HOMELAND URANIUM INC.

Interim Consolidated Financial Statements

Three and Nine Month Periods Ended September 30, 2011 and 2010

(Stated in $CAD)

(Unaudited - Prepared by Management)

(These unaudited interim consolidated financial statements, prepared by management, have not been reviewed by the company's external auditors.)

Homeland Uranium Inc.

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Three and Nine Month Periods Ended September 30, 2011 and 2010
(Stated in $CAD)
(Unaudited - Prepared by Management)

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HOMELAND URANIUM INC.

Consolidated Statements of Financial Position
As at September 30, 2011, December 31, 2010 and January 1, 2010
(Stated in $CAD)
(Unaudited - Prepared by Management)

	September 30 2011	December 31 2010 (Sch 5)	January 1 2010 (Sch 1)
ASSETS			
Current:			
Cash	$ **53,681**	$ 24,413	$ 4,337,215
Accounts receivable and prepaid expenses	**21,706**	62,752	70,532
Restricted cash (Note 4)	**27,705**	127,340	-
Investments (Note 5)	**284,738**	1,178,986	-
	387,830	1,393,491	4,407,747
Long term:			
Restricted cash (Note 4)	**-**	-	162,742
Investments (Note 5)	**-**	-	2,222,332
Property and equipment (per schedule)	**76,204**	116,451	284,439
	$ **464,034**	$ 1,509,942	$ 7,077,260
LIABILITIES			
Current:			
Accounts payable and accrued liabilities (Note 7)	$ **250,507**	$ 264,025	$ 232,038
SHAREHOLDERS' EQUITY			
Share capital	**19,887,111**	19,737,111	18,751,611
Contributed surplus	**1,451,807**	1,451,807	1,451,807
Reserve for warrants	**7,083,379**	7,083,379	7,453,379
Reserve for share based payments	**2,020,545**	2,012,355	1,990,307
Accumulated deficit	**(30,185,280)**	(28,989,822)	(22,801,882)
Accumulated other comprehensive income (loss)	**(44,035)**	(48,913)	-
	213,527	1,245,917	6,845,222
	$ **464,034**	$ 1,509,942	$ 7,077,260

Going concern (Note 1(c))

Commitment (Note 14)

See accompanying notes

Approved on behalf of the Board:

"Stephen Coates", Director

"Avrom Howard", Director

HOMELAND URANIUM INC.

Interim Consolidated Statements of Loss and Comprehensive Loss
Three and Nine Month Periods Ended September 30, 2011 and 2010
(Stated in $CAD)
(Unaudited - Prepared by Management)

	Three months ended September 30 2011	Nine months ended September 30 2011	Three months ended September 30 2010 (Sch 3)	Nine months ended September 30 2010 (Sch 3)
Revenue				
Gain on disposal of property and equipment	$ 173	$ 11,561	$ -	$ -
Realized gain on FVTPL securities	-	13,800	-	-
Interest income	13	487	3,930	10,210
	186	25,848	3,930	10,210
Expenses				
Unrealized loss on FVTPL securities	225,418	822,873	183,285	12,500
Corporate and investor relations	20,087	125,706	69,953	129,118
Exploration expenditures	39,398	123,923	288,261	564,767
Professional fees	13,650	67,708	91,993	284,395
Depreciation	10,926	41,669	9,789	21,410
Office and administration	3,098	21,382	37,439	82,101
Foreign exchange loss	6,711	9,855	39,152	49,258
Share based payments (Note 8)	-	8,190	5,930	11,860
Realized loss on FVTPL securities	-	-	367,239	367,239
	319,288	1,221,306	1,093,041	1,522,648
Net loss	$ (319,102)	$ (1,195,458)	$ (1,089,111)	$ (1,512,438)
Basic and diluted loss per share (Note 9)	$ (0.004)	$ (0.017)	(0.017)	(0.030)
Comprehensive income (loss)				
Net loss	$ (319,102)	$ (1,195,458)	$ (1,089,111)	$ (1,512,438)
Exchange differences on translation of foreign operations	(7,597)	4,878	20,515	37,082
Comprehensive loss	$ (326,699)	$ (1,190,580)	$ (1,068,596)	$ (1,475,356)

See accompanying notes

HOMELAND URANIUM INC.
Interim Consolidated Statements of Changes in Shareholders' Equity
Period from January 1, 2010 to September 30, 2011
(Stated in CAD)
(Unaudited - Prepared by Management)

	Share Capital		Reserves					
	Number of shares *(see also note 15)*	Amount	Contributed surplus	Warrants	Share based payments *(see also note 8)*	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
Balance at January 1, 2010 (Schedule 1)	**46,072,448**	**$ 18,751,611**	**$ 1,451,807**	**7,453,379**	**1,990,307**	**$ -**	**$ (22,801,882)**	**$ 6,845,222**
Share based payments	-	-	-	-	17,953	-	-	**17,953**
Currency translation adjustment	-	-	-	-	-	26,021	-	**26,021**
Private placement, net of share issue costs	20,000,000	985,500	-	-	-	-	-	**985,500**
Escrow share cancellation	(3,600,000)	-	-	-	-	-	-	**-**
Net loss for the period	-	-	-	-	-	-	(1,958,089)	**(1,958,089)**
Balance at September 30, 2010 (Schedule 2)	**62,472,448**	**19,737,111**	**1,451,807**	**7,453,379**	**2,008,260**	**26,021**	**(24,759,971)**	**5,916,607**
Share based payments	-	-	-	-	4,095	-	-	**4,095**
Income tax recovery recognized on expired warrants	-	-	-	(370,000)	-	-	-	**(370,000)**
Currency translation adjustment	-	-	-	-	-	(74,934)	-	**(74,934)**
Paid up capital reduction effect of spin-out of Southern Andes	-	-	-	-	-	-	(5,742,402)	**(5,742,402)**
Tax charge on Southern Andes spin-out	-	-	-	-	-	-	(402,000)	**(402,000)**
Reclassification of other comprehensive income	-	-		-	-	(1,008,100)	1,008,100	**-**
Other comprehensive income from discontinued operations	-	-	-	-	-	1,008,100	-	**1,008,100**
Net income for the period	-	-	-	-	-	-	906,451	**906,451**
Balance at December 31, 2010 (Schedule 5)	**62,472,448**	**19,737,111**	**1,451,807**	**7,083,379**	**2,012,355**	**$ (48,913)**	**$ (28,989,822)**	**$ 1,245,917**
Private placement	20,000,000	150,000	-	-	-	-	-	**150,000**
Share based payments	-	-	-	-	8,190	-	-	**8,190**
Currency translation adjustment	-	-	-	-	-	4,878	-	**4,878**
Net loss for the period	-	-	-	-	-	-	(1,195,458)	**(1,195,458)**
Balance at September 30, 2011	**82,472,448**	**$ 19,887,111**	**$ 1,451,807**	**7,083,379**	**2,020,545**	**$ (44,035)**	**$ (30,185,280)**	**$ 213,527**

