HOMELAND URANIUM INC.
401 Bay Street
Suite 2702
Toronto, Ontario
M4H 2Y4

ADDENDUM TO INFORMATION CIRCULAR MANAGEMENT SOLICITATION

SOLICITATION OF PROXIES

This Addendum to the Management Information Circular (the "Circular") dated November 17, 2014 is furnished in connection with the solicitation of proxies by and on behalf of the management (the "Management") of Homeland Uranium Inc. (the "Corporation") for use at the reconvened portion of the Special Meeting (the "Meeting") of shareholders of the Corporation (the "Shareholders") to be held at the offices of Gardiner Roberts LLP, Scotia Plaza, 40 King Street West, Suite 3100, Toronto, Ontario, M5H 3Y2, at the hour of 10:00 o'clock in the morning (Toronto time), on Tuesday, the 23rd day of December, 2014, for the purposes set out in items 3 of the previously provided Notice of Meeting. The cost of solicitation will be borne by the Corporation.

THIS ADDENDUM TO THE CIRCULAR CONTAINS ALL DISCLOSURE CONCERNING ITEM 3 OF THE NOTICE OF MEETING THAT MANAGEMENT DETERMINED WAS REQUIRED FOR THE SOLICITATION OF PROXIES FROM SHAREHOLDERS FOR THE VOTE OF SHAREHOLDERS ON THIS MATTER. THIS ADDENDUM FORMS A PART OF THE CIRCULAR AND SHOULD BE READ IN CONJUNCTION WITH THE CIRCULAR.

ALL TERMS NOT EXPRESSLY DEFINED HEREIN SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE CIRCULAR.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares ("**Common Shares**") held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Corporation (the "**Management Designees**"). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person's name in the blank space provided in the form of proxy and depositing the completed proxy with the Transfer Agent of the Corporation, Capital Transfer Agency Inc., 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Meeting Materials (as defined in the "Advice to Beneficial Shareholders" section below) from Broadridge Investor Communication Solutions, Canada ("**Broadridge**") must return the proxy forms, once voted, to Broadridge for the proxy to be dealt with.

DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE RESUMPTION OF MEETING IN RESPECT OF ITEM 3 OF THE NOTICE OF MEETING ONLY MUST BE DEPOSITED NOT LATER THAN 10:00 A.M. ON THE LAST BUSINESS DAY PRECEDING THE DAY OF THE RECONVENING OF THE MEETING BEING MONDAY, DECEMBER 22, 2014, OR ANY ADJOURNMENT THEREOF, WITH THE CORPORATION OR ITS AGENT, CAPITAL TRANSFER AGENCY INC.**, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting. A return envelope has been included with this material.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant (a "**Non-Registered Holder**"). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders of Common Shares. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Non-Registered Holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically the Non-Registered Holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives either form of proxy wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder's name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

All references to shareholders in this Addendum to the Circular, the Circular and the accompanying instrument of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

EFFECTIVE DATE

The effective date for the information contained in this Addendum to the Circular is November 21, 2014.

FORWARD-LOOKING STATEMENTS

This Addendum to the Circular contains "forward looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, 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 Issuer 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, the 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 heading entitled "Risks Associated with PAUC" in this Addendum to the Circular. Although the Corporation 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.

PARTICULARS OF MATTERS TO BE ACTED UPON

Reorganization of the Corporation

As part of the negotiations surrounding the Acquisition it became apparent that the vendors of PRM had no interest in investing in the Niger Assets. It was decided that following the completion of the Acquisition, the Corporation will focus its activities on developing the Assets. In addition, the directors of the Corporation prior to the completion of the Acquisition ("**Outgoing Management**") were of the view that if any value can be obtained from or for the Niger Assets, it should be for the benefit of the pre-Acquisition Shareholders. The vendors of PRM agree with this view. In this light, Outgoing Management evaluated options and it was decided that it was in the best interests of the Shareholders to distribute the shares of the Corporation's wholly-owned Ontario subsidiary, PAUC, to the Shareholders as of the Record Date as a return of capital.

It has been decided to effect the distribution in accordance with section 2.11(b) of National Instrument 45-106 – Prospectus and Registration Exemptions ("**NI 45-106**"). As a result, PAUC will not become a reporting issuer on the completion of the Reorganization. Outgoing Management was of the view that the higher costs associated with reporting issuer status were unwarranted for the Niger Assets given their nominal value, especially when there could be no certainty that PAUC would be able to fund its ongoing existence. All resources available to PAUC will be used to maintain the Niger Assets and the corporate existence of PAUC while potential transactions are evaluated. To date, all funds expended on the Niger Assets have been raised through private placements in compliance with exemptions contained in NI 45-106. PAUC will continue to seek financing in the exempt market and therefore Outgoing Management was of the view that it was not necessary for PAUC to be a reporting issuer in order to raise funds to maintain its existence and maintain the Niger Assets. However, this does mean that the PAUC Shares will be subject to an indefinite hold period and can only be traded in compliance with an exemption from NI 45-106.

The Reorganization will consist of the following steps:

1. As of the date hereof PAUC has one hundred (100) common shares outstanding;

2. PAUC will undertake a stock split on the basis of 222,473 post-split shares for each currently outstanding common share increasing its outstanding capital to 22,247,279 common shares (each a "**PAUC Share**");

3. the Corporation, in its capacity as sole shareholder of PAUC, has elected a board of directors for PAUC which is identical to the board of directors of the Corporation prior to the Acquisition;

4. Shareholders shall approve the Reorganization at the portion of Meeting held on December 23, 2014, including the reduction in stated capital; and

5. immediately following receipt of such approval, PAUC will distribute the PAUC Shares to the Shareholders as of the Record Date on the basis of one (1) PAUC Share for each ten (10) Common Shares of the Corporation held. No fractional PAUC Shares will be distributed to shareholders. Instead, if a Shareholder would otherwise be entitled to a fractional PAUC Share, such fractional PAUC Share that is less than ½ of one PAUC Share will be rounded down to the nearest whole number and each fractional PAUC Share that is at least ½ of one PAUC Share will be rounded up to the nearest whole number.

Outgoing Management is of the view that the Reorganization is fair to the Shareholders as it allows Shareholders to maintain their pro rata interest in the Niger Assets. If the Reorganization is not undertaken, Shareholders will see their interest in the Niger Assets diluted by over 97% as a result of the completion of the Acquisition and the Private Placement and the related issuance of 8,895,055,946 Common Shares (or 11,118,820 post-Consolidation Common Shares) of the Corporation. If there is any value to be obtained from the Niger Assets at some time in the future, the Reorganization will ensure that it is for the benefit of the Shareholders as of the Record Date while reducing the burden of costs associated with being a reporting issuer. PAUC will be required, pursuant to the OBCA, to continue to have regular meetings of shareholders and to continue to audit its financial statements (unless the shareholders of PAUC validly waive the requirement for an audit). Outgoing Management has also decided that it is appropriate to seek approval of the Reorganization by way of a special resolution of shareholders as of the Record Date, rather than an ordinary resolution.

For disclosure regarding the assets and financial condition of, and other material information regarding, PAUC following the Reorganization, please see Appendix A to this Addendum. This information is provided in compliance with Section 14.2 of Form 51-102F5.

Outgoing Management is attributing a value of $1 to the PAUC Shares based on the following factors: As at June 30, 2014, PAUC has a working capital deficit and a shareholder deficit of $534,404 Included in this amount is US$320,000 owed to the applicable regulatory authorities in Niger in order to maintain the claims in good standing. If funds are not raised to pay these fees, the Niger Assets could be forfeited. Furthermore, PAUC is be required to expend US$4,916,350 on the claims by March of 2016. If such expenditures are not made, the Niger Assets could be forfeited. There can be no assurances that PAUC will be able to meet its current obligations with respect to the Niger Assets or obtain extensions when the current permits come due in March of 2016. Additional risks are outlined in Appendix A under the heading "Risk Factors". As a result, the Niger Assets have no realizable value at this time nor is any value ascribed to them on PAUC's balance sheet. The Corporation has elected to distribute the PAUC Shares to Shareholders as a return of capital as being the most efficient and advantageous structure.

