MANAGEMENT'S DISCUSSIONAND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Three and twelve month periods ended December 31, 2011
(Stated in $CAD)

The following MD&A of Homeland Uranium Inc. contains information concerning the company's business strategies, capabilities, financial results and an overview of the outlook for the company and the industry as at April 30, 2012. The consolidated financial statements, together with the accompanying note disclosure, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), also contain information that supplements this discussion (note 19 provides further details on the key Canadian GAAP to IFRS differences). The MD&A should be read in conjunction with the company's consolidated financial statements for the years ended December 31, 2011 and 2010. All financial balances are stated in Canadian dollars, the company's functional currency. All public filings of the company are available on SEDAR at www.sedar.com.

The following discussion contains forward-looking statements that involve numerous risks and uncertainties. Actual results of the company could differ materially from those discussed in the forward-looking statements. These risks and uncertainties are highlighted under "Risk Factors" and "Forward-Looking Statements" found in this document, further below.

OVERVIEW

Homeland Uranium Inc. is acompany engaged in the business of evaluation and exploration of uranium resource properties, currently in Niger, West Africa. 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.

The company targets properties that have the potential to host economically significant quantities and concentrations of one or more mineral resource commodities, principally uranium. Financial success is dependent upon the discovery of a mineral deposit that can be developed and mined at a profit. The probability of such success is difficult to quantify and the amount of resulting income, if any, cannot be determined with any certainty. None of the mineral properties held by the company are in production and, as such, the company does not currently have operating income or positive cash flow from operations.

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.

Going Concern

The accompanying 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 has spending commitments under the terms of its concessions in Niger (see notes 7(a) and 18 to the consolidated financial statements). 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 previously chosen to expense all exploration expenditures under IFRS (see note 19(I)(d)).

Management will be applying for a renewal of the Niger concessions which will provide the company with a new 3-year exploration permit upon relinquishing 50% of each of the eight concessions. Further, management is actively exploring options available to them to fund exploration expenses, including sale of the company's interest in the agreements 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 expressed 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 administrative 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 10(d) and in February 2012 as per note 10(e)) and/or (2) sell its interest in its investments (see note 5) in what is currently an illiquid market for those shares.

While management believes 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 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 consolidated financial statements.

Other Considerations

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.

Capitalization

The following sets the capitalization of the company as at December 31, 2011:

Description	Number of securities outstanding
Issued and outstanding	82,472,448[(1)(2)]
Stock options	2,280,000[(3)]
Total number of securities outstanding	**84,752,448**

(1) In May, 2011, the company closed a non-brokered private placement financing of 20,000,000 common shares at $0.0075 per common share for gross cash proceeds of $150,000.

(2) In February, 2012, the company closed a non-brokered private placement financing of 55,000,000 common shares at $0.005 per common share for gross proceeds of $275,000.

(3) See note 12 of the consolidated financial statements for further information on stock options.

MINERAL PROPERTIES

(1) Niger

Following the acquisition of the Niger assets from Homeland Energy in February, 2007, the company set up an administrative office in Niamey, Niger, an exploration warehouse facility in Agadez and an exploration field compound in Arlit. Several experienced Niger geologists and field technicians were hired during the second quarter of 2007 and by the third quarter of 2007, an exploration program had been finalized and field work subsequently commenced. A considerable amount of field equipment, including all-terrain vehicles, computers, tents and related equipment, was purchased and shipped to Niger.

During the year ended December 31, 2010, the company completed a follow up field program over the Asekra block of four licenses in order to obtain more data and related detailed information about the three large anomalous areas it identified during 2009. This field program comprised hand held scintillometer readings and geochemical sampling along a series of profile lines over Asekra targets 1, 2 and 3, along with first phase geological mapping and sampling. All data generated will be incorporated into the company's digital data base, processed and interpreted.

The Niger offices were relatively inactive during the first nine months of 2011 retaining a skeleton staff to keep administrative and regulatory affairs in order. The company completed a small work program in Q2 comprised of minor geological mapping to meet government work obligations. Any further drill programs will be dependent on interest displayed by the public markets and on a continued improvement in security concerns in Niger.