See accompanying notes

HOMELAND URANIUM INC.

Interim Consolidated Statements of Cash Flows
Nine Month Periods Ended September 30, 2011 and 2010
(Stated in $CAD)
(Unaudited - Prepared by Management)

	Nine months ended September 30 2011	Nine months ended September 30 2010 **(Sch 4)**
Operating activities		
Net loss from continuing operations	**$ (1,195,458)**	$ (1,958,089)
Add (deduct) items not affecting cash:		
Depreciation	**41,669**	48,705
Share based payments	**8,190**	17,953
Gain on disposal of property and equipment	**(11,561)**	(48,367)
Unrealized loss (gain) on FVTPL securities	**822,873**	791,782
Realized loss (gain) on FVTPL securities	**(13,800)**	(167,920)
Unrealized foreign exchange loss	**386**	65,823
	(347,701)	(1,250,113)
Change in non-cash working capital items		
Accounts receivable and prepaid expenses	**41,046**	55,255
Accounts payable and accrued liabilities	**(13,518)**	(64,519)
	(320,173)	(1,259,377)
Investing activities		
Proceeds on sale of FVTPL securities	**85,175**	-
Capital assets	**-**	(2,660)
Proceeds from sale of property and equipment	**14,631**	-
Change in restricted cash	**99,635**	49,652
Investment in Southern Andes Energy Inc.	**-**	(4,000,000)
Other	**-**	81,995
	199,441	(3,871,013)
Financing activities		
Proceeds on issuance of share capital	**150,000**	985,500
Decrease in cash	**29,268**	(4,144,890)
Cash, beginning of period	**24,413**	4,337,215
Cash, end of period	**$ 53,681**	$ 192,325

See accompanying notes

HOMELAND URANIUM INC.
Schedule of Property and Equipment
Period from January 1, 2010 to September, 2011
(Stated in CAD)
(Unaudited)

	Computer equipment $	Automotive equipment $	Furniture & fixtures $	Exploration equipment $	Total $
Cost					
As at January 1, 2010	153,457	256,620	77,929	136,637	624,643
Additions	2,660	0	0	0	2,660
Disposals	(19,098)	(197,885)	(6,164)	0	(223,147)
Currency adjustment	(11,711)	(20,982)	(5,822)	(13,303)	(51,818)
As at December 31, 2010	125,308	37,753	65,943	123,334	352,338
Disposals	(1,547)	(23,449)	0	0	(24,996)
Currency adjustments	4,965	466	4,729	7,130	17,291
As at September 30, 2011	128,726	14,770	70,672	130,464	344,633
Accumulated depreciation					
As at January 1, 2010	81,628	173,529	28,690	56,357	340,204
Depreciation	28,918	47,096	10,851	24,698	111,563
Disposals	(13,426)	(173,664)	(3,199)	0	(190,288)
Currency adjustment	(5,250)	(12,350)	(2,250)	(5,741)	(25,592)
As at December 31, 2010	91,870	34,611	34,092	75,314	235,887
Depreciation	11,965	1,124	11,397	17,183	41,669
Disposals	0	(21,293)	0	0	(21,293)
Currency adjustment	3,493	328	3,328	5,017	12,166
As at September 30, 2011	107,329	14,771	48,816	97,513	268,429
Net book value					
As at January 1, 2010 (Schedule 1)	71,829	83,091	49,239	80,279	284,439
As at December 31, 2010 (Schedule 5)	33,438	3,142	31,851	48,020	116,451
As at September 30, 2010	21,398	(0)	21,856	32,951	76,204

See accompanying notes

1. NATURE OF OPERATIONS

(a) Homeland Uranium Inc. (the "company") is a development company engaged in the business of acquisition and exploration of uranium resource properties, currently in Niger, West Africa and formerly in Colorado and Utah, USA *(see note 6(b))*. The company, incorporated in December, 2006 under the Ontario Business Corporations Act, is a reporting issuer subject to the rules and regulations of the Ontario Securities Commission. As a reporting issuer only, its shares do not trade on any stock exchange.

(b) As the company is a development stage enterprise, it has not yet determined whether its properties contain reserves that are economically recoverable and the ability to recover amounts from these properties is dependent upon a number of factors, including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying properties, the ability of the company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition of the properties. The company is considered to be a development stage enterprise as it has yet to generate significant revenue from operations.

Although the company has taken steps to verify title to the mineral properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the company's title. Although management is not aware of any such agreements, transfers or defects, property title may be subject to unregistered prior agreements, claims or transfers and title may be affected by undetected defects. Assets located outside of North America are subject to the risk of foreign investment, including currency exchange fluctuations and restrictions and local political instability and uncertainty.

The company faces risks and uncertainties including: (i) the inability to obtain the financing necessary to complete the development of its properties, (ii) realization of proceeds from the sale of its properties, or (iii) the company's licenses, permits or concessions being revoked as a result of title disputes, a failure to comply with agreements or security issues preventing the safe exploration and development of any properties under license. Specifically, the company has encountered many delays during the execution of its Niger project due to events and circumstances beyond its control. The government of Niger has acknowledged these delays as "force majeure" and has granted the company an extension to its current concessions until August 31, 2012 to compensate for the lost time, essentially giving it a further two years to comply with its original spending requirements.