In order to complete the Reorganization it may be necessary for the Corporation to undertake a reduction in capital (the "**Reduction of Capital**"). The Corporation's constating documents are silent with respect to the subject of reduction in stated capital. However, section 34 of the OBCA provides, in effect, that the Corporation may reduce its stated capital in respect of the Common Shares for any purpose, including for the purpose of distributing to its shareholders an amount not exceeding the stated capital of the Common Shares, if approved by a special resolution of its shareholders, provided that there are no reasonable grounds for believing that: (i) the Corporation is, or would after the reduction be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities. The Corporation is seeking approval of a Reduction in Capital of up to $1,000,000 as part of the Reorganization. The final amount of the Reduction in Capital will be determined by Management.

As of the date of this Addendum to the Circular, the Corporation does not have reasonable grounds to believe that, after giving effect to Reorganization and the distribution of the PAUC Shares with an attributed value of $1.00, the Corporation would be unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets would be less than the aggregate of its liabilities.

The Reduction of Capital will not otherwise affect the assets or liabilities of the Corporation. The Reduction of Capital will not result in any monetary or other payment to Shareholders. It will not change the amount of shareholder's equity, but solely its composition.

Shareholders will not be required to pay for the PAUC Shares that they receive pursuant to the Reorganization nor will they be required to surrender or exchange Common shares in order to receive PAUC Shares pursuant to the Reorganization or to take any other action in connection with the Reorganization.

Share certificates representing the PAUC Shares to which registered Shareholders of the Corporation are entitled will be mailed by ordinary pre-paid post as soon as practicable after December 23, 2014 without any action on the part of Shareholders. PAUC Shares will be distributed to non-registered Shareholders through CDS. PAUC has applied for a CUSIP number to facilitate this process. As PAUC is not a reporting issuer, the PAUC Shares will not be qualified investments under for trusts governed by a registered retirement savings plan, registered retirement income fund, registered disability savings plan, deferred profit sharing plan, registered education savings plan or a tax-free savings account, each as defined in the *Income Tax Act*.

Shareholders should consult their advisors with respect to the consequences of approving the Reorganization.

Resolution

At the Meeting, the Corporation's Shareholders will be asked to approve the resolution, in the form set out below. The approval of the Stated Capital Reduction Resolution will require the affirmative vote of 66⅔% of the votes cast by the Shareholders, present in person or represented by proxy at the Meeting.

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The Corporation be authorized to distribute the PAUC Shares to the Shareholders as of the Record Date on the basis of one PAUC Share for each ten (10) Common Shares held.

2. The stated capital account maintained in respect of the Common Shares of the Corporation is hereby authorized to be reduced by up to $1,000,000, or such other amount as shall be determined by the board of directors as necessary to effect the Reorganization.

3. The reduction of the stated capital account maintained in respect of the Common Shares shall not take effect until the directors of the Corporation pass a resolution specifying the amount by which the stated capital shall be reduced.

4. Any director or officer of the Corporation be and each of them is hereby authorized to do such things and to execute and deliver all such documents that such director or officer may, in his discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution.

Management recommends that shareholders vote for the Reorganization.

This resolution must be approved by the requisite two-thirds (⅔) majority of the votes cast at the meeting.

The persons named in the Proxy intend to vote FOR the special resolution approving the Reorganization in the absence of directions to the contrary from the shareholders appointing them.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be obtained from www.sedar.com, and following listing of the Corporation on the CSE will also be available at www.thecse.com.

APPROVAL OF DIRECTORS

The Addendum to the Circular and the mailing of same to Shareholders have been approved by the Board of Directors of the Corporation.

DATED the 21st day of November, 2014.

BY ORDER OF THE
BOARD OF DIRECTORS

"Signed"

George Glasier
President and Chief Executive Officer

APPENDIX A

TO THE ADDENDUM TO THE INFORMATION CIRCULAR

OF HOMELAND URANIUM INC.

INFORMATION CONCERNING PAN AFRICAN URANIUM CORP.

The following is a summary of Pan African Uranium Corp., its business and operations, which should be read together with the more information and financial data and statements contained elsewhere in the management information circular of Homeland Uranium Inc., including the Addendum dated November 21, 2014 to which this Appendix "A" is attached (the management information circular, together with the Addendum and this Appendix being the "Circular"). The information contained in this Appendix, unless otherwise indicated, is given as of November 21, 2014.

All capitalized terms used in this Appendix and not defined herein have the meaning ascribed to such terms elsewhere in the Circular. Unless otherwise indicated herein, references to "$" or "Canadian dollars" are to Canadian dollars, references to "US$" or "U.S. dollars" are to United States dollars. See also in the Circular "Forward-Looking Statements" and in this Appendix "A" "Risks Associated with PAUC".

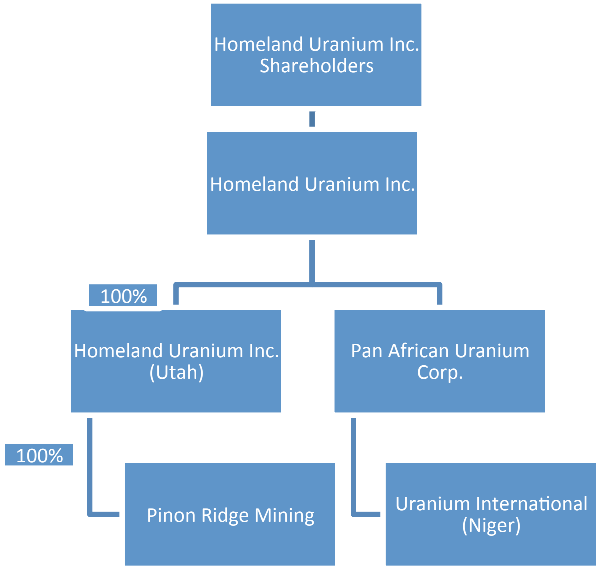
CORPORATE STRUCTURE

Pan African Uranium Corp.("**PAUC**") was amalgamated pursuant to the *Business Corporations Act* (Ontario) on January 27, 2006. PAUC is not currently a reporting issuer and its common shares (the "**PAUC Shares**") are not listed or quoted for trading on any stock exchange. Upon completion of the Reorganization, PAUC will continue to be a private company. There is no current intention to take any action for PAUC to become a reporting issuer or to apply to list PAUC's common shares on any exchange. See in this Appendix "A", "*General Development of PAUC's Business*", "Description of Securities Distributed" and "*Risks Associated with PAUC*".

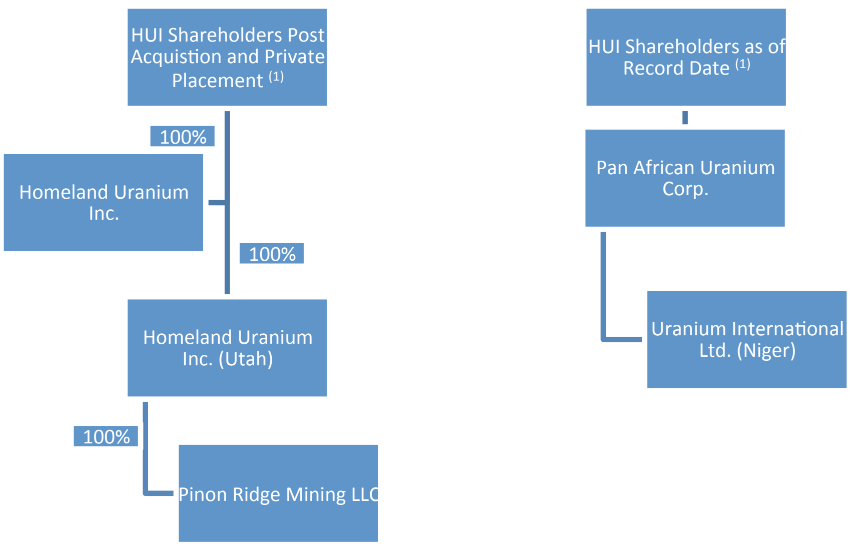
PAUC's head and registered office is located at 401 Bay Street, Suite 2702, Toronto, Ontario M5H 2Y4

Intercorporate Relationships

Prior to the Reorganization but following the Acquisition, the Corporation's corporate structure is as follows:



Following the Reorganization, the corporate structure will be as follows:



(1) Only shareholders of the Corporation as of the Record Date will receive shares at PAUC on the Reorganization

GENERAL DEVELOPMENT OF PAN AFRICAN URANIUM CORP'S BUSINESS

Business of Pan African Uranium Corp.