(2) USA

The slump in uranium prices through 2008, 2009 and early 2010 led management to decide to relinquish its uranium holdings in the USA over that period. The US offices of the company are still actively collecting the remainder of the reclamation deposits held by US government regulatory authorities.

Significant Events Affecting the Nuclear Industry in 2011

The long-term implications of the nuclear plant problems in Japan remain uncertain and the company continues to have limited visibility into the effects that these events could have on its business. For the purposes of risk assessment, it is prudent to assume that the net effect on the potential to raise additional funds and further the company's plans is potentially very negative. However, it is the view of management that through early 2012 interest in the uranium exploration business slowing rebuilding from the turmoil of 2011.

FINANCIAL RESULTS

Summary of Quarterly Results

The table below reflects a summary of certain key financial results for each of the eight previous quarters, including changes that have resulted from the application of IFRS:

Description	December 2011	September 2011	June 2011	March 2011	December 2010	September 2010	September 2010	March 2010
Cash and cash equivalents	$4,783	$53,681	$148,900	$78,468	$24,413	$192,235	$340,883	$3,914,677
Investments	367,787	284,738	510,156	920,671	1,178,986	5,598,470	5,842,593	2,393,117
Exploration expenditures	146,044	39,398	47,891	36,634	132,741	185,383	270,759	248,919
Total expenses	102,512	54,472	179,397	331,131	254,585	649,788	536,387	562,699
Net income (loss) for quarter	(197,211)	(319,102)	(563,425)	(312,931)	7,536,673	(600,579)	(919,022)	(182,502)

Results of operations for twelve months ended December 31, 2011

The table below reflects a summary of the key financial results for the years ended December 31, 2011 and 2010:

Description	As at December 2011	As at December 31, 2010
Working capital (deficiency)	$(30,894)	$1,129,466
Capital assets	30,487	116,451
Shareholders' equity (deficiency)	(497)	1,245,917

Liquidity and Capital Resources

As at December 31, 2011, the company had a working capital deficiency of $30,894 (December 31, 2010 – positive working capital of $1,129,406). The major components of working capital as at December 31, 2011 are (i) the company's share position in Southern Andes Energy Inc., consisting of 2,372,819 common shares with a fair market value of $367,787 (2,497,819 shares with a fair market value of $1,161,486 as at December 31, 2010) and (ii) restricted cash of $26,881 relating to reclamation deposits in the US that are expected to be released over the course of 2011.

The cash position of the company as at December 31, 2011 was $4,783 (December 31, 2010 - $24,413). Accounts receivable and prepaid expenses at December 31, 2011 totalled $34,364 (December 31, 2010 - $62,752), comprised mostly of prepaid insurance and expected HST refunds. The company has no indebtedness other than ordinary trade payables and accruals at December 31, 2011 totalling $464,799 (December 31, 2010 - $264,025).

In May, 2011, the company closed a non-brokered private placement financing of 20,000,000 common shares at $0.0075 per common share for gross cash proceeds of $150,000. The proceeds were used for general working capital purposes, maintenance of the company's administrative structure and a small drill program in Niger.

2012 Budgeted Cash Requirements (see also "Going Concern" section above)

The company has budgeted cash needs of approximately $250,000 for the next twelve months, consisting of the administrative, regulatory and operating expenditures of the Canadian company and administrative and property commitments in Niger. This does not include any further investment commitments, merger or acquisition plans that the company may undertake during the coming year. The company is considering further options to raise extra funds in this coming period to satisfy its long term cash needs. Failure to obtain additional funds will be problematic for the company as discussed under the section "Going Concern". It may finance such requirements through equity financing, debt financing, and joint venture arrangements with other mining companies or the sale of interests in certain mining properties. There can be no assurances that such capital will be available to the company. In addition to the private placements done in May, 2011 and February, 2012, it is therefore likely that the company will turn to current and/or new shareholders for further additional investment to carry out the company's plans through the next year.

The company has limited resources of funds to engage in additional exploration and development, which may be necessary to exploit its properties and make additional acquisition payments in order to maintain its property interests. The company may not be able to obtain, on satisfactory terms, the financing necessary to finance its substantial obligations in respect of the company's mineral property interests. As such, the company is actively investigating all options available to it to increase shareholder value and to most effectively fund future operations.