1. NATURE OF OPERATIONS, CONTINUED

(c) Going Concern

The accompanying unaudited interim consolidated financial statements have been prepared using International Financial Reporting Standards accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities and commitments in the ordinary course of business.

The company spending commitments under the terms of its concessions in Niger (see notes 6(a) and 14). Failure to spend the minimum expenditure requirements by August, 2012 as required under the terms of the renegotiated concession agreements could result in termination of those agreements and the loss of associated rights thereunder. In addition, failure to maintain an ongoing administrative presence in Niger could also result in termination of the concession agreements. No adjustment to the carrying value of the Niger concessions would be required as the company has chosen to expense all exploration expenditures under IFRS (see note 15(I)(a)).

Management is actively exploring options available to them to meet the required minimum expenditure requirements, including sale of the company's interest in the concessions in whole or in part or obtaining a joint venture partner. Discussions continue with various parties, but to date, no party has come forward with an acceptable expression of interest to enter into any kind of agreement with the company.

As the company has no operating revenues or other sources of cash flow, its ability to maintain an administratve office in Niger over the next 12 months will be dependent upon its ability to (1) raise further equity for the company through private placements (as was done in May, 2011 per note 9(a)) and/or (2) sell its interest in its marketable securities (see note 5) in what is currently an illiquid market for those shares.

While management believes that it will be able to secure the necessary financing to continue operations into the future, there is no certainty that these and other strategies will be sufficient to permit the company to continue beyond the foreseeable future as such strategies are dependent upon continued support of its shareholder base. The accompanying unaudited interim consolidated financial statements do not include any adjustments in the carrying values of assets and liabilities, the reported revenues and expenses and balance sheet classifications that would be necessary should the going concern assumption become inappropriate. These adjustments could be material to the unaudited interim consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim consolidated financial statements of the company comply with International Financial Reporting Standards ("IFRS") applicable to interim financial statements, including IAS 34 and IFRS 1. The significant policies are detailed as follows:

(a) Statement of compliance

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as of November 28, 2011, the date the Board of Directors approved the interim consolidated financial statements. Any subsequent changes to IFRS that are given in the annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

These are the company's third interim consolidated financial statements prepared in accordance with IFRS. The accounting policies remained unchanged from those disclosed in the first interim financial statements for the quarter ended March 31, 2011. The 2010 consolidated financial statements include an opening balance sheet as at January 1, 2010, the date at which the impact of IFRS transition was recorded against equity, in accordance with the provisions of IFRS 1 "First Time Adoption of International Financial Reporting Standards". The 2010 comparative statements were prepared using the same basis of accounting. A detailed reconciliation of the consolidated financial statements prepared under Canadian generally accepted accounting principles ("Canadian GAAP") and the comparative 2010 IFRS financial information is presented in Schedules 1 to 7 (following note 15).

The company will ultimately prepare its opening consolidated balance sheet as of January 1, 2010 and consolidated financial statements for the years ended December 31, 2011 and 2010 by applying IFRS that are in effect as at December 31, 2011. Accordingly, the opening consolidated balance sheet as of January 1, 2010 and consolidated financial statements for the years ended December 31, 2011 and 2010 may differ from these interim consolidated financial statements if new IFRS are subsequently enacted.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Basis of presentation

These unaudited interim consolidated financial statements are prepared on the historical cost basis except for certain assets and financial instruments which are measured at their fair value, as explained in the accounting policies set out in this note. Non-current assets are stated at the lower of carrying amount and fair value less costs to sell. The accounting policies set out below have been applied consistently to all periods, both current and comparative, presented in the interim consolidated financial statements and in preparing an opening IFRS balance sheet at January 1, 2010 for the purpose of transition to IFRS.

These unaudited interim consolidated financial statements should be read in conjunction with the company's audited financial statements for the year ended December 31, 2010. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year end and results of operations for interim periods are not necessarily indicative of results expected for the fiscal year.

These unaudited interim consolidated financial statements, prepared by management, have not been reviewed by the company's external auditors.

(c) Consolidation

These unaudited interim consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries, Homeland Uranium, Inc. ("US sub"), a Utah company, Pan African Uranium Corp. ("Ontario sub"), an Ontario company, and Uranium International Limited Niger ("Niger sub"), a branch of the Ontario sub. Control is achieved when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated on consolidation.

(d) Mineral properties

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred *(see also notes 15(I)(d) and 15(II)(a) re transitional IFRS provisions)* until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(e) Property and equipment

Property and equipment ("PPE") are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition cost or production cost as well as the costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is computed using the straight-line and declining balance methods based on the estimated useful life of the assets.

Subsequent to initial recognition, the cost model is applied to property and equipment. The company has elected not to apply the option provided by IFRS 1 regarding the re-measurement, as at January 1, 2010, of its property and equipment at their fair value at that date.

The company recognizes in the carrying amount of an item of property and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

Depreciation is provided at rates calculated to write off the cost of property and equipment less their estimated residual value on a straight-line and declining balance methods, over the estimated useful lives of each part of an item of property and equipment, as follows.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of comprehensive income.

The company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the company prospectively.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(f) Financial instruments

Financial assets

Financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value, with any resultant gain or loss recognized in the statement of operations. Financial instruments classified as being available-for-sale are measured at fair value, with any resultant gain or loss being recognized directly under other comprehensive income, except for impairment losses and, in the case of monetary items such as securities denominated in foreign currency, which are recorded in foreign exchange gains and losses. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities. Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income.

Impairment losses

Impairment losses for the different financial assets and liabilities are recognized as follows:
FVTPL financial assets: An impairment loss on a financial asset or financial liability classified as FVTPL is recognized in net income in the period in which it arises.
Available-for-sale financial assets: When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is transferred to profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(g) Impairments

When events or changes in the economic environment indicate a risk of impairment of property and equipment and mineral properties, an impairment test is performed to determine whether the carrying amount of the asset or group of assets under consideration exceeds its or their recoverable amount. Recoverable amount is defined as the higher of an asset's fair value (less costs to sell) and its value in use. Value in use is equal to the present value of future cash flows expected to be derived from the use and sale of the asset.