Prior to the Acquisition, the exploration of the Niger Assets was the primary business of the Corporation. However, given general economic conditions over the past three years as well as the difficulty in raising funds for junior mineral exploration companies, there has been no active exploration on the Niger Assets since prior to January of 2011 other than limited activity which occurred in 2012. In March of 2013, the Corporation did obtain an extension from the Minister of Mines and Industrial development of the Government of Niger for a further three years.

On the completion of the Reorganization, PAUC's primary business focus will be to seek to realize value from the Niger Assets either through a sale of the Niger Assets or through exploration activities to increase value of the Niger Assets. Upon completion of the Reorganization, PAUC may seek to realize value from the Niger Assets by way of equity financing, joint venture, option agreements or other means or may seek to sell the assets.

Upon completion of the Reorganization the PAUC Shareholders will together hold in aggregate 100% of the then issued PAUC Shares, and PAUC will retain the same directors of the Corporation prior to the change of management implemented concurrently with the closing of the Acquisition.

See in the Circular, "Background to the Meeting". See in this Appendix "A", "*Available Funds and Principal Purposes", "Management's Discussion and Analysis", "Description of Securities Distributed", "Consolidated carve-out Capitalization"* and *"Promoters"*

For a summary of the Niger Assets, see this Appendix "A" – "Niger Assets".

NIGER ASSETS

General

The following is a summary of the Niger assets, copied from a report originally prepared by Caracle Creek International Consulting Inc., in 2012, which has been reviewed by geological consultant Avrom E. Howard, MSc, FGA, PGeol (Ontario), a Qualified Person for the purpose of this disclosure.

Background:

The Republic of Niger is the largest country in West Africa, with an area of 1,267,000km^2 with its capital at Niamey. It is a landlocked country with Libya to the north, Chad to the east, Nigeria to the south, Benin and Burkina Faso to its southeast, Mali on the west, and Algeria to the northwest (Figure 1). Niger is primarily desert with most of the northeast portion of the country remaining uninhabitable. Uranium mining has been the basis of the Niger economy with French nuclear firm Areva being the primary explorer and producer of uranium.

French is the national and official language but the various ethnic groups speak their own tribal languages. Hausa dialect is the common language of trade throughout Niger. The current government was elected in April 2011 under current President Issoufou Mahamadou.

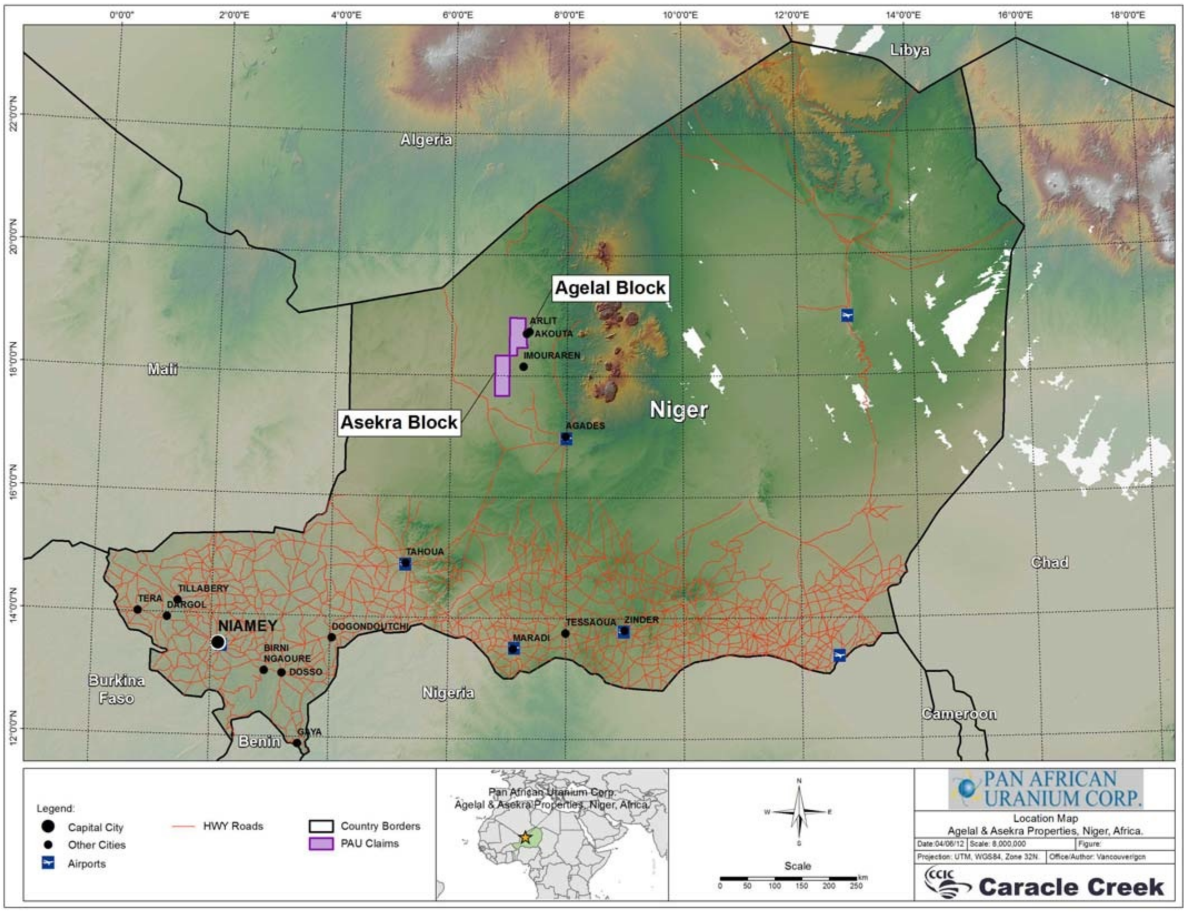


Figure 1 : Location map for Agelal and Asekra properties, Niger.

Property:

Pan African Uranium Inc. through Homeland Uranium Inc. previously acquired 100% ownership of uranium properties in the Arlit region Niger through its wholly owned subsidiary Uranium International Inc. Niger. The principal focus of the license area has been the Agelal and Asekra projects which include eight (8) exploration concessions covering approximately 2,000 km^2 within the Saharan desert in central Niger (Nicholls & Morel, 2007). Caracle has reviewed the location of these properties and they are held by Uranium International; Caracle has not completed a legal review of the claim status or ownership.

The Agelal project area comprises four granted exploration concessions (AGE01, AGE02, AGE03 and AGE04) approximately 10 km west of the town of Arlit and 180 km north of the town of Agedez. The Asekra project area comprises four granted exploration concessions (ASE1, ASE2, ASE3 and ASE4) approximately 70 km southwest of Arlit and 130 northwest of Agedez (Figure 2).

Homeland signed an agreement with the Government of Niger in 2009 on the Agelal and Akesra. According to the agreement, Homeland had to relinquish 50% by area of its concessions after three years of exploration, but the government extended the period due to delays caused by the Touareg rebellion. PAU (Homeland) was granted a three year renewal on March 4, 2013. To date these combined project areas require \$4.32 Million USD to keep this land holding active. The Niger government has previously considered alternatives due to Touareg uprisings in 2005, 2008 and 2009.