General Expenses

During the year ended December 31, 2011, the company incurred total expenses of $1,464,675 (December 31, 2010 - $1,938,350). The 2011 expenses for the year ended December 31, 2011 include recognized losses of $797,163 on the company's investment position versus recognized $367,239 for the same period last year. Exploration expenditures (now expensed under IFRS) for the year ended December 31, 2011 were $269,967 compared to $837,802 for the same period last year, attributable to the company's scaling back of its exploration and development activities in Niger and cessation of active operations in the US. General expenses (comprising corporate and investor relations, professional fees, and office and administration costs) for the year ended December 31, 2011 amounted to $397,545 compared to $733,309 for the same period in 2010.

Commitments (see "Going Concern" section above)

In Niger, the company is committed to spend a minimum of US$300,000 per concession in the first year (US$2,400,000 for the eight concessions). In the second and third years the 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). In addition, the company is obliged to pay land royalty fees to the government of Niger equivalent to CFA 1,000 ($2.61) per square kilometre in the first three year term of the agreement ($9,460 in total). In the first, second and later terms of renewals, the land royalties are increased to CFA 2000, CFA 3,000 and CFA 5,000 respectively per square kilometre. The company has also agreed to make cash payments to the government for the purpose of training Niger nationals equivalent to US$10,000 per concession per year for three years or US$ 80,000 for its eight concessions.

The company was granted the uranium exploration concessions relating to the Niger Properties in January 2007 and received Niger governmental approval on November 30, 2007. These concessions were granted for a three year period plus a nine month preparation period. In September 2010, the company was granted an extension to its licences until September, 2012.

Transactions with Related Parties

The company has transacted with related parties pursuant to service arrangements in the ordinary course of business, as follows:

The company paid consulting fees of $14,000 ($3,500 per month for a period of four months) to the CEO of the company (2010 - $NIL). Starting in July, 2011, that compensation was added to the overall compensation of the company described in note 17(b-i).

Starting in January, 2011, the company paid $6,500 per month to Grove Capital Group Ltd., a company controlled by an officer and director, for management and administrative services, including compensation for the CFO, corporate secretary, office rent and regular administrative functions. Starting in July, 2011, the fee was increased to $10,000 per month as the compensation of the CEO was assumed by Grove Capital. Total fees paid during the year totalled $99,000 (2010 - $NIL). Accounts payable and accrued liabilities as at December 31, 2011 includes $33,900 owing to this party (including applicable HST).

An amount of $30,000 was paid to a company owned by the CFO for incremental services provided during the year. Accounts payable and accrued liabilities as at December 31, 2011 includes $33,900 owing to this party (including applicable HST).

A company controlled by a director received consulting fees of USD $39,000 during 2011 relating to the administration of the wind-down of the affairs of the company's US subsidiary. In 2010, this individual received a salary from the company's US subsidiary on the basis of his full time employment there in the ordinary course of business. Accounts payable and accrued liabilities as at December 31, 2011 includes USD $9,000 owing to this party.

IFRS IMPLEMENTATION

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 from those 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, Exploration for and Evaluation of Mineral Properties, permits entities to continue to use their existing 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 section 10 of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, 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.

(e) Business combinations: IFRS 3, Business Combinations may be applied retrospectively or prospectively. The retrospective basis would require restatement of all business combinations that occurred prior to January 1, 2010. The company has elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to January 1, 2010 and such business combinations will not be restated.

Note 19 and its Schedules 1 to 4 of the consolidated financial statements provide further details on the key Canadian GAAP to IFRS differences, the company's IFRS 1 First-Time Adoption of International Financial Reporting Standards optional exemption choices and the related accounting policy decisions.

RISK FACTORS (see also "Going Concern" section above)

An investment in the company's securities is considered extremely speculative. Prospective investors should consider the specific risks that are associated with the business of the company. None of the company's mineral properties in the Republic of Niger are in production and none of its mineral properties contain a known body of commercial ore. In order to develop its properties, the company may require additional financing which may not be possible to obtain.

