URANIUM CITY RESOURCES INC.

Management's Discussions and Analysis

of the Financial Condition and Results of Operations

For the Second Quarter and

the Six Months Ended June 30, 2007

August 29, 2007

Uranium City Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis has been prepared based on information available to Uranium City Resources Inc. ("UCR" or the "Company") as at August 29, 2007. The MD&A of the operating results and financial condition of the Company for the six months ended June 30, 2007, should be read in conjunction with the Company's financial statements and the related notes for the six months then ended together with its audited financial statements for the period ended December 31, 2006, which have been prepared in accordance with Canadian generally accepted accounting principles. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

MANAGEMENT'S RESPONSIBILITES FOR FINANCIAL REPORTING AND CONTROLS

The Financial Statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles and have been approved by the Company's board of directors (the "Board"). The integrity and objectivity of these Financial Statements are the responsibility of management. In addition, management is responsible for ensuring that the information contained in this MD&A is consistent, where appropriate, with the information contained in the Financial Statements.

In support of this responsibility, the Company's management maintains a system of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded. When alternative accounting methods exist, management has chosen those methods it deems most appropriate in the circumstances. The Financial Statements may contain certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis to ensure that the Financial Statements are presented fairly in all material respects.

The Board is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its audit committee. The audit committee is appointed by the Board and has several financial experts who are not involved in the Company's daily operations. The audit committee meets periodically with management and the external auditor to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the Financial Statements with the external auditors.

EVALUTION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this MD&A, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109— *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

CAUTIONARY NOTE

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

Uranium City Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General

On May 28, 2007, the Company completed a brokered private placement of 1,612,246 units at $0.49 per unit (a "Unit") and 10,773,583 flow-through units at $0.53 per unit (a "Flow-through Unit") for total gross proceeds of $6.5 million. Each Unit and Flow-through Unit consisted of 1 common share of the Company together with 1 share purchase warrant (a "Warrant"). Each Warrant is exercisable into 1 common share of the Company until May 25, 2009 for $1.00. In addition, the agent was paid a cash commission equal to 7% of the gross proceeds and was granted 1,114,724 agent units (each an "Agent Unit"). Each Agent Unit is exercisable at a price of $0.49 until May 25, 2009 and consists of one common share of the Company together with one Warrant.

Overall Performance

As at June 30, 2007, the Company had assets of $15.3 million and a net equity position of $13.8 million. This compares with assets of $9.3 million and a net equity position of $7.3 million at December 31, 2006.

Total assets increased by $6.0 million from the end of last year with increases in cash and cash equivalents of $5.4 million, prepaids and deposits of $180,000, mineral properties and deferred expenditures of $1.1 million and capital assets of $574,000 offset by decreases in GST recoverable of $67,000 and advances (mainly to contractors) of $1.2 million,

The Company's increased cash position of $5.4 million (2006 – $3.7 million) was a result of cash flow generated from operations of $0.5 million (2006 – cash used in operations of $0.4 million), cash generated from financing activities of $6.7 million (2006 - $4.5 million) offset by cash used for deferred exploration expenditures and capital asset purchases of $1.8 million (2006 - $0.4 million).

For the six months ended June 30, 2007, the Company posted a net loss for the period of $986,000 or 2.6¢ per share (2006 - $350,000, or 1.2¢ per share). Interest income of $64,000 (2006- $34,000) was offset by the following expenditures: Office and general expenses of $123,000 (2006 – $114,000); public relations and shareholder expenditures $112,000 (2006 - $162,000); professional and consulting costs of $104,000 (2006 - $173,000) and stock-based compensation costs of $810,000 (2006 - $114,000) offset by future income tax recoveries of $98,000 (2006 - $133,000).

For the three months June 30, 2007 and 2006, the Company posted losses. Net loss was $848,000 or 2.2¢ per share, and $257,000, or 0.8¢ per share, respectively. The 3-month loss was comprised of the following expenditures: Office and general expenses of $68,000 (2006 – $77,000), public relations and shareholder expenditures of $68,000 (2006 - $72,000), professional and consulting costs of $67,000 (2006 - $109,000) and stock-based compensation of $749,000 (2006 - $114,000). These losses were offset by future income tax recoveries of $54,000 (2006 - $81,000) and interest income of $49,000 (2006 - $34,000).

Review of Operations

Uranium Projects - Uranium City Mining District, Northern Saskatchewan

During the second quarter 2007 the majority of the drilling was concentrated on the company's Quartzite Ridge target where encouraging surface uranium values where in countered. A total of 11 holes were completed and some minor uranium was encountered along with intense alteration. Follow-up drilling Is planned later in the year.