(h) Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(i) Deferred taxes

Pursuant to the liability method, deferred taxes are recorded for temporary differences existing at closing date between the tax base value of assets and liabilities and their carrying amount in the consolidated balance sheet.

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of tax losses and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists, to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and which, at the transaction date, does not impact neither earnings, nor tax income or loss.

Current tax and deferred tax shall be charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(j) **Share based payments**

The company offers a share option plan for its officers, directors, employees and consultants. The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted, measured using the Black-Scholes option pricing model. The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

(k) **Functional currency and foreign currency translation**

Functional and presentation currency
The unaudited interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the corporate offices located in Canada. The functional currency of the Niger and USA subsidiaries are the West African CFA and US dollar respectively.

Foreign currency translation
Foreign currency transactions are initially recorded into the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate with all foreign currency adjustments being expensed.

Financial statements of the subsidiaries, for which the functional currency is not the Canadian dollar, are translated into Canadian dollars, the functional currency of the parent, as follows: all asset and liability accounts (including non-monetary and capital items) are translated at the period-end exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income.

2. Significant Accounting Policies, continued

(l) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

(m) Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions and use judgement that affected the reported amounts of assets, liabilities, revenues and expenses and disclosures. The significant areas requiring management estimates are carrying values of property and equipment and the valuation of equity instruments, such as stock options and warrants. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the consolidated financial statements in future periods could be significant.

(n) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

(o) Segment reporting

The geographical segment is a distinguishable component of the company based on a particular economic environment, which is subject to risks and rewards that are different from those of other segments.

3. ADOPTION OF NEW AND REVISED IFRS STANDARDS AND INTERPRETATIONS

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the company's financial year beginning on or after January 1, 2011. For the purpose of preparing and presenting the financial information for the relevant periods, the company has consistently adopted all these new standards for the relevant reporting periods. At the date of authorization of these interim consolidated financial statements, the IASB and IFRIC has issued the following new and revised standards and interpretations which are not yet effective for the relevant reporting periods:

- **IFRS 8**: 'Operating Segments' - disclosure on information about segment assets
- **IFRS 9** : 'Financial Instruments: Classification and Measurement' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments
- **IFRS 10**: 'Consolidated Financial Statements' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities
- **IFRS 11**: 'Joint Arrangements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form
- **IFRS 12**: 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows
- **IFRS 13**: 'Fair Value Measurement' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy

The company has not early adopted these standards, amendments and interpretations. However, management is currently assessing the impact of their application in the financial statements of the company.

4. RESTRICTED CASH

Certain cash balances are restricted as they relate to deposits with state regulatory authorities in the United States to secure various reclamation guarantees with respect to mineral properties in Utah and Colorado. As these licenses were not renewed by December 31, 2010, the company is in the process of obtaining final release of these funds. As these funds are not available for general corporate purposes, they have been separately disclosed.

During the first three quarters of 2011, about $102,000 of these deposits were returned to the company after successfully meeting the respective regulatory requirements.

5. INVESTMENTS

The company's investments, all considered FVTPL, are carried at market value and are comprised of the following:

	September 30 2011	Shares	December 31 2010	Shares
Southern Andes Energy Inc.	$ 284,738	2,372,819	$ 1,161,486	2,497,819
Homeland Energy Group Ltd.	-	-	17,500	250,000
	$ 284,738		$ 1,178,986	

6. MINERAL PROPERTIES

(a) **Niger concessions:**

(i) The company was granted three year uranium exploration concessions in January 2007 and approved by a governmental order on May 31, 2007. The concessions are located in the Agadez-Arlit district of northern Niger and are held in the name of Uranium International Limited Niger, a branch of the company's Ontario subsidiary.

On June 7, 2010, the government of Niger agreed to extend this agreement a further 27 months to August 31, 2012 under the same terms and conditions.

(ii) The key terms of the agreement include:

(a) 50% of the concessions must be relinquished on or before November 30, 2012.;
(b) a minimum expenditure of US$2,125,000 per concession during the grant period (see note 14)
(c) a 10% free carried interest for the state in the mining phase with an option to acquire an additional 30% at market value;
(d) exemptions during the exploration period include:
- value added tax
- corporate income tax
- income tax for expatriate employees
- land tax
- licence contribution
- mining flat tax and other registration fees
- import duties on certain equipment and spare parts

(e) a sliding scale mining royalty between 5.5% to 12% of the market value of production on FOB terms
(f) exemptions during the mining phase include:
- value added tax until the date of production
- taxes on industrial/business profits for three years from production
- land and mining flat taxes indefinitely
- import duties on certain equipment and spare parts.

6. MINERAL PROPERTIES, CONTINUED

(iii) During 2010, the company expended a total of $455,450 (2009 - $1,874,846) on the acquisition, exploration and development of mineral properties in Niger. As at December 31, 2010, the cumulative net expenditures on these properties were $11,614,986 (2009 - $11,159,536). In the first three quarters of 2011, the company has expended a further $123,923.

(b) **US properties:**

(i) During the year ended December 31, 2009, the company did not renew the mining leases of four properties and were ultimately dropped. These properties consisted of CNX, Norma Jean, and Tex in the state of Colorado and the Deremo West property in Utah. The company wrote down a total of $1,335,907 against these properties. Subsequently, the company wrote down the sum of $1,974,207 against the properties of Atkinson Mesa, Dry Creek and Slickrock in Utah comprising most of the capitalized expenditures on these properties. During 2010, the company did not renew the mining leases of Atkinson Mesa, Dry Creek, Slickrock and Vex and ultimately wrote off the remainder of the capitalized expenditures of the properties due to a lack of commercial viability.