The business of mining is generally subject to a number of risks and hazards, insurance for which is generally not available. The company has or is seeking to acquire interests in some volatile regions of the world which have experienced or continue to experience periods of political and/or economic instability including war, terrorism and public disorder. The company's activities may be subject to extensive foreign laws and regulations and the company may become subject to significant liabilities for environmental damage resulting from its exploration activities or for any subsequent development. In addition, changes in mining or investment policies and regulations which cannot be accurately predicted may adversely affect the company's business. There is no guarantee that the company will obtain all required permits to develop its property interests.

The company encounters competition from other companies, some of which have greater financial resources and technical facilities than the company. This applies to Niger and any other countries where the company is pursuing to acquire properties. Market fluctuations in the price of uranium and other energy related minerals is also another major risk factor as it may render ore reserves to be uneconomic.

The company has certain spending commitments on its properties and it is possible that these commitments may not be met in a timely manner for operational, security or other reasons. In normal circumstances, the company could negotiate an extension for its contract obligations, but there is no guarantee that it will succeed in obtaining such an extension or relief. In such cases, the company would risk losing its contractual rights on these properties. The company can manage these risks to some degree through the relinquishment of exploration rights over portions of the lands in question.

The company is a relatively young organization. Its success will largely depend on the efforts and abilities of certain senior officers and key employees. Certain of the directors and officers of the company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists a possibility for such directors and officers to be in a position of conflict. See "Conflicts of Interests" below.

Lack of Operational Liquidity

The expenses of the company will be funded from cash on hand from the remaining proceeds of the previous offerings, now effectively represented by the investment position in Southern Andes. Once such cash has been expended, Homeland Uranium will be required to seek additional financing. There is no guarantee that any debt or additional equity or equity related offering of securities will be available on terms acceptable to the company or that it will be able to locate or sell U_3O_8 in a timely or profitable manner.

Exploration, Development and Operating Risks

Mining and exploration operations generally involve a high degree of risk. The operations of Homeland Uranium are subject to all the hazards and risks normally encountered in the exploration, development and production of precious and base metals and other minerals, including, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The exploration for and development of mineral deposits involves significant risks which may not be eliminated even with a combination of careful evaluation, experience and knowledge. While the discovery of uranium and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the company towards the search and evaluation of uranium and other minerals will result in discoveries of commercial quantities of ore or other minerals.

Nuclear Accident

An accident at a nuclear reactor anywhere in the world, as recently occurred in Japan, , could impact on the continued acceptance by the public and regulatory authorities of nuclear energy and the future prospects for nuclear generators, which could have a material adverse effect on the Company.

Uranium Price Volatility

The company's activities will be almost exclusively exploration and possibly the development of uranium mining properties in Niger and the U.S. Therefore, the principal factors affecting the price of the common shares are factors which affect the price of U_3O_8, and are thus beyond the company's control. Such factors include, among others, (1) the demand for nuclear power, (2) natural catastrophes such as recently occurred in Japan, (3) political and economic conditions in uranium producing and consuming countries such as Canada, the United States and former Soviet Republics, (3) reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails, (4) sales of excess civilian and military inventory (including from dismantling of nuclear weapons), and (5) industry participants' production levels and costs of production in countries like Russia, Canada, United States and Africa.

The market prices of U_3O_8 are affected by rates of reclaiming and recycling of uranium and rates of production of uranium from mining, and may be affected by a variety of unpredictable international economic, monetary and political considerations, including increased efficiency of nuclear power plants and increased availability of alternative nuclear fuel, such as mixed oxide fuel generated in part from weapons grade plutonium.

Macroeconomic considerations include: expectations of future rates of inflation, the strength of, and confidence in, the U.S. dollar, the currency in which the price of U_3O_8 is generally quoted, and other currencies, interest rates and global or regional economic events.

In addition to changes in production costs, shifts in political and economic conditions affecting uranium-producing countries may have a direct impact on their sales of uranium.

The price of uranium is also tied directly to the worldwide electrical utility industry. Deregulation of the utility industry, particularly in the U.S. and Europe, is expected to affect the market for nuclear and other fuels for years to come, and may result in the premature shutdown of nuclear reactors. Experience to date with deregulation indicates that utilities are improving the performance of their reactors, achieving record capacity factors. There can be no assurance that this trend will continue.