A number of geochemical and geophysical surveys where completed in 2006 at Quartzite Ridge, Gunner, and the east zone. Drilling will resume on the east target shortly and further geochemical tree sampling is going on a number of targets.

Further lake bottom sampling has been completed on Beaver Lodge and Martin Lake utilizing the emzine leach method resulting in some very high Uranium readings up to + 5,000PPB. Two of these areas are slated for drilling from the ice in 2007 where completed with no Uranium Mineralization encountered. The high 5,000PPB area has yet to be drilled.

Over all the 2007 exploration results have been very encouraging leading to a 43-101 resource calculation on the East zone to be completed in 2007.

Results of Operations

The Company has not generated any operating revenue and therefore losses have been incurred throughout the first and second quarters of 2007 (as well as the first and second quarters of 2006).

Six Months ended June 30, 2007 compared to the Six Months ended June 30, 2006
Net loss for the period was $986,000 (2.6¢ per share) compared to $350,000 (1.2¢ per share) in 2006. The net loss was comprised of administrative costs of $123,000 (2006 - $114,000), consulting and professional fees of $104,000 (2006 - $173,000), public relations and shareholder reporting costs of $112,000 (2006 – $116,000) and stock-based compensation of $810,000 (2006 – $114,000). These costs were offset by income of $64,000 (2006 - $34,000) and future income tax recoveries of $98,000 (2006 - $133,000).

Three Months ended June 30, 2007 and 2006:
Net loss for the period was $848,000 (2006 - $257,000) with consulting and professional fees accounting for $67,000 (2006 - $109,000) of the loss. Shareholder information, public relations and regulatory costs accounted for $68,000 (2006 - $72,000) and office and general costs accounted for $68,000 (2006 - $77,000). These costs were offset by future income tax recoveries of $54,000 (2006 - $81,000) and interest income of $50,000 (2006 - $34,000).

Summary of Quarterly Results

	2nd Quarter 2007	1st Quarter 2007	4th Quarter 2006	3rd Quarter 2006
Total revenues	49,507	14,750	32,272	49,889
Net (income) loss	848,097	137,935	(1,394,615)	1,291,464
Net (income) loss per share – basic	2.2¢	0.4¢	(3.8)¢	3.5¢
Net (Income) loss per share –	2.2¢	0.4¢	(3.8)¢	3.5¢

fully diluted[(1)]				
Total assets	15,343,404	9,299,795	9,294,855	8,833,603
Long-term debt	-	-	-	-
Shareholders' equity	13,825,236	7,822,550	7,325,847	8,117,077
Cash dividends declared per common share	0.0¢	0.0¢	0.0¢	0.0¢

	2nd Quarter 2006	1st Quarter 2006	4th Quarter 2005	3rd Quarter 2005
Total revenues	34,053	-	12,254	3,446
Net loss	256,615	93,083	382,526	476,047
Net (income) loss per share – basic	0.8¢	0.4¢	2.7¢	2.2¢
Net (Income) loss per share – fully diluted[(1)]	0.8¢	0.4¢	2.7¢	2.2¢
Total assets	8,767,156	4,503,145	4,616,533	4,990,074
Long-term debt	-	-	-	-
Shareholders' equity	8,062,384	3,707,943	3,801,026	4,679,005
Cash dividends declared per common share	0.0¢	0.0¢	0.0¢	0.0¢

[(1)]Inclusion of outstanding warrants and options is anti-dilutive.

The change in the Company's net loss of $848.000 for Q2-2007 versus the net loss of $138,000 for Q1-2007 was mainly the result of higher stock-based compensation costs of $690,000.

The change in the Company's net loss of $138,000 for Q1-2007 versus the net income of $1,395,000 for Q4-2006 was the result of the following: Decreases in office and general costs of $42,000, consulting and professional fees of $36,000, management fees of $132,000 together with a decrease in interest income of $18,000 offset by increases in stock-based compensation costs of $1.3 million due to a reallocation of the value of the warrants issued through the offering completed in April 2006, shareholder information, public relations and regulatory expenditures of $16,000 together with lower future income tax recoveries of $373,000.

The change in the Company's net income for Q4-2006 versus the net loss of Q3-2006 of $2.7 million is a result of the following: Increases in office and general costs of $42,000, shareholder information, public relations and regulatory expenditures of $5,000, consulting and professional fees of $27,000, management fees of $292,000 together with a decrease in interest income of $18,000 offset by a decrease in stock-based compensation costs of $2.6 million due to a reallocation of $1.3 million to the value of the warrants issued through the Offering together with higher future income tax recoveries of $448,000.