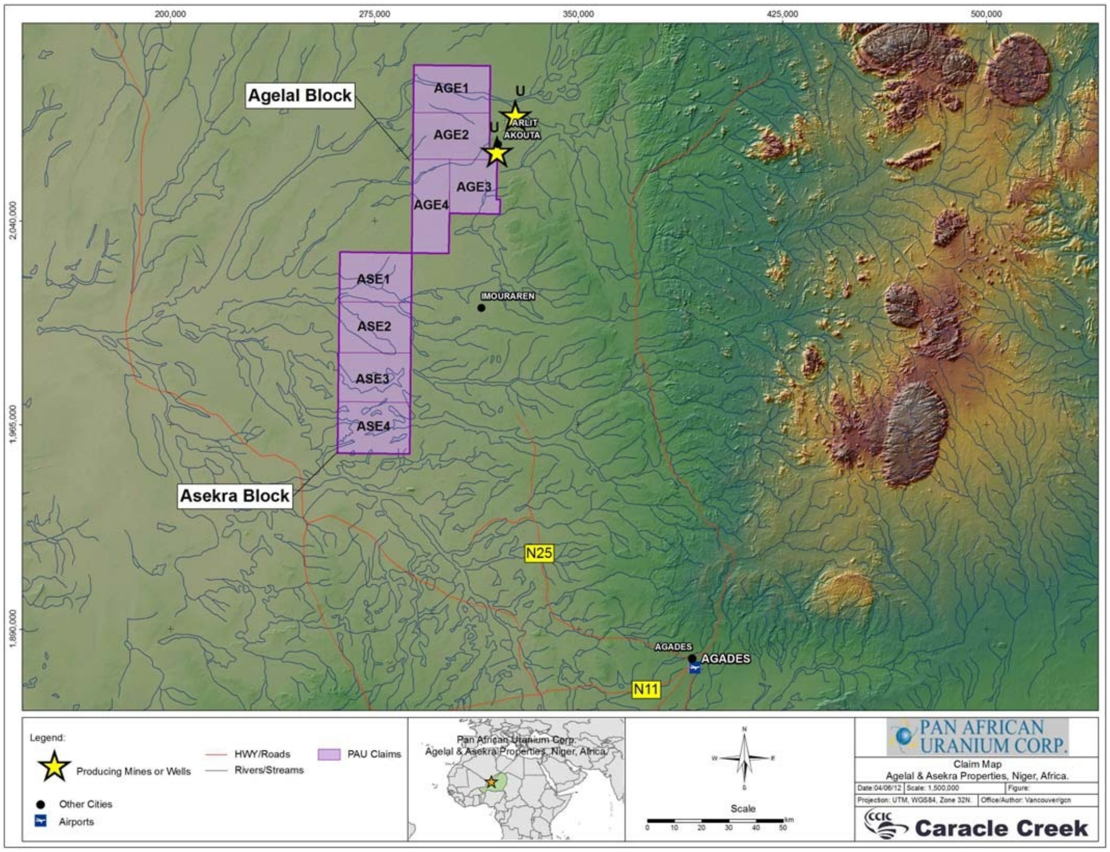


Figure 2 : Claim map for Agelal and Asekra properties, Pan African Uranium Corp. Stars indicate the location of the original uranium deposits discovered in Niger, still in production.

Mining in Niger:

In 2010, Niger was the world’s fifth ranked producer of uranium and accounted for about 7.8% of world production (USGS 2010 Minerals Yearbook by Soto-Viruet, 2011). Other mineral commodities produced in the country included cement, coal, gold, gypsum, limestone, salt, silver, and tin. Production of uranium came from the Akouta underground mine, which was operated by Compagnie Minière d’Akouta (Cominak), and the Arlit open pit mine, which was operated by Société des Mines de l’Aïr (Somair). Cominak was owned by Paris-based Areva Group (34%), the Government of Niger (31%), Overseas Uranium Resources Development Co. of Japan (25%), and ENUSA Industrias Avanzadas, S.A. of Spain (10%). Somair was owned by Areva Group (63.4%) and the Government of Niger (36.6%) (Figure 2). In 2010, Areva continued with its plans to develop the world-class Imouraren uranium deposit, which was located about 160 km north of Agadez and 80 km south of Arlit.

Niger is one of the world’s leading uranium producers with greater than 3,000 tonnes of U_3O_8 produced annually over the past 30 years from the Cominak and Somair mines operated by Areva Tim Mersoï basin contains all of the known uranium deposits in Niger and is the host to Imouraren, the second largest known uranium deposit.

In Niger, all mineral rights are entrusted in the State. The *Code Minier de la Republique Du Niger*

(Mining Code) governs the mining industry in the country. In 2006 the government enacted a diversification program within its mining sector which allowed for new mining laws and the extension of mining rights to other companies so as to permit new exploration in the region. The Mining Code has been designed to facilitate and encourage the private sector to evaluate and develop mineral resources.

An Exploration license is valid for three years, renewable for two further three-year periods subject to certain land holding reduction (50% after 3 years) criteria and field works. The area held under a permit cannot exceed 500km^{2}in a rectangular block. An exploration license allows the holder the right to dispose of any minerals obtained during exploration and test work, and also confers the right to a mining license if a viable reserve is discovered. Applications must specify the minerals being explored, a work schedule outline and budget for the first 3 years.

A Mining license is granted in the case of successful exploration, subject to the right of the Government to participate in the project. A "small mine" permit is valid for five years, renewable three times for five-year periods, while a "large mine" permit lasts for 20 years initially, renewable two times per period of 10 years. Further extensions are possible if commercial reserves remain. Companies applying for a mining license must conform to Nigerien Company law. The Government requires an initial 10% share in the mining project, free of all costs, which can later be increased to a maximum of 40% through share purchases.

Regional Geology:

The Aïr Massif, the Hoggar, and the Adrar des Iforas form the Touareg Shield, which along with the Benin-Nigerian Shield, is part of the Central African mobile belt, deformed by the Pan-African orogeny about 600 M yrs BP. The Aïr crystalline basement is composed of a central, highly metamorphosed core intruded by Panafrican granitoids. The crystalline core is separated from only slightly metamorphosed terrain by the important overthrust sheets Tafadek to the west and Aouzegeur to the east. The pre-Panafrican upper crustal formations are folded and metamorphosed either to upper amphibolite or upper greenschist grades (Nicholls & Morel, 2007).

Local Geology:

The Agelal and Asekra uranium projects are located within the Tim Mersoï Basin which lies adjacent to the basement rocks of the Aïr Massif (Figure 3). The Tim Mersoï Basin is a generally unexplored uranium-bearing districtwhere the transition from marine to terrestrial sedimentation is interrupted by at least three significant episodes of alkali to peralkalic volcanism within a few hundred kilometers of its boundaries. One of the earliest volcanic episodes in the region lies immediately east of the basin in the Air Massif where closed basin conditions occurred which resulted in exotic pore and surface water. This exotic chemistry was favorable for the mobilization of uranium from the vitric ash and entrapment of the uranium occurred within the sediments.

The Tim Mersoï Basin stratigraphic sequence is similar to most sedimentary basins worldwide that host uranium deposits. The sequence alternates between shallow marine and fluvio-lacustrine conditions with evaporate deposits marking the transition from marine to terrestrial depositional environments. The source of the uranium is the Aïr massif to the east. Uranium weathered from its host lithologies was transported in solution by oxidized groundwater, which upon intersecting reduced horizons in paleo-river channels – carbonaceous trash, sulfide nodules etc., resulted in the precipitation of a suite of uranium-bearing oxides and related mineralsUraniferous occurrences and deposits are found across the basin in a number of stratigraphic horizons, most of which are found at depths of between 70 to 400 meters below surface.