Foreign Exchange Rates

With the cessation of exploration activities in the US, the company is now only exploring uranium properties in Niger. However, the company maintains its accounting records, reports its financial position and results, pays certain operating expenses and the common shares trade, in Canadian currency. Therefore, because exchange rate fluctuations are beyond the company's control, there can be no assurance that such fluctuations will not have an adverse effect on the company's operations or on the trading value of the common shares.

Security Threats Due to Armed Conflict

The security situation in the Arlit-Agadez region of northeastern Niger may worsen due to increased rebel activity by a Tuareg movement called the Mouvement des Nigeriens pour la Justice ("MNJ"). The MNJ have staged several attacks against government military installations in the region. If this conflict escalates and poses a risk to the health and safety of the company's personnel operating in the area, then the company may be forced to curtail or cease field exploration operations in the area, which may result in a material adverse effect on the company's business plan and operations. Recognition of this risk has led the Niger government to extend the original license terms for a further 27 months until August 31, 2012.

Competition

The mining and mineral exploration industry and in particular, the international uranium industry, is competitive in all of its phases. Homeland Uranium faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, uranium and uranium oxide. Many of these companies have greater financial resources, operational experience and technical capabilities than the company. As a result of this competition, the company may be unable to maintain or acquire attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the company could be adversely affected.

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydroelectricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydro-electricity, as well as the possibility of developing other low cost sources for energy, may result in lower demand for uranium. Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks, which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

Insurance and Uninsured Risks

The business of the company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the properties of the company or the properties of others, delays in mining, monetary losses and possible legal liability.

Homeland Uranium currently maintains no insurance other than director and officer liability insurance in Canada and vehicle insurance in Niger. The company may, however, acquire insurance in the future to protect against certain risks in such amounts as it considers being reasonable. While we may obtain insurance against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. Even after acquiring insurance, such insurance will not cover all the potential risks associated with a mining and/or exploration company's operations. The company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards because of exploration and production is not generally available to the company or to other companies in the mining and exploration industry on acceptable terms. The company might also become subject to liability for pollution or other hazards which it may not be insured against or which the company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Resignation by Key Personnel

The success of the company is highly dependent on the services of certain management personnel. The loss of the services of such personnel if not replaced, could have a material adverse effect on the business operations. The company does not currently have key-person insurance on these individuals.

Conflicts of Interest

Directors and officers of the company may provide investment, administrative and other services to other entities and parties. The directors and officers of the company have undertaken to devote such reasonable time as is required to fulfill their responsibilities properly in respect to the business and affairs of the company, as they arise from time to time.

Lack of Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the company.

Regulatory Change

Homeland Uranium could be affected by changes in regulatory requirements, customs, duties or other taxes. Such changes could, depending on their nature, benefit or adversely affect the company.

Risks Related to Title to Properties

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the company believes that it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of the properties will not be challenged or impaired. Third parties may have known or unknown valid claims underlying portions of the company's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the company may be unable to operate its properties as permitted or may be unable to enforce its rights with respect to its properties. Homeland Uranium may seek to increase the concentration of its mining activities in areas where it already operates mines, or has exploration licenses that it expects will result in operating mines. If the company seeks to amend its current licenses to include additional resources in the area, there can be no assurance that it will be able to obtain the necessary authorizations and regulatory approvals.

No Mineral Resources or Mineral Reserves

No mineral resources or mineral reserves have been attributed to the Niger property and the company holds no other property interests as of the date of this MD&A.

The exploration of the area encompassed within the company's properties must be considered to be in an early stage. There is no assurance that any mineralization will be discovered in economic quantities, if at all. The long-term viability of the company depends upon its ability to find or acquire, develop and commercially produce base metals and other minerals.

Environmental Risks

All of Homeland Uranium's planned operations are subject to environmental regulations, some of which are also subject to environmental licensing. This can make the company's business expensive to operate or prevent certain operations altogether. The company is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur because of its mineral exploration, development and production. Such liabilities include not only the obligation to remediate environmental damages and indemnify affected third parties, but also the imposition of administrative and criminal sanctions against the company and its employees and executive officers.

