, 2005	2004
	$	$	$	$
Total revenues	152,914	65,833	37,022	0
Net Income (loss)	(457,419)	(1,036,748)	(1,296,702)	(30,314)
Basic net Income (loss) per share	0.00	(0.01)	(0.02)	0.00
Diluted net Income (loss) per share	0.00	(0.01)	(0.02)	0.00
Total assets	29,664,682	18,560,769	14,795,517	6,509,540

7. Results of Operations

During the nine months ended December 31, 2006, the Company recorded an operating loss before Stock Option Compensation of $413,375 compared to $643,686 for the nine months ended December 31, 2005. This decrease in operating loss is primarily the result of an increase in interest income of $96,222 and a decrease in professional fees of $118,825.

Summary of Quarterly Results

	Fiscal 2007			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
		$	$	$
Total Revenues		56,692	72,778	23,444
Net loss (income)		110,985	108,526	237,907
Basic net loss (income) per share		-	-	-
Diluted net loss (income) per share		-	-	-

	Fiscal 2006			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
		$	$	$
Total Revenues	12,662	14,505	9,487	29,179
Net loss (income)	(1,804,413)	178,636	363,661	401,051
Basic net loss (income) per share	(0.02)	-	0.01	-
Diluted net loss (income) per share	(0.02)	-	0.01	-

	Fiscal 2005			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
	$	$	$	$
Total Revenues	19,489	13,403	4,130	-
Net loss (income)	584,680	(170,294)	540,828	341,488
Basic net loss (income) per share	0.01	-	0.01	-
Diluted net loss (income) per share	0.01	-	0.01	-

8. Outstanding Share Data

As of February 21, 2007, the Company has issued one class of common shares and a total of 123,517,307 shares are outstanding. The Company has 4,094,008 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at prices ranging from $0.45 per share to $0.75 per share until December 24, 2007. Stock options outstanding as of February 21, 2007 total 5,745,447 and are exercisable for common shares at prices ranging from $0.35 per share to $ 0.67 per share

9. Commitments and Contingent Liability

(a) The Company is party to certain management contracts. These contracts contain clauses requiring additional payments be made upon the occurrence of certain events. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these financial statements.

(b) Pursuant to the issuance of 6,045,963 flow-through shares in November 2006 the Company is committed to spending $3,143,900 on Qualified expenditures by December 31, 2007.

10. ***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 refundable deposits, GST Receivable, prepaid expenses, accounts payable and accrued liabilities, and notes payable on the balance sheet approximate fair value because of the limited term of the instruments.

11. Litigation

The Company is not involved in any outstanding litigation.

12, Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

13. 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.

14. Evaluation of Disclosure Controls and Procedures

Public companies are required to perform an evaluation of disclosure controls and procedures annually and to disclose management's conclusions about the effectiveness of these disclosure controls and procedures in its annual MD&A.

The Company has established, and is maintaining, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is disclosed in annual filings, interim filings or other reports and recorded, processed, summarized and reported within the time periods specified 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.

15. 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

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.

unor

An Emerging Uranium Source

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 December 31, 2006;

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: February 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 December 31, 2006;

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: February 21, 2007

(Signed) "*Ian Shaw*"
[Name] Ian Shawl
[Office] Vice President and CFO

UNOR INC.

(Formerly Hornby Bay Exploration Limited)
(A Development Stage Company)

Consolidated Financial Statements

December 31, 2006

UNOR INC.

(Formerly Hornby Bay Exploration Limited)
(A Development Stage Company)
Consolidated Balance Sheets

	December 31, 2006 Unaudited	March 31, 2006 Audited
	$	$
Assets		
Current		
Cash and equivalents	**7,467,445**	2,576,585
Refundable deposits	**669,853**	959,308
GST receivable	**244,799**	49,922
Prepaid expenses	**8,000**	16,457
	8,390,097	3,602,272
Equipment (Note 3)	**32,630**	30,003
Prepaid Mineral Exploration Expenditures	**500,000**	506,412
Interest in Mineral Properties (Note 4)	**20,741,955**	14,422,082
	29,664,682	18,560,769
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accruals	**72,304**	595,669
Future income tax liability	**1,708,200**	1,907,300
	1,780,504	2,502,969
Shareholder's Equity		
Capital stock (Note 5)	**33,440,697**	21,906,058
Contributed surplus (Note 6)	**2,542,075**	1,992,017
Deficit	**(8,098,594)**	(7,840,275)
	27,884,178	16,057,800
	29,664,682	18,560,769

UNOR INC.