(ii) During 2010, the company expended a total of $360,024 (2009 - $869,346) on the acquisition, exploration and development of mineral properties in the US. As at December 31, 2010, the cumulative net expenditures on these properties of $8,406,860 have all been written off.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2011	December 31 2010
Balances made up of:		
Trade accounts payable	**$ 77,003**	$ 60,519
Accrued liabilities and provisions	**120,853**	146,685
Payroll related	**52,448**	56,821
	250,304	264,025
Aging:		
Current	**24,000**	17,769
30-60	**57,097**	67,630
61+	**169,207**	178,626
	$ 250,304	$ 264,025

8. STOCK OPTIONS

The company has adopted a stock option plan under which options to purchase shares of the company may be granted to officers, directors, employees and consultants of the company. The following summary sets out the activity in outstanding stock options:

	September 30 2011	December 31 2010
Outstanding, beginning of period	**3,940,000**	4,090,000
Cancelled	**-**	(150,000)
Outstanding, ending of period	**3,940,000**	3,940,000

Number of stock options	**Remaining contractual life**	**Exercise price per share**	**Expiry date**	**Exercisable stock options**
2,005,000	1.1	0.25	May 7, 2012	2,005,000
1,835,000	1.9	0.25	March 6, 2013	1,835,000
100,000	2.7	0.25	November 21, 2013	100,000
3,940,000				3,940,000

During the nine month period ended September 30, 2011, the company recognized another $8,190 of share based payments. There are no further share based payments to be recognized based on currently issued options.

9. LOSS PER SHARE

(a) Share capital

In May, 2011, the company completed a non-brokered private placement of 20,000,000 shares for $0.0075 per share for total cash consideration of $150,000.

(b) Loss per share

The weighted average number of shares outstanding for the three month period ended September 30, 2011 was 72,142,778 (three month period ended September 30, 2010 - 62,472,448). The weighted average number of shares outstanding for the nine month period ended September 30, 2011 was 72,142,778 (nine month period ended September 30, 2010 - 51,043,877). Diluted loss per share is the same as basic loss per share as all options and warrants are anti-dilutive.

10. FINANCIAL INSTRUMENTS

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, currency and fair value). Risk management is carried out by the company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The company's credit risk is primarily attributable to cash and accounts receivable. Cash of $53,681 (December 31, 2010 - $24,413) is held with reputable financal institutions from which management believes the risk of loss to be minimal. Financial instruments included in accounts receivable consist of miscellaneous accounts receivable and accrued interest and deposits held with consultants and other service providers. All such accounts receivable and deposits are in good standing. As of September 30, 2011, a total of $11,487 (December 31, 2010 - $55,937) represented the maximum credit exposure on accounts receivable. All the 2010 accounts receivable were collected after year-end, and the current balance consists mostly of HST receivable. Accordingly, management believes that the credit risk concentration with respect to accounts receivable is negligible.

(b) Liquidity risk

Liquidity risk refers to the risk that the company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due, and as such, the company has classified its investments are current. As at Sptember 30, 2011, the company has working capital of $137,323 (December 31, 2010 - $1,129,466). All of the company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

(c) Market risk

The company is exposed to certain market risks including changes in pricing and limited access to foreign markets. Specifically, the carrying value of its investments, all of which are classified as FVTPL ("fair value through profit or loss"), are adjusted every period for any changes in their quoted trading prices.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the company has minimal or no cash balances that earn interest and no interest-bearing debt, its interest rate risk is considered nominal.

10. FINANCIAL INSTRUMENTS, CONTINUED

(e) Currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The company funds certain operations, exploration and administrative expenses in Niger and the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The company maintains US dollar bank accounts in Canada and the United States. The company is subject to gains and losses due to fluctuations in US dollar and Niger currency against the Canadian dollar.

A 10% increase or decrease in the respective foreign exchange rates that the company is subject to, based on the company's foreign denominated financial instruments as at period-end, could result in an estimated foreign exchange gain or loss of approximately $5,000.

(f) Fair value

The company has, for accounting purposes, designated its cash, restricted cash and investments as held-for-trading, each of which are measured at fair value. Accounts receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which approximates fair market value due to its short-term nature. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also approximates fair market value due to its short-term nature. Fair market value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

The fair value of the company's financial instruments where financial measurement is required, based on the criteria in note 2(f), are as follows:

	September 30 2011	December 31 2010
Level 1		
Cash	**$ 53,681**	$ 24,413
Restricted cash	**27,705**	127,340
Investments	**$ 284,738**	$ 1,178,986

11. CAPITAL MANAGEMENT

The company's objective when managing capital is to maintain adequate levels of funding to support development of its exploration projects, to expand regional exploration activities within Niger and to maintain corporate and administrative functions. The company considers its capital to be equity, which is comprised of share capital, contributed surplus, reserve for warrants, reserve for share based payments, accumulated deficit and accumulated other comprehensive loss, which at September 30, 2011 was $213,527 (December 31, 2010 - $1,245,917). The company manages its capital structure in an effort to provide sufficient funding for its development projects. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the company will be able to continue raising equity capital in this manner (see note 1(c)). The Board of

Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the company, is reasonable. There have been no changes in the company's approach to capital management since the year-end. The company is not subject to externally imposed capital requirements.

12. SEGMENTED INFORMATION

September 30, 2011	**Canada**	**USA**	**Niger**	**Total**
Cash	**$ 40,639**	**$ 7,059**	**$ 5,983**	**$ 53,681**
Accounts receivable	**19,312**	**-**	**2,394**	**21,706**
Restricted cash	**-**	**27,705**	**-**	**27,705**
Investments	**284,738**	**-**	**-**	**284,738**
Capital assets	**384**	**17,498**	**58,322**	**76,204**
Total assets	**$ 345,073**	**$ 52,262**	**$ 66,699**	**$ 464,034**

December 31, 2010	Canada	USA	Niger	Total
Cash	$ 5,104	$ 7,492	$ 11,817	$ 24,413
Accounts receivable	12,596	47,452	2,614	62,662
Restricted cash	-	127,340	-	127,340
Investments	1,178,986	-	-	1,178,986
Capital assets	770	48,133	67,458	116,361
Total assets	$ 1,197,456	$ 230,417	$ 81,889	$ 1,509,762

13. RELATED PARTY TRANSACTIONS

The company has transacted with related parties pursuant to service arrangements in the ordinary course of business. These transactions were recorded at the exchange amount as agreed between the related parties and included the following:

(a) Starting in January, 2011, the company paid $6,500 per month (total of $58,500 for the six months ended September 30, 2011) to Grove Capital Group Ltd., a company controlled by an officer and director, for management and administrative services. These services were previously provided by Southern Andes Energy Inc. at a a time when the companies shared common management and office premises.