UCR's net loss for Q3-2006 versus Q2-2006 is $1.0 million higher as a result of net increases in expenses for the quarter consisting of the following changes: Decreases in office and general costs of $22,000, public relations costs of $8,000, consulting and professional fees of $49,000 plus a further a decrease as a result of reallocating GLR management fees paid to-date to deferred expenditures of $173,000, shareholder information of $41,000 offset by increases in stock-based compensation costs of $1.2 million, lower future income tax recoveries of $112,000 and greater interest income of $16,000.
UCR's net loss for Q2-2006 versus Q1-2006 is $164,000 higher as a result of increased expenses for the quarter consisting of the following changes: Increases in office and general costs of $40,000, consulting and professional fees of $46,000, shareholder information of $38,000 and stock-based compensation costs of $114,000 offset by lower public relations expenses of $11,000, higher future income tax recoveries of $28,000 and greater interest income of $34,000.

The Company's net loss for Q1-2006 versus Q4-2005 is lower as a result of lower expenses for the quarter consisting of the following changes: Increases in office and general costs of $44,000, consulting and professional fees of $9,900 and lower future income tax recoveries of $89,000 offset by decreases in public relations and shareholder information costs of $7,600 and stock-based compensation costs of $423,000.
UCR's net loss for Q4-2005 decreased from Q3-2005 mainly as a result of lower consulting and professional fees ($76,000), higher future income tax recoveries ($134,000) offset by higher stock-based compensation costs ($156,000).

All of the Company's expenses were greater than normal for Q3-2005 over Q2-2005 as the Company finalized and closed on its initial public offering.

Liquidity and Capital Resources

The Company's liquidity and solvency are critical information since UCR is not currently generating any income from its mineral properties.

The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. If the Company's exploration programs are successful, additional funds will be required to develop UCR's properties and, if successful, to place them in commercial production. The only sources of future funds available to the Company are further offerings of either debt or equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

During the six months ended June 30, 2007

During the 6 months ended June 30, 2006, the Company completed a brokered private placement of 1,612,246 units at $0.49 per unit (a "Unit") and 10,773,583 flow-through units at $0.53 per unit (a "Flow-through Unit") for total gross proceeds of $6.5 million. Each Unit and Flow-through Unit consisted of 1 common share of the Company together with 1 share purchase warrant (a "Warrant"). Each Warrant is exercisable into 1 common share of the Company until May 25, 2009 for $1.00. In addition, the agent was paid a cash commission equal to 7% of the gross proceeds and was granted 1,114,724 agent units (each an "Agent Unit"). Each Agent Unit is exercisable at a price of $0.49 until May 25, 2009 and consists of one common share of the Company together with one Warrant.

The Company also raised proceeds of $42,000 and $604,481 with the exercise of 100,000 options and 1,395,973 warrants, respectively.

During the three months ended June 30, 2007

During the 3 months ended June 30, 2006, the Company completed a brokered private placement of 1,612,246 units at $0.49 per unit (a "Unit") and 10,773,583 flow-through units at $0.53 per unit (a "Flow-through Unit") for total gross proceeds of $6.5 million. Each Unit and Flow-through Unit consisted of 1 common share of the Company together with 1 share purchase warrant (a "Warrant"). Each Warrant is exercisable into 1 common share of the Company until May 25, 2009 for $1.00. In addition, the agent was paid a cash commission equal to 7% of the gross proceeds and was granted 1,114,724 agent units (each an "Agent Unit"). Each Agent Unit is exercisable at a price of $0.49 until May 25, 2009 and consists of one common share of the Company together with one Warrant.

The Company also raised proceeds of $531,950 with the exercise of 1,188,271 warrants, respectively.

Transactions with Related Parties

For the six months ended June 30, 2007 and 2006, the following transactions involved related parties:

GLR charged management fees totalling $64,000 (2006 - $27,000). GLR is the Company's exploration, development and mining operations manager and former majority shareholder. The amounts due to GLR are non-interest bearing and without fixed payment terms.

R.J. Kasner Co. ("RJKC") charged the Company a total of $48,000 (2006 - $48,000) in respect of the services of Robert Kasner as President and CEO. Robert Kasner, also a director of the Company, beneficially owns RJKC. This agreement is automatically renewed each January 1 unless notice of termination is provided by one party to the other by September 1 in any year, in which case the agreement terminates on December 31 of that year.

Keshill Consulting Associates Inc. ("KCA") charged the Company a total of $23,000 (2006 - $26,000) in respect of the services of Stephen Gledhill as Chief Financial Officer of the Company. Stephen Gledhill beneficially owns KCA. The term of this agreement is ongoing with either party able to terminate upon 30 days written notice to the other.

Glen C. Kasner Exploration Service charged the Company a total of $14,000 ($2006 - $21,000) in respect of exploration management services. Glen Kasner is related to an officer and director of the Company. This agreement is automatically renewed each January 1 unless notice of termination is provided by one party to the other by September 1 in any year, in which case the agreement terminates on December 31 of that year.