(Formerly Hornby Bay Exploration Limited)
(A Development Stage Company)
Consolidated Statements of Operations and Deficit
Unaudited

	9 Months Ending December 31,		3 Months Ending December 31,	
	2006	2005	**2006**	2005
	$	$	**$**	$
Revenue				
Interest	**152,914**	53,171	**56,692**	14,505
Expenditures				
Stock option compensation	**44,044**	290,175	**7,520**	51,564
Professional fees	**184,643**	317,629	**65,818**	58,225
Interest and bank charges	**1,730**	24,200	**199**	70
Financing costs	**-**	26,952	**-**	-
Travel and promotion	**38,696**	50,797	**17,077**	10,611
Shareholders information	**64,934**	49,926	**4,532**	4,666
Office and general	**124,932**	103,439	**25,585**	22,854
Salaries and benefits	**95,330**	73,356	**28,871**	27,326
Directors fees	**46,875**	43,958	**15,625**	15,625
Ontario capital taxes	**3,299**	-	**-**	-
Depreciation	**5,850**	6,600	**2,450**	2,200
	610,333	987,032	**167,677**	193,141
Operating Loss	**(457,419)**	**(933,861)**	**(110,985)**	**(178,636)**
Future income tax recovery	**199,100**	**-**	**199,100**	**-**
Net Income (Loss) for the period	**(258,319)**	**(933,861)**	**88,115**	**(178,636)**
(Deficit), beginning of period	**(7,840,275)**	(6,803,527)	**(8,186,709)**	(7,558,752)
(Deficit) end of period	**(8,098,594)**	**(7,737,388)**	**(8,098,594)**	**(7,737,388)**
Net Loss per share - basic and diluted	**0.00**	**0.01**	**0.00**	**0.00**
Weighted average number of common shares outstanding	**111,488,151**	82,948,519	**119,508,571**	86,307,329

UNOR INC.

(Formerly Hornby Bay Exploration Limited)
(A Development Stage Company)
Consolidated Statements of Cash Flows
Unaudited

	9 Months Ending December 31,		3 Months Ending December 31,	
	2006	2005	**2006**	2005
	$	$	**$**	$
Cash Flows From				
Operating activities				
Net (Loss) for the period	**(457,419)**	(933,862)	**(110,985)**	(178,636)
Less:Items not involving cash				
Depreciation	**5,850**	6,600	**2,450**	2,200
Stock option compensation	**44,044**	290,175	**7,520**	51,564
Interest on notes payable	**-**	23,251	**-**	-
Change in non cash working capital				
Decrease in refundable deposits	**289,455**	401,818	**258,368**	-
(Increase) Decrease in GST receivable	**(194,877)**	10,090	**(30,229)**	464,268
(Increase) Decrease in prepaid expenses	**8,457**	(2,427)	**-**	-
(Decrease) in accounts payable	**(523,366)**	(342,580)	**(655,151)**	(805,251)
	(827,856)	(546,935)	**(528,027)**	(465,855)
Financing activities				
Issuance of common shares & warrants	**12,040,654**	4,003,154	**2,921,466**	1,680,686
Payment of notes payable	**-**	(425,571)	**-**	-
	12,040,654	3,577,583	**2,921,466**	1,680,686
Investing activities				
Prepaid mineral exploration expenditures	**6,412**	421,656	**-**	-
Purchase of equipment	**(8,478)**	-	**(8,478)**	-
Interest in mineral properties	**(6,319,872)**	(7,716,781)	**(318,203)**	(458,837)
	(6,321,938)	(7,295,125)	**(326,681)**	(458,837)
Increase (decrease) in cash & equivalents	**4,890,860**	(4,264,477)	**2,066,758**	755,994
Cash & equivalents at beginning of period	**2,576,585**	6,505,017	**5,400,687**	1,484,546
Cash & equivalents at end of period	**7,467,445**	2,240,540	**7,467,445**	2,240,540
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Interest paid	**501**	**-**	**-**	**-**
Income taxes paid	**-**	**-**	**-**	**-**
Common shares issued for debt	**-**	305,116	**-**	**-**
Warrants issued for share issue costs	**-**	**-**	**83,500**	83,500
Cash and equivalents are composed of the following:				
Cash	**263,012**	229,940	**263,012**	229,940
Cash equivalents	**7,204,433**	2,010,600	**7,204,433**	2,010,600
	7,467,445	2,240,540	**7,467,445**	2,240,540

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.

Pursuant to Articles of Amendment dated April 26, 2006, the Company changed its name from Hornby Bay Exploration Limited to Unor Inc.

These interim consolidated financial statements follow the same accounting policies and methods as the audited consolidated financial statements for the year ended March 31, 2006 and should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2006.

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.

Continued...

3. EQUIPMENT

	Cost	Accumulated Amortization	Net Dec. 31, 2006	Net March 31, 2006
	$	$	$	$
Furniture and fixtures	43,224	25,207	18,017	21,168
Computer equipment	34,997	20,384	14,613	8,535
	78,221	45,591	32,630	30,003

4. INTEREST IN MINERAL PROPERTIES

	Balance December 31, 2006	Additions During Period	**Balance March 31, 2006**
Property			
Asiak River, Nunavut (a)	**$ 3,765,447**	$ 65,358	**$ 3,700,089**
Coppermine River, Nunavut (b)	**16,341,774**	6,272,047	**10,069,727**
East Block, Nunavut (c)	**436,191**	3,479	**432,712**
Ontario Gold Properties (d)	**164,812**	(21,116)	**185,928**
B.C. Properties (e)	**32,410**	105	**32,305**
Ace Claim, Manitoba (f)	**1,321**	-	**1,321**
	$ 20,741,955	$ 6,319,873	**$ 14,422,082**