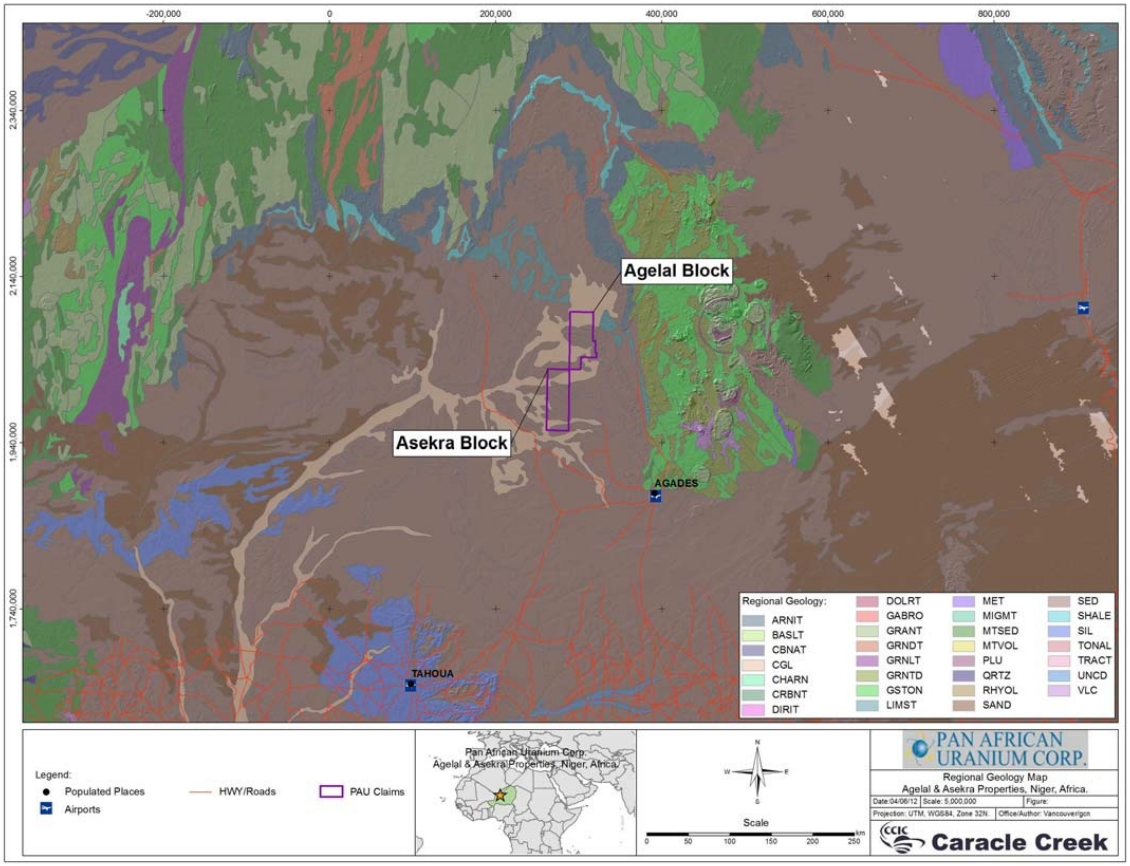


Figure 3 : Regional geology of the Tim Mersoï basin and Aïr massif

Economic Geology:

Niger's primary uranium resources are contained within the sedimentary rocks of the Tim Mersoï sub-basin, which generally comprises the continental portion of the of the Iullemmeden Basin. The economically significanturanium deposits currently being mined are found within the Guezouman conglomerate and Tarat sandstone. Paleozoic rocks outcrop in the basin near Tamesna-Talak area along the western margin of the massif. Carboniferous units of the Guezouman, Tarat and the Madaouela sandstones host uranium occurrences;the Agelal propertyproperty hosts the Guezouman, Tarat and the Madaouela formations.

A number of younger stratigraphic units host economically significant concentrations of uranium mineralization as well, the most important being Jurassic age Tchirezerine 2 formation that hosts Areva's Imouraren deposit; it has been characterized as a "sandstone type" uranium deposit. The Tchirezerine 2 formation is found across the Asekra licenses, where significant radiometric anomalies have been delineated but have yet to be drilled.

Structure:

The related basin geometry appears to be controlled by isostatic adjustments by sedimentation through horsts and grabens, one of the apparent controlling features of uranium distribution (MIR, 2007).

The MIR study (2007) indicated four main structural zones in the Tim Mersoi area: 1. The Seririne Synclinorum covering the northern part of the basin, characterized by a succession of narrow asymmetrical anticlines and synclines bordered by fault zones, 2. Tim Mersoi depression which is a continuation of the south Tin Seririne synclinorium, following the In Azawa-Arlit linement and corresponds to a depression where formations are thicker, 3. Southern portion of basin is characterized by alternating depressions and narrow ridges NNE-SSW, 4. The In Azawa Arlit linement zone approximately 50 km from the basin border is characterized by a series of narrow grabens N-S

Historical Work on Agelal and Asekra Projects

Uranium was first discovered in the 1950's during the French colonial era, by the "Commissariat de l'Énergie Atomique" (CEA). This led to the development of a number of uranium mines during the 1970's. Historical exploration work on the Agelal and Asekra properties has delineated several uranium targets, some of which have been tested; most of this work was completed in the 1960's and 70's by the French parastatal uranium company, Cogema (now Areva). There has been no significant exploration on either the Asekra or Agelal concessions since 1978.

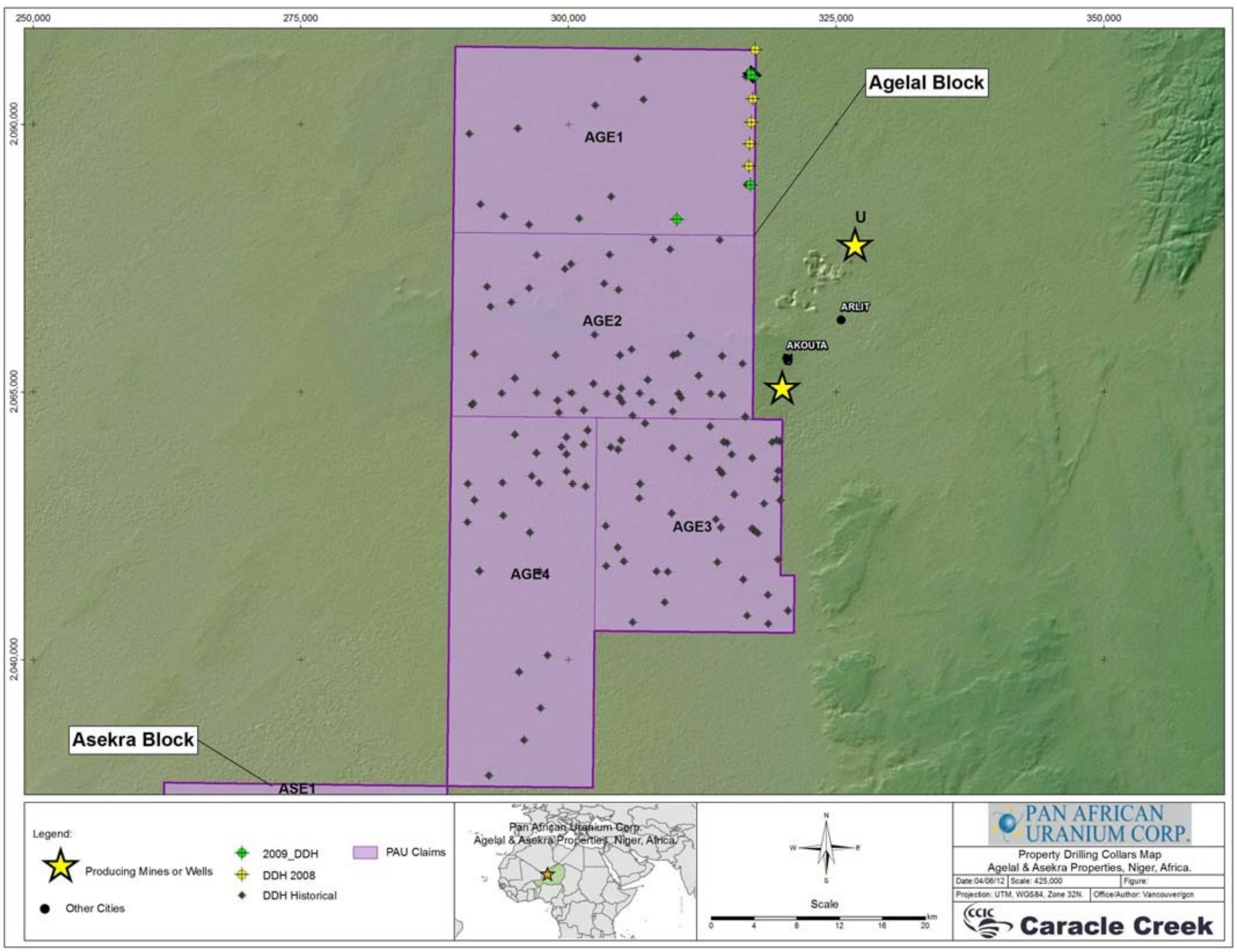


Figure 4: Plan map for drill holes for Cogema historic drilling and the Corporation's 2008 and 2009 drilling.