To the extent the company is subject to environmental liabilities, the payment of such liabilities or the costs that may be incurred to remedy environmental pollution would reduce funds otherwise available to the company and could have a material adverse effect on Homeland Uranium. If the company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the company. Homeland Uranium has not purchased (and does not intend to purchase) insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) because it is not generally available at a reasonable price.

All of the company's planned exploration and possible development and production activities are, or will be, subject to regulation under one or more of the various local, state and federal environmental laws and regulations. Many of the regulations require the company to obtain authorizations for its activities. The company must update and review its authorizations from time to time and are subject to environmental impact analyses and public review processes prior to approval of new activities. It is possible that future changes in applicable laws, regulations and authorizations or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the company's business, causing those activities to be economically re-evaluated at that time. Those risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond the company's financial capability or that of its subsidiaries. Where posting of a bond in accordance with regulatory determinations is a condition to the right to operate under any material operating authorizations, increases in bonding requirements could prevent the company from operating even if it and its subsidiaries were otherwise in full compliance with all substantive environmental laws.

Need For, and Availability of, Future Additional Equity Capital

Homeland Uranium's business strategy may require additional substantial capital investment. To the extent that cash generated internally and cash available under any credit facility that may be entered into are not sufficient to fund capital requirements, the company will require additional debt and/or equity financing. However, this type of financing may not be available or, if available, may not be available on satisfactory terms. If the company fails to generate or obtain sufficient additional capital in the future, it could be forced to reduce or delay capital expenditures, sell assets or restructure or refinance indebtedness, if any.

The company may need to obtain additional resources in the future in order to execute the company's growth strategy, including the possible acquisition of new businesses and assets. The company may not be able to obtain debt financing on terms attractive to it, or at all. If the company cannot obtain adequate funds to satisfy its capital requirements internally or through other methods of financing, the company may need to increase its capital through an additional equity offering. Sales by the company of a substantial number of common shares after the completion of the offering could negatively affect the market price of the common shares and dilute existing shareholdings.

Foreign Operations

The majority of the operations of Homeland Uranium are currently conducted outside of Canada in Niger and as such, the operations of the company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates, high rates of inflation; labor unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies, restrictions on foreign exchange, and changing political conditions, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining, exploration or investment policies or shifts in political attitude in Niger may adversely affect the operations or profitability of the company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the company.

Government Regulation

The mining, processing, development and mineral exploration activities of the company are subject to various laws governing prospecting, development, production, taxes, labor standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the mining and processing operations and exploration and development activities of the company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the company.

Market Price of Common Shares

The common shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the common shares is also likely to be significantly affected by short-term changes in precious metals and uranium oxide or other mineral prices, or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the company's performance that may have an effect on the price of its common shares include the following: (1) the extent of analytical coverage available to investors concerning the company's business may be limited if investment banks with research capabilities do not follow the company's securities, (2) lessening in trading volume and general market interest in the company's securities may affect an investor's ability to trade significant numbers of common shares, (3) the size of the company's public float may limit the ability of some institutions to invest in the company's securities, and (4) a substantial decline in the price of the common shares that persists for a significant period of time could cause the company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the company's long-term value. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

No Dividends

No dividends on the common shares have been paid by the company to date. The company currently plans to retain all future earnings and other cash resources, if any, for the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the company's board of directors after taking into account many factors, including the company's operating results, financial condition, and current and anticipated cash needs.

Control of the Company

The company currently has two significant shareholders holding an aggregate of close to 40% of the outstanding securities of the company. As a result, the ability to impact on the election of directors and other corporate actions is concentrated with these shareholders, possibly to the detriment of other shareholders.

FORWARD LOOKING STATEMENTS

This discussion contains "forward looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the company, its subsidiaries and its projects, timing and likelihood of obtaining government approval for exploration and other operations, the future price of uranium, exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital and availability of future financing, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of legislative and regulatory matters. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Accordingly, readers should not place undue reliance on forward looking statements. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, lack of a statutory framework for uranium mining in the country of Niger, lack of access to historic drill core, delays in obtaining governmental and regulatory approvals, uncertainty of acquiring necessary drilling permits, general business, economic, competitive, political, social and security uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of uranium; possible variations of geological parameters; failure of equipment to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection, terrorism or war; delays in obtaining financing or in the completion of exploration, development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in this prospectus. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.