14. COMMITMENT

The company is committed to spend a minimum of US$300,000 per concession before November 30, 2008 (US$2,400,000 for the eight concessions) (see also note 1(c)). For the periods ending November 30, 2009 and 2010, the annual expenditures are increased to US$500,000 and US$1,325,000 respectively per concession (US$4,000,000 and US$10,600,000 for the eight concessions). The concession licenses have since been extended to August 31, 2012. To date, the company has spent approximately $ 6,120,000 (excluding pre-operational expenditures) on the eight Niger concessions.

The company has encountered many delays during the execution of its Niger project due to events or circumstances beyond the company's control. The government of Niger has acknowledged these delays as "force majeure" and has pledged to grant the company an extension to its current contract to compensate for the lost time. The company is in process to make the necessary applications to get the extension formalized.

In addition, the company has agreed to make three time cash payments to the government for the purpose of training Niger nationals equivalent to US$10,000 per concession or US$ 80,000 for its eight concessions as part of minimum spending commitments.

15. FIRST TIME ADOPTION OF IFRS (SEE SCHEDULES 1 TO 7 ATTACHED)

As stated in Summary of Significant Accounting Policies (note 2(a)), these are the company's first interim consolidated financial statements prepared in accordance with IFRS.

The policies set out in the Summary of Significant Accounting Policies section have been applied iin preparing the interim consolidated financial statements for the period ended March 31, 2011, the comparative information presented in these financial statements for the period ended December 31, 2010 and in the preparation of an opening IFRS balance sheet at January 1, 2010 (the company's date of transition).

Under IFRS 1 'First time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. The company has followed the recommendations in IFRS-1 'First-time adoption of IFRS', in preparing its transitional statements. IFRS-1 provides specific one-time choices and mandates specific one-time exceptions with respect to first-time adoption of IFRS.

(I) Choices available at first-time adoption IFRS that the company has adopted include:

(a) Property and equipment: IFRS 1 provides a choice between measuring property and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical valuation under the prior GAAP. The company has decided to continue to apply the cost model for property and equipment and has not restated property and equipment to fair value under IFRS. The historical bases under Canadian GAAP have been designated as the deemed cost under IFRS at Transition Date.

(b) Foreign exchange: Retrospective application of IFRS would require recalculation of cumulative currency translation differences in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, from the date a subsidiary or associate was formed or acquired. Alternatively, IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date of January 1, 2010. The company has elected to reset all cumulative translation gains and losses to zero in opening retained earnings at January 1, 2010.

(c) Share-based payments: IFRS 2, Share Based Payments, permits the application of that standard only to equity instruments granted after November 7, 2002 that had not vested by January 1, 2010. As permitted, the company has applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by January 1, 2010.

(d) Mining properties: IFRS 6 permits entities to continue to use their eisting accounting policies for exploration and evaluation assets. The company will take an exemption provided by IFRS 6.7 in developing its accounting policies and will apply IAS 8.10 as required by IFRS 6.6. As a result of this policy choice, the company is required to expense all of its previously capitalized exploration and evaluation expenditures at the transition date (see also note 2(d)) and Schedule 1). The company will not continue to capitalize exploration expenditures and will adopt a policy choice where all exploration and acquisition costs of unproven resources are expensed as it believes that this policy results in information that is:

(i) Relevant to the economic decision-making needs of users; and

(ii) Reliable, in that the financial statements: (i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects.

(e) Business combinations: IFRS 3 allows its requirements to be applied from the transition date

(II) Explanatory notes to the following IFRS reconciliations (see Schedules 1 to 7 attached) are as follows:

(a) Under Canadian GAAP – Prior to 2011, the company used the policy to defer the cost of mineral properties and their related exploration and development costs until the properties are placed into production, sold or abandoned. These costs would be amortized over the estimated useful life of the properties following the commencement of production. Cost includes both the cash consideration as well as the fair market value of any securities issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments were made at the sole discretion of the company, were recorded in the accounts at such time as the payments are made. The proceeds from property options granted reduced the cost of the related property and any excess over cost is applied to income.

Under IFRS – Acquisition, exploration and evaluation expenditures for each property can be expensed as incurred, unless such costs are expected to be recovered through successful development and exploration of the property or, alternatively, by its sale. All mining property expenditures capitalized up to December 31, 2009 have been charged to retained earnings as at January 1, 2010.

(b) Under IFRS, the results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows: assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet, income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and all resulting exchange differences are recognized as a separate component of equity.

(c) Under Canadian GAAP – Prior to 2011, the Company recorded the value of share based payments and warrants issued to contributed surplus.

Under IFRS – IFRS requires an entity to present for each component of equity, a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. IFRS requires a separate disclosure of the value that relates to "Reserves for warrants", "Reserves for share based payments" and any other component of equity.

HOMELAND URANIUM INC.

Schedules to Interim Consolidated Financial Statements
Three and nine month periods ended September 30, 2011 and 2010
(Stated in CAD)
(Unaudited - Prepared by Management)

FIRST TIME ADOPTION OF IFRS

Schedule 1: Reconciliation of Consolidated Statement of Financial Position

as at January 1, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS	FS Note 15
	$	$	$	
ASSETS				
Current:				
Cash	4,337,215	-	4,337,215	
Accounts receivable	70,532	-	70,532	
	4,407,747	-	4,407,747	
Long term:				
Restricted cash	162,742	-	162,742	
Investments	2,222,332	-	2,222,332	
Property and equipment	258,317	26,122	284,439	**B**
Mineral properties	11,886,823	(11,886,823)	-	**A**
	18,937,961	(11,860,701)	7,077,260	
LIABILITIES				
Current:				
Accounts payable and accrued liabilities	232,038	-	232,038	
Long term:				
Future income taxes	2,150,000	(2,150,000)	-	**A**
	2,382,038	(2,150,000)	232,038	
SHAREHOLDERS' EQUITY				
Share capital	18,751,611	-	18,751,611	
Contributed surplus	4,499,497	(3,047,690)	1,451,807	**C**
Reserve for share based payments	-	1,990,307	1,990,307	**C**
Reserve for warrants	6,395,996	1,057,383	7,453,379	**C**
Accumulated deficit	(13,091,181)	(9,710,701)	(22,801,882)	**A,B,C**
	16,555,923	(9,710,701)	6,845,222	
	18,937,961	(11,860,701)	7,077,260	

See accompanying notes

HOMELAND URANIUM INC.