Conclusions:

- Agelal and Asekra licenses are located on the less explored western portion of the Arlit in Azoura flexure.
- Agelal block shows record of 39 drill holes from a 2009 drill program. There does not appear to be any further exploration work completed on the property. There appear to be additional untested targets on the property.
- Asekra is located approximately 40 km from the Imouraren mine which hosts uranium in Tchizerine 2 formation. large exposures of which are found within the Asekra block.
- There are significant, untested radiometric anomalies in the Asekra block that appear to be associated with the same stratigraphy that hosts the Imouraren uranium deposit.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

On completion of the Reorganization it is anticipated that PAUC will have cash of $25. These funds will be used to preserve PAUC and the Niger Assets while management explores options to realize value from the Niger Assets. PAUC has a working capital deficit as a result of certain obligations incurred to maintain the Niger Assets. PAUC will be assessing alternatives to deal with these obligations.

PAUC intends to spend the funds available to it as stated above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for PAUC to achieve its objectives. See "*Risks Associated with PAUC*".

BUSINESS OBJECTIVES AND MILESTONES

With the funds available to it as described above under the heading "Available Funds and Principal Purposes", PAUC will explore opportunities for realize value from Niger Assets.

SELECTED FINANCIAL INFORMATION

Financial Statements

Included as Schedule "1" to this Appendix "A" are consolidated carve-out financial statements the six months ended June 30, 2014 and June 30, 2013 and the years ended December 31, 2013 and December 31, 2012, comprised of consolidated carve-out statements of financial position, loss and comprehensive loss, changes in net investment by parent and cash flows and notes to such consolidated carve-out statements. These financial statements of PAUC, which report the financial position of PAUC as a stand-alone company were prepared in accordance with International Financial Reporting Standards, and in accordance with a financial reporting framework specified within subsection 3.11(b) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for consolidated carve-out financial statements.

Selected Financial Information

The following tables set out selected unaudited consolidated carve-out financial information for PAUC as at June 30, 2014, assuming the Reorganization occurred on June 30, 2014, all of which is qualified by more detailed information contained in the unaudited consolidated carve-out financial statements of PAUC as at June 30, 2014 included as Schedule "1" to this Appendix "A".

Pan African Uranium Corp. Selected Consolidated Carve-out Financial Statement Information Consolidated Carve-out Statement of Financial Position as at June 30, 2014 (Unaudited)	
	$
Current Assets	
Cash	188
Prepaid expenses	136
Total assets	324
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	534,728
Total liabilities	534,728
Deficit	
Net investment by parent	(537,427)
Accumulated other comprehensive income	3,023
	(534,404)
Total liabilities and deficit	324

Pan African Uranium Corp. Selected Consolidated Carve-out Financial Statement Information Consolidated Carve-out Statement of Loss and Comprehensive Loss Six months ended June 30, 2014 (unaudited)	
	$
Expenses	
Training fees	91,540
Salaries	56,379
Occupancy costs	8,591
Land taxes	8,358

Pan African Uranium Corp. Selected Consolidated Carve-out Financial Statement Information Consolidated Carve-out Statement of Loss and Comprehensive Loss Six months ended June 30, 2014 (unaudited)	
Professional fees	5,998
Total operating expenses	170,866
Net loss for the period	(170,866)
Comprehensive income	15,693
Comprehensive loss for the period	(15,173)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis

Historically, PAUC has not prepared management discussion and analysis ("MD&A"). However, as the Corporation has not carried on any activities other than maintaining the Niger Assets during the relevant periods, set out below is the MD&A of the Corporation adjusted for items removed from the financial statements of PAUC as it relates solely to costs associated with the Corporation. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.

Introduction

Set out below is the historical management discussion and analysis of the Corporation for the six months ended June 30, 2014 and June 30, 2013 and the years ended December 31, 2013 and December 31, 2012.

The consolidated carve-out financial statements for the six months ended June 30, 2014 and June 30, 2013 and the years ended December 31, 2013 and 2012, together with the accompanying note disclosure, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with a financial reporting framework specified within subsection 3.11(b) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for consolidated carve-out financial statements. The MD&A should be read in conjunction with these financial statements. All note references in this MD&A are made in reference to these financial statements. All financial balances are stated in Canadian dollars, PAUC's reporting currency.

The following discussion contains forward-looking statements that involve numerous risks and uncertainties. Actual results of PAUC could differ materially from those discussed in the forward-looking statements. These risks and uncertainties are highlighted under "Risks Associated with PAUC" and "Forward-Looking Statements" found elsewhere in this document.

OVERVIEW

PAUC has historically been engaged in the business of evaluation and exploration of uranium resource properties in Niger, West Africa.

PAUC has sought to target 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 PAUC are in production and, as such, PAUC does not currently have operating income or positive cash flow from operations.

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 PAUC's interest in the underlying properties, the ability of PAUC to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition of Niger Assets.

Going Concern

The accompanying consolidated carve-out financial statements for the years ended December 31, 2013 and 2012 and the six months ended June 30, 2014 and June 30, 2013 have been prepared using International Financial Reporting Standards applicable to a going concern, as described in note 1(b). PAUC has incurred repeated significant losses as net losses for the six month periods ended June 30, 2014 and 2013 and the years ended December 31, 2013 and 2012 were $170,866, $160,350, $238,213 and $391,190 respectively. PAUC had working capital deficiencies as at June 30, 2014, December 31, 2013 and December 31, 2012 of $534,404, $431,442 and $458,180 respectively. Operations for the six month periods ended June 30, 2014 and 2013 and for the years ended December 31, 2013 and 2012 have been funded entirely by the parent company. PAUC received renewal for the Niger Assets from the Minister of Mines and Industrial Development of the Government of Niger on March 4, 2013 for a further three years *(see note 5(b)*). Such approval had been conditional upon certain factors, the most significant of which was the payment of two years of training fees in the amount of USD $160,000. These two years of training fees were paid by the Corporation on March 28, 2013 *(see note 6)*. Failure to pay remaining and ongoing annual training fees, to maintain an ongoing administrative presence in Niger or to meet minimum spending and reporting requirements under the renewal terms could result in termination of any concession agreements. No adjustment to the carrying value of the Niger concessions would be required as the Corporation has chosen to expense all exploration expenditures under IFRS *(see note 2(e)).*

While management believes that it will be able to secure the necessary financing to continue operations into the future, there are material uncertainties that these and other strategies will be sufficient to permit the Corporation to continue beyond the foreseeable future as such strategies are dependent upon continued support of its shareholder base. Therefore, there is significant doubt as to the propriety of the use of the going concern assumption upon which these consolidated carve-out financial statements have been prepared.

Other Considerations

Management is not aware of any agreements that detract from its ownership of the Niger Assets, or of any transfers thereof or defects in title. However, property title may be subject to unregistered prior agreements, claims or transfers and title may be affected by undetected defects. For assets located outside of North America such as Niger Assets, ownership is subject to the risk of foreign investment, including currency exchange fluctuations and restrictions and local political instability and uncertainty.

With respect to its operations and plans, the Corporation 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 Corporation'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. Previously, the Corporation has encountered many delays during the execution of its Niger project due to events and circumstances beyond its control. The government of Niger had acknowledged these delays as “force majeure” and, in June, 2010, had granted a 27 month extension (to August, 2012) to its original concessions to compensate for this lost time. Ongoing economic and political uncertainty in the sub- Saharan part of Africa could lead to similar difficulties and delays in the future.