1353150 Ontario Limited ("1353150") charged the Company a total of $10,500 (2006 - $10,000) in respect of rent for UCR's premises in Kirkland Lake. Robert Kasner, the President and Chief Executive Officer and a director of the Company, beneficially owns 1353150. This lease expires on December 31, 2007.

Critical Accounting Estimates

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Actual results could differ from those estimates.

Going Concern

The Company's financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company is in the exploration stage with no history of profitability. There is no guarantee that the Company's programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out any development of its properties. If the "going concern" assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used. Such adjustments could be material.

Changes in Accounting Policies

Financial Instruments, Comprehensive Income and Hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855 – "Financial Instruments – Recognition and Measurement", 1530 – "Comprehensive Income" and 3865 – "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. Accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective January 1, 2007.

(a) Financial Instruments – recognition and measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

(b) Comprehensive Income / (Loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(c) Hedges

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 – "Hedging Relationships", and the hedging guidance in Section 1650 – "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

(d) Impact upon Adoption of Sections 1530, 3855, and 3865

The Company has evaluated the impact of these new standards on its financial statements and determined that no adjustments are currently required.

Future Accounting Changes

Capital Disclosure and Financial Instruments – Disclosure and Presentation.

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535 – "Capital Disclosures", Handbook Section 3862 – "Financial Instruments – Disclosure" and Handbook Section 3863 – "Financial Instruments – Presentation". These new standards are effective for interim and annual financial statements for the Company's reporting period beginning January 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Sections 3862 and 3863 replace Handbook Section 3861 – "Financial Instruments – Disclosure and Presentation", revising and enhancing its disclosure requirements, and carrying forward unchanged it presentation requirements. These new sections place increased emphasis on disclosures about the nature and extend of risks arising from financial instruments and how the entity manages those risks.
The Company is currently assessing the impact of these new accounting standards on its financial statements.

Additional Disclosure for Venture Issuers Without Significant Revenue

Mineral properties and deferred exploration expenditures for the period from January 1, 2007 to June 30, 2007 together with comparative expenditures at December 31, 2006, are detailed by property as follows:

Property	Balance at January 1, 2007 ($)	Acquisitions / (Dispositions) ($)	Deferred Exploration Expenditures ($)	Balance at June 30, 2007 ($)
Contact Lake	1,438,092	-	6,089	**1,444,181**
Inspiration Lake	394,323	-	6,826	**401,149**
Virgin Lake Adit	30,956	-	658	**31,614**
Eagle Lake	65,451	-	-	**65,451**
Fishhook	888,508	-	10,872	**899,380**
Nicholson	158,684	-	7,626	**166,310**
Right Lake	7,554	-	-	**7,554**
Eldorado Area	1,651,226	-	784,948	**2,436,174**
Gunnar Area	175,721	-	27,947	**203,668**
Tazin Lake	105,171	-	7,626	**112,797**
Mcintosh Bay	49,266	10,000	-	**59,266**
Neely Lake	8,185	-	-	**8,185**
Quartzite Ridge	179,737	-	267,264	**447,001**
Goldie	212,592	-	-	**212,592**
Wilson Lake	-	4,319	60,000	**64,319**
Unallocated	(258,176)	-	(89,308)	**(347,484)**
Total	**5,107,290**	**14,319**	**1,090,548**	**6,212,157**

Mineral properties and deferred exploration expenditures from inception to December 31, 2006 are detailed by property as follows:

Property	Balance at Inception ($)	Acquisitions / (Dispositions) ($)	Deferred Exploration Expenditures ($)	Balance at December 31, 2006 ($)
Contact Lake	-	177,094	1,260,998	**1,438,092**
Inspiration Lake	-	311,000	83,323	**394,323**
Virgin Lake Adit	-	-	30,956	**30,956**
Eagle Lake	-	-	65,451	**65,451**

Fishhook	-	1,000	887,508	**888,508**
Nicholson	-	-	158,684	**158,684**
Right Lake	-	-	7,554	**7,554**
Eldorado Area	-	-	1,651,226	**1,651,226**
Gunnar Area	-	-	175,721	**175,721**
Tazin Lake	-	-	105,171	**105,171**
Mcintosh Bay	-	14,000	35,266	**49,266**
Neely Lake	-	1,604	6,581	**8,185**
Quartzite Ridge	-		179,737	**179,737**
Goldie	-	-	212,592	**212,592**
Unallocated	-	-	(258,176)	**(258,176)**
Total	**-**	**504,698**	**4,602,592**	**5,107,290**

Disclosure Of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at August 29, 2007:

Common Shares of no par value	**Number**
Shares	50,994,132
Warrants	27,447,092
Options	3,735,000