Schedules to Interim Consolidated Financial Statements
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(Stated in CAD)
(Unaudited - Prepared by Management)

FIRST TIME ADOPTION OF IFRS

Schedule 2: Reconciliation of Consolidated Statement of Financial Position

as at September 30, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS	FS Note 15
	$	$	$	
ASSETS				
Current:				
Cash	192,325	-	192,325	
Accounts receivable	15,277	-	15,277	
	207,602	-	207,602	
Long term:				
Restricted cash	113,090	-	113,090	
Investments	5,598,470	-	5,598,470	
Property and equipment	156,809	8,160	164,969	**B**
Mineral properties	11,509,339	(11,509,339)	-	**A**
	17,585,310	(11,501,179)	6,084,131	
LIABILITIES				
Current:				
Accounts payable and accrued liabilities	167,518	-	167,518	
Long term:				
Future income taxes	2,000,000	(2,000,000)	-	**A**
	2,167,518	(2,000,000)	167,518	
SHAREHOLDERS' EQUITY				
Share capital	19,737,111	-	19,737,111	
Contributed surplus	8,905,186	(7,453,379)	1,451,807	**C**
Stock options and warrants	2,008,260	(2,008,260)	-	**C**
Reserve for share based payments	-	2,008,260	2,008,260	**C**
Reserve for warrants	-	7,453,379	7,453,379	**C**
Accumulated deficit	(15,232,765)	(9,527,200)	(24,759,965)	**A,B,C**
Accumulated other comprehensive loss	-	26,021	26,021	**B**
	15,417,792	(9,501,179)	5,916,613	
	17,585,310	(11,501,179)	6,084,131	

See accompanying notes

HOMELAND URANIUM INC.

Schedules to Interim Consolidated Financial Statements
Three and nine month periods ended September 30, 2011 and 2010
(Stated in CAD)
(Unaudited - Prepared by Management)

FIRST TIME ADOPTION OF IFRS

Schedule 3: Reconciliation of Interim Consolidated Statement of Loss and Comprehensive Loss

for the three and nine month periods ended September 30, 2010

	Three months ended September 30, 2010			Nine months ended September 30, 2010			
	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS	FS Note 15
	$	$	$	$	$	$	
Revenue							
Foreign exchange gain	(186,106)	171,839	(14,267)	130,461	(193,986)	(63,525)	A,B
Interest income	842	-	842	11,052	-	11,052	
	(185,264)	171,839	(13,425)	141,513	(193,986)	(52,473)	
Expenses							
Corporate and investor relations	7,892	-	7,892	292,287	-	292,287	
Professional fees	2,210	-	2,210	131,328	-	131,328	
Exploration expenditures	-	185,383	185,383	13,748	736,402	750,150	A
Office and administration	7,597	-	7,597	89,698	-	89,698	
Mineral property impairment	1,130,797	(1,130,797)	-	1,130,797	(1,130,797)	-	
Loss (gain) on sale of assets	(48,367)	-	(48,367)	(48,367)	-	(48,367)	
Depreciation	10,384	16,911	27,295	31,794	16,911	48,705	
Share based payments	6,093	-	6,093	17,953	-	17,953	
Unrealized loss on FVTPL securities	244,123	-	244,123	256,623	-	256,623	
Realized loss on FVTPL securities	-	-	-	367,239	-	367,239	
	1,360,729	(928,503)	432,226	2,283,100	(377,484)	1,905,616	
Net earnings	(1,545,993)	1,100,342	(445,651)	(2,141,587)	183,498	(1,958,089)	
Other comprehensive loss							
Net earnings	(1,545,993)	1,100,342	(445,651)	(2,141,587)	183,498	(1,958,089)	
Exchange differences on translating foreign operations	-	20,515	20,515	-	26,021	26,021	B
	(1,545,993)	1,120,857	(425,136)	(2,141,587)	209,519	(1,932,068)	

HOMELAND URANIUM INC.

Schedules to Interim Consolidated Financial Statements
Three and nine month periods ended September 30, 2011 and 2010
(Stated in CAD)
(Unaudited - Prepared by Management)

FIRST TIME ADOPTION OF IFRS

Schedule 4: Reconciliation of Interim Consolidated Statement of Cash Flows

for the nine month period ended September 30, 2010

	Canadian GAAP $	Effect of transition to IFRS $	IFRS $	FS Note 15
Operating activities				
Net income (loss)	(2,141,587)	183,498	(1,958,089)	
Add (deduct) items not affecting cash				
Impairment of mineral properties	1,130,797	(1,130,797)	-	**A**
Depreciation	31,794	16,911	48,705	
Share based payments	17,953	-	17,953	
Foreign exchange gain on future tax liability	(150,000)	150,000	-	**A**
Gain on sale of assets	(48,367)	-	(48,367)	
Unrealized loss on FVTPL securities	791,782	-	791,782	
Realized loss on FVTPL securities	(167,920)	-	(167,920)	
Unrealized foreign exchange losses	-	65,823	65,823	**B**
	(535,548)	(714,565)	(1,250,113)	
Change in non-cash working capital balances				
Accounts receivable and prepaid expenses	55,255	-	55,255	
Accounts payable and accrued liabilities	(64,519)	-	(64,519)	
	(544,812)	(714,565)	(1,259,377)	
Investing activities				
Mineral property expenditures	(691,313)	691,313	-	**A**
Investment in Southern Andes Energy Inc.	(4,000,000)	-	(4,000,000)	
Additions to capital assets	(2,660)	-	(2,660)	
Increase in restricted cash	49,652	-	49,652	
Other	58,743	23,252	81,995	
	(4,585,578)	714,565	(3,871,013)	
Financing activities				
Issuance of common shares, net of financing costs	985,500	-	985,500	
Decrease in cash	(4,144,890)	-	(4,144,890)	
Cash, beginning of period	4,337,215	-	4,337,215	
Cash, end of period	192,325	-	192,325	

See accompanying notes

HOMELAND URANIUM INC.