Niger, West Africa

Following the acquisition of the Niger Assets from Homeland Energy Corp. in February, 2007, an administrative office was set up 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, a follow up field program was completed 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 digital data base, processed and interpreted.

The Niger offices have been relatively inactive since the beginning of 2012 retaining a skeleton staff to keep administrative and regulatory affairs in order. A small work program was completed in the second quarter of 2012 comprised of minor geological mapping to meet government work obligations. Any further drill programs will be dependent on interest displayed by the markets and on a continued improvement in security concerns in Niger.

Results of Operations

Results of Operations for the Six Months Ended June 30, 2014 and June 30, 2013 and the Years Ended December 31, 2013 and December 31, 2012

Liquidity and Capital Resources

PAUC had working capital deficiencies as at June 30, 2014, December 31, 2013 and December 31, 2012 of $534,404, $431,442 and $458,180 respectively. The cash position of the Corporation as at June 30, 2014, December 31, 2013 and December 31, 2012 was $188, $183 and $193 respectively. The Corporation has no indebtedness other than ordinary trade payables and accrued liabilities as at June 30, 2014, December 31, 2013 and December 31, 2012 that total $534,728, $431,762 and $458,499 respectively. As at June 30, 2014, December 31, 2013, and December 31, 2012, accounts payable and accrued liabilities contains USD $320,000, USD $240,000 and USD $320,000 respectively representing training fee obligations accruing at an annual rate of USD $80,000 under the terms of the original uranium concessions *(see note 5(b)).* The renewal process for the uranium concessions was formalized on March 4, 2013, but was conditional upon acknowledgement of these liabilities by PAUC. Of the amount payable as at December 31, 2012, two years of training fees of USD $160,000 were paid on March 28, 2013. The amount of USD $320,000 provided for as at June 30, 2014 represents four years of unpaid fees for the years from 2011 to 2014 inclusive.

General Expenses

During the six months ended June 30, 2014 and June 30, 2013 and the years ended December 31, 2013 and December 31, 2012, the Corporation incurred total expenses of $170,866, $160,350, $238,213 and $391,190 respectively.91,190. The major expenses within these totals for the six months ended June 30, 2014 and June 30, 2013 and the years ended December 31, 2013 and December 31, 2012respectively, are:

Training fees $91,540, $84,144, $83,440, $159,854

Salaries $56,379, $52,132, $106,227, $108,390

The total expenses for the respective periods also include an allocation under consolidated carve-out accounting of HUI's general and administrative expenses in each of these periods. The allocation is based on the costs to manage the affairs of the Company as a widely-held private Canadian company and have been estimated at $60,000 per annum.

The Corporation recorded a depreciation provision during the year ended December 31, 2013 on its fixed assets of $Nil (2012 - $29,576). There is no such expense in fiscal 2013 as all fixed assets were either fully depreciated or disposed of by December 31, 2012.

The Corporation had no sales or other revenue, no long-term liabilities and paid no dividends.

Commitments

As discussed above under the heading "Going Concern", PAUC received renewal of its eight uranium concessions from the Minister of Mines and Industrial Development of the Government of Niger on March 4, 2013 for a further three years *(see note 5(b))*. Such approval had been conditional upon certain factors, the most significant of which was the payment of four years of training fees in the amount of approximately USD $320,000. Two of the four years of training fees were paid by the Corporation on March 28, 2013 *(see note 6)*. In addition, under the terms of the original agreement and continued during the renewal period, the Corporation is committed to payment of annual training fees of USD $10,000 per concession (totaling USD $80,000 per year) for its eight concessions *(see note 10(a).*

Under the terms of those concession renewals, PAUC is committed to total minimum exploration expenditures of USD $4,916,350 over the three year extension.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

Financial Instruments

The Corporation's significant accounting policies regarding its financial instruments are set out in note 2(c) of the consolidated carve-out financial statements. The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities. Management is of the opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from any of these financial instruments.

Critical Accounting Estimates

The Corporation's critical accounting estimates the six months ended June 30, 2014 and June 30, 2013 and the years ended December 31, 2013 and December 31, 2012 are presented in note 2(k) of the consolidated carve-out financial statements. The preparation of financial statements in accordance with IFRS requires management to make certain estimates and assumptions. Such estimates may have a significant impact on the financial statements. The Corporation regularly reviews these estimates; however, actual amounts could differ from the estimates used and may accordingly affect the results of operations.

These estimates include:

Environmental rehabilitation provision - Provisions for rehabilitation require judgment as to the time frame and amounts required to successfully complete such rehabilitations given factors such as weather conditions, the success of replanting efforts and limitations on access to the relative area of exploration.

Niger liabilities - As illustrated by the period of "force majeure" described in note 1(c), there is an uncertainty that often arises when conducting business in Niger. These uncertainties require significant judgments to ensure that liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations, are measured based on management's best estimate of the expenditure required to settle the obligation at the reporting date.

The functional currency for the Company and subsidiaries is the currency of the primary economic environment in which each operates: Canadian dollar and West African CFA. Determination of functional currency may require certain judgements to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment. General and administrative expenses

The allocation of general and administrative expenses from HUI to PAUC require estimates as to the amount of time and effort required by management and professional advisors to continue active, ongoing operations of the company as a widely held Canadian private company, and does not necessarily reflect the nature and level of future operating expenses.

DESCRIPTION OF SECURITIES DISTRIBUTED

PAUC's authorized share capital consists of an unlimited number of common shares without par value, of which 100 common shares (to be split into 22,472,279 common shares prior to the Reorganization) andheld by the Corporation are issued and outstanding as fully paid and non-assessable as of the date hereof. Following a share split on the basis of 222,473 post-split common shares for each one (1) current common shares to be completed prior to December 23, 2014 and assuming completion of the Reorganization, the PAUC Shares will be distributed to the Shareholders of record as of the Record Date. Each Shareholder will receive one (1) PAUC Share for each ten (10) Common Shares held. For further details with respect to the distribution of the PAUC Shares on completion of the Reorganization see "Particulars Of Matters To Be Acted On – Reorganization of the Corporation in the Circular".

PAUC Shares

PAUC Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the PAUC Shares, all of which rank equally as to all benefits which might accrue to the holders of the PAUC Shares. All holders of PAUC Shares are entitled to receive a notice of any general meeting to be convened by PAUC. At any general meeting of PAUC, subject to the restrictions on joint registered owners of PAUC Shares, every PAUC Shareholder has one vote for each PAUC Share of which he she is the registered owner. Voting rights may be exercised in person or by proxy.

The holders of PAUC Shares are entitled to share pro rata in any: (i) dividends if, as and when declared by PAUC the PAUC Board, and (ii) such assets of PAUC as are distributable to shareholders upon liquidation of PAUC. The aggregate PAUC Shares outstanding upon completion of the Reorganization will be fully paid and non-assessable

DIVIDENDS OR DISTRIBUTIONS

PAUC has not paid dividends since its incorporation. While there are no restrictions precluding PAUC from paying dividends, it has no source of cash flow and anticipates using all available cash resources toward its stated business objectives. At present, PAUC's policy is to retain earnings, if any, to finance its business operations. The PAUC Board will determine if and when dividends should be declared and paid in the future based on PAUC's financial position at the relevant time.

CAPITALIZATION

The following table sets out the share and loan capital of PAUC. The table should be read in conjunction with the other disclosure contained in this Appendix and in the Circular. See also in this Appendix "A", "*Description of Securities Distributed*" and "*Prior Sales*".

Capital	**Authorized**	**Amount outstanding as of June 30, 2014**	**Amount outstanding as of the date hereof**	**Amount outstanding as of assuming completion of the Reorganization**
PAUC Shares	Unlimited	100	100(1)	22,247,249(1)
Long term debt	N/A	Nil	Nil	Nil

(1) Prior to the completion of the Reorganization, PAUC will split its outstanding shares on the basis of 222,473 post-split shares for each one (1) currently outstanding share

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES OF PAUC

There are currently no outstanding rights to purchase securities of PAUC. PAUC does not have a stock option plan or any other share compensation arrangements.