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

The Company holds a 100% interest in 226 mineral claims and leases covering 536,580 acres in Nunavut. Due to the uncertainty of the status of these claims the Company, at March 31, 2002 and March 31, 2003, wrote down their value by $3,877,148 to $2. During the 2004 fiscal year the Company reevaluated these claims and made refundable deposits of $2,375,030 with the Government of Canada to bring these claims into good standing and completed exploration work totaling $2,496,696 on the claims. During the 2005 fiscal year the Company completed exploration work totaling $3,674,966 on the claims and during the 2006 fiscal year the Company completed exploration work totaling $8,030,864 on the claims and converted 49 of the claims to mineral leases. During the nine months ended December 31, 2006 the Company completed exploration work totaling $6,340,884 on the claims and converted 62 of the claims to leases. Of these claims and leases, 209 are subject to a 1% net smelter royalty and/or a 1% gross diamond royalty subject to a combined maximum of $10,000,000. The Company also holds a 50% interest in 41 mineral claims covering 89,325 acres in Nunavut which were staked during the nine months ended December 31, 2006. In addition the Company has entered into an option agreement with Cameco Corporation on 205 uranium mineral claims held by Cameco covering 521,500 acres in western Nunavut which adjoin the northwest corner of UNOR's wholly owned Coppermine River claim block.

(d) **ONTARIO GOLD PROPERTIES**

The Company holds a 100% interest in five mineral properties located in Ontario (the "Ontario Gold Properties").

4. INTEREST IN MINERAL PROPERTIES (Continued)

On April 21, 2005 the Company entered into an agreement with Laurion Gold Inc. ("Laurion") whereby Laurion would have the right to earn a 50% interest in Hornby Bay'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 (240,000 received) and by making cash payments totaling $100,000 ($50,000 received) to the Company over a three year period.

(e) B.C. PROPERTIES

The Company holds a 100% interest in 4 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.

(f) ACE 1 CLAIM, MANITOBA

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

5. CAPITAL STOCK

Authorized
Unlimited number of common shares
Unlimited number of preference shares

Issued	**December 31, 2006**	
123,517,307 common shares	**Number of Shares**	**Amount**
		$
Balance, March 31, 2006	**94,514,432**	**20,752,027**
Issued by private placements	**28,952,875**	**12,306,666**
Less: Share issue costs	**-**	**(283,513)**
Exercise of warrants	**-**	**-**
Exercise of options-cash proceeds	**50,000**	**17,500**
Exercise of options-valuation allocation	**-**	**10,000**
Balance, December 31, 2006	**123,517,307**	**32,802,680**

Issued	**December 31, 2006**	
4,094,008 warrants	**Number of Warrants**	**Amount**
		$
Balance, March 31, 2006	**10,193,557**	**1,154,031**
Exercised	**-**	**-**
Expired	**(6,099,549)**	**(516,014)**
Balance, December 31, 2006	**4,094,008**	**638,017**
		33,440,697

5. CAPITAL STOCK (Continued)

(a) On June 19, 2006 the Company issued 22,906,912 common shares at $0.40 per share to Cameco Corporation for aggregate gross proceeds of $9,162,765.

(b) 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.

Options

During the nine months ended December 31, 2006 options to purchase common shares were exercised as follows:

Number of Options	Exercise Price	Amount
#	$	$
50,000	0.35	17,500

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 to purchase common share outstanding at December 31, 2006 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
50,000	50,000	0.35	09-May-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	300,000	0.55	21-Apr-10
150,000	100,000	0.60	13-Jul-10
1,100,000	1,100,000	0.38	05-Jan-11
5,745,447	5,645,447	0.48	

5. CAPITAL STOCK (Continued)

Warrants Outstanding

Number of Warrants	Exercise Price	Expiry Date
#	$	
1,500,000	0.75	31-Jul-07
2,164,007	0.45	24-Dec-07
430,001	0.45	24-Dec-07
4,094,008	0.56	

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

6. CONTRIBUTED SURPLUS

Contributed surplus transactions for the nine months ended December 31, 2006 were as follows:

	$
Balance, March 31, 2006	1,992,017
Stock options exercised	(10,000)
Employee stock-based compensation	44,044
Non employee stock-based compensation	-
Expiry of warrants	516,014
Balance, end of period	2,542,075

7. 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 refundable deposits, GST Receivable, prepaid expenses and accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of the instruments.

8. CONTINGENT LIABILITY AND LITIGATION

(a) The Company is party to certain management contracts. These contracts contain clauses requiring additional payments be made upon the occurrence of certain events. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these financial statements.

(b) Pursuant to the issuance of 6,045,963 flow-through shares in November 2006 the Company is committed to spending $3,143,900 on qualified expenditures by December 31, 2007.

unor

An Emerging Uranium Source