Schedules to Interim Consolidated Financial Statements
Three and nine month periods ended September 30, 2011 and 2010
(Stated in CAD)
(Unaudited - Prepared by Management)

FIRST TIME ADOPTION OF IFRS

Schedule 5: Reconciliation of Consolidated Statement of Financial Position

as at December 31, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS	FS Note 15
	$	$	$	
ASSETS				
Current:				
Cash	24,413	-	24,413	
Accounts receivable	62,752	-	62,752	
Restricted cash	127,340	-	127,340	
Investments	1,178,986	-	1,178,986	
	1,393,491	-	1,393,491	
Long term:				
Property and equipment	116,560	(109)	116,451	**B**
Mineral properties	11,614,986	(11,614,986)	-	**A**
	13,125,037	(11,615,095)	1,509,942	
LIABILITIES				
Current:				
Accounts payable and accrued liabilities	264,025	-	264,025	
Long term:				
Future income taxes	1,900,000	(1,900,000)	-	**A**
	2,164,025	(1,900,000)	264,025	
SHAREHOLDERS' EQUITY				
Share capital	19,737,111	-	19,737,111	
Contributed surplus	10,547,541	(9,095,734)	1,451,807	**C**
Reserve for share based payments	-	2,012,355	2,012,355	**C**
Reserve for warrants	-	7,083,379	7,083,379	**C**
Accumulated deficit	(19,323,640)	(9,666,182)	(28,989,822)	**A,B,C**
Accumulated other comprehensive loss	-	(48,913)	(48,913)	**B**
	10,961,012	(9,715,095)	1,245,917	
	13,125,037	(11,615,095)	1,509,942	

See accompanying notes

HOMELAND URANIUM INC.

Schedules to Interim Consolidated Financial Statements
Three and nine month periods ended September 30, 2011 and 2010
(Stated in CAD)
(Unaudited - Prepared by Management)

FIRST TIME ADOPTION OF IFRS

Schedule 6: Reconciliation of Consolidated Statement of Loss and Comprehensive Loss for the year ended December 31, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS	FS Note 15
	$	$	$	
Revenue				
Unrealized gain on held-for-trading securities	573,764	-	573,764	
Foreign exchange gain	222,533	(227,321)	(4,788)	A,B
Gain on disposal of property and equipment	44,503	-	44,503	
Interest income	12,007	-	12,007	
	852,807	(227,321)	625,486	
Expenses				
Impairment of mineral properties	1,087,311	(1,087,311)	-	A
Exploration expenditures	-	929,549	929,549	A
Realized loss on held-for-trading securities	367,239	-	367,239	
Corporate and investor relations	288,884	-	288,884	
Professional fees	182,584	-	182,584	
Project development	114,075	(114,075)	-	A
Office and administration	100,846	-	100,846	
Depreciation	42,411	-	42,411	
Share based payments	22,048	-	22,048	
	2,205,398	(271,837)	1,933,561	
Loss from discontinued operations before income taxes	(1,352,591)	44,516	(1,308,075)	
Income tax recovery	(772,000)	-	(772,000)	
Net loss from continued operations	(580,591)	44,516	(536,075)	
Loss from discontinued operations	515,563	-	515,563	
Net loss	(1,096,154)	44,516	(1,051,638)	
Other comprehensive loss				
Net loss	(1,096,154)	44,516	(1,051,638)	
Exchange differences on translating foreign operations	-	48,913	48,913	B
	(1,096,154)	93,429	(1,002,725)	

See accompanying notes

HOMELAND URANIUM INC.

Schedules to Interim Consolidated Financial Statements
Three and nine month periods ended September 30, 2011 and 2010
(Stated in CAD)
(Unaudited - Prepared by Management)

FIRST TIME ADOPTION OF IFRS

Schedule 7: Reconciliation of Consolidated Statement of Cash Flows

for the year ended December 31, 2010

	Canadian GAAP	Effect of transition to IFRS	IFRS	FS Note 15
	$	$	$	
Operating activities				
Net loss	(580,591)	44,516	(536,075)	
Add (deduct) items not affecting cash				
Amortization	42,411	69,152	111,563	A
Impairment of mineral properties	1,087,311	(1,087,311)	-	A
Income tax recovery	(772,000)	-	(772,000)	
Share based payments	22,048	-	22,048	
Gain on disposal of property and equipment	(44,503)	-	(44,503)	
Foreign exchange gain on future tax liability	(250,000)	250,000	-	A
Realized loss on FVTPL securitues	367,239	-	367,239	
Unrealized gain on FVTPL securitues	(573,764)	-	(573,764)	
Unrealized foreign exchange losses	-	(25,683)	(25,683)	B
	(701,849)	(749,326)	(1,451,175)	
Change in non-cash working capital balances				
Accounts receivable and prepaid expenses	7,780	-	7,780	
Accounts payable and accrued liabilities	31,988	-	31,988	
	(662,081)	(749,326)	(1,411,407)	
Financing activities				
Net proceeds from issuance of share capital	985,500	-	985,500	
Investing activities				
Mineral properties expenditures	(749,326)	749,326	-	A
Proceeds from sale of property and equipment	77,703	-	77,703	
Decrease in restricted cash	35,402		35,402	
Investment in Southern Andes	(4,000,000)	-	(4,000,000)	
	(4,636,221)	749,326	(3,886,895)	
Decrease in cash	(4,312,802)	-	(4,312,802)	
Cash, beginning of period	4,337,215	-	4,337,215	
Cash, end of period	24,413	-	24,413	

See accompanying notes