Warrants

As of the date of this Circular, PAUC does not have any warrants.

PRIOR SALES

During the 12 months prior to the date of the Circular, no PAUC Shares have been issued:

PRINCIPAL SECURITYHOLDERS

As of the date of the Circular, the Corporation holds 100% of the issued PAUC Shares.

Assuming the completion of the Reorganization, and to the knowledge of PAUC's directors and officers, no person will beneficially own directly or indirectly, or exercise control or direction over more than 10% of the then issued PAUC Shares other than as follows:

Name	Number of Shares	Percentage
St. Peter Port Capital Limited	5,275,000	23.7%

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address, Occupation and Security Holdings

The current directors of PAUC are identified below. The directors of PAUC will be elected annually at each annual general meeting of the PAUC shareholders and will hold office until the next annual general meeting of the PAUC shareholders and will hold office until the next annual general meeting unless a director's office is earlier vacated in accordance with the Articles of PAUC or he becomes disqualified to serve as a director. As at the date of the Circular, the proposed directors and executive officers of the PAUC currently hold no PAUC Shares. Assuming completion of the Reorganization and based on the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by all of the directors and officers of PAUC as a group as at the date of the Circular, the number and percentage of PAUC Shares that will be beneficially owned, directly or indirectly, or over which control or direction will be exercised by all of the directors and executive officers of PAUC as a group will be approximately 7,900,252.

The names, province or state and country of residence, positions and offices and principal occupations of each of the directors and executive officers of PAUC are as follows:

Name and Place of residence	Principal occupation	Director and/or Officer since
Stephen Coates Toronto, ON, Canada	Principal of Grove Capital Group Ltd.	January 27, 2006
Nick Tintor Mississauga, ON, Canada	President and CEO of RGMI. Formerly President & CEO of Homeland Uranium Inc. from February 2007 to March 10, 2011.	May 7, 2007
James Garcelon Toronto, ON, Canada	Principal of Grove Capital Group Ltd., CEO Telferscot Resources Inc since 2010.	April 1, 2012
Jun He Toronto, ON, Canada	President Bright Mega Capital Inc. 2008 to present.	April 1, 2012
Robert Kirtlan Perth, WA, Australia	Self employed 2001 to present	April 1, 2012
Michael Wood London, England	Mining Analyst St Peter Port Capital Limited 2008 to present	November 12, 2014
Geoff Kritzinger	CFO and part-time accounting practice	April 1, 2012

Name and Place of residence	Principal occupation	Director and/or Officer since
Toronto ON Canada		

See in this Appendix "A", "*Audit Committee*" and "*Corporate Governance – Board Committees*".

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Corporate Cease Trade Orders

Except as disclosed below, as at the date of the Circular, no proposed director or executive officer of PAUC is, or within the ten years prior to the date of the Circular has been, a director, chief executive officer or chief financial officer of any company, while that person was acting in that capacity: was subject to: a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**"); or was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Geoff Kritzinger was Chief Financial Officer of Enquest Energy Services Corp. (ENQ – TSXV), which in May, 2010, was subject to a cease trade order for failure to file audited financial statements and other required disclosures within prescribed time limits. The cease trade order has not been rescinded.

Bankruptcy

To the knowledge of PAUC, as at the date of the Circular no proposed director, executive officer, or shareholder holding a sufficient number of securities of PAUC to affect materially the control of PAUC is, or within the ten years prior to the date of the Circular has: been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

To the knowledge of PAUC, as at the date of the Circular no proposed director, executive officer, or shareholder holding a sufficient number of securities of PAUC to affect materially the control of PAUC has been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the proposed directors and officers of PAUC will not be devoting all of their time to the affairs of PAUC. Certain of the proposed directors and officers of PAUC are directors and officers of other companies, some of which are in the same business as PAUC.

The directors and officers of PAUC are required by law to act in the best interests of PAUC. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to PAUC may result in a breach of their obligations to the other companies, and in certain circumstances this could expose PAUC to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of PAUC. Such conflicting legal obligations may expose PAUC to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Prior to the date hereof, PAUC has been a wholly-owned subsidiary of the Corporation. For details on the executive compensation of the Corporation. Please see the Corporation's management information circular for the annual meeting held on June 18, 2014 dated May 2, 2014 (the "**2014 AGM Circular**") available at www.sedar.com. No determination has been made as to what if any compensation will be paid to the directors and officers of PAUC on the completion of the Reorganization.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since its incorporation and as of the date of the Circular, no proposed director or officer of PAUC, or any associate or affiliate of such person, is or ever has been indebted to PAUC with respect to the purchase of securities or otherwise; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by PAUC.

CORPORATE GOVERNANCE

Prior to the completion of the Reorganization, PAUC will have been a wholly-owned subsidiary of the Corporation and therefore does not have any corporate governance policies of its own. Following completion of the Reorganization PAUC will not be a reporting issuer in any jurisdiction in Canada and therefore is not required to adopt or disclose corporate governance policies. Following the Reorganization, the board of directors of PAUC will consider appropriate policies for PAUC. For particulars of the Corporation's corporate governance disclosure please see the 2014 AGM Circular.

AUDIT COMMITTEE

Prior to the completion of the Reorganization, PAUC will have been a wholly-owned subsidiary of the Corporation and therefore does not have audit committee of its own. Following completion of the Reorganization PAUC will not be a reporting issuer in any jurisdiction in Canada and therefore is not required to have an audit committee. Following the Reorganization, the board of directors of PAUC will consider an audit committee for PAUC. For particulars of the Corporation's audit committee please see the 2014 AGM Circular.

RISKS ASSOCIATED WITH PAUC

An investment in PAUC Shares, as well as PAUC's prospects, are highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of PAUC may lose their entire investment. The risks described below are not the only ones facing PAUC. Additional risks not currently known to PAUC, or that PAUC currently deems immaterial, may also impair PAUC's operations. If any of the following risks actually occur, PAUC's business, financial condition and operating results could be adversely affected.

Shareholders should consult with their professional advisors to assess the Reorganization and their resulting investment in PAUC. In evaluating PAUC and its business and whether to vote in favour of the Reorganization, Shareholders should carefully consider, in addition to the other information contained in the Circular and this Appendix "A", the risk factors which follow, as well as the risks associated with the Reorganization. These risk factors may not be a definitive list of all risk factors associated with the Reorganization, an investment in PAUC or in connection with PAUC's business and operations.

PAUC Will Not Be A Reporting Issuer

Following the Reorganization PAUC Shareholders will hold PAUC Shares for which no market exists and there are no plans to take any action that would result in PAUC becoming a reporting issuer in any jurisdiction in Canada or in the PAUC Shares being listed on any exchange. PAUC Shareholders should expect to hold their PAUC Shares for an indefinite period of time until the management at PAUC can realize value from the Niger Assets. In addition, PAUC Shareholders will not be entitled to receive the continuous disclosure required of reporting issuers in Canada but only those entitlements that exist under the *Business Corporations Act* (Ontario).

No Current Value in Niger Assets

The Reorganization is being under taken to preserve the value of the Niger Assets, if any, for the Shareholders prior to the completion of the Acquisition and the Private Placement but there can be no assurance that the Niger Assets have any value or that such value can be realized. PAUC will have limited resources with which to explore potential opportunities. In addition, PAUC owes the government of Niger approximately US$320,000 in respect of training fees associated with the Niger Assets. If PAUC cannot make the required payments or otherwise negotiate an alternative, PAUC could lose its interest in the Niger Assets and would be left with no assets.

Going Concern

PAUC's financial statements have been presented on a going concern basis in accordance with IFRS which assumes that PAUC will be able to continue its operations for the foreseeable future and will be able to realize on its assets and discharge its liabilities in the normal course of business. As of June 30,2014, PAUC had a working capital deficiency and a shareholders' deficiency of $534,404. There can be no assurance in these circumstances that PAUC will be able to continue as a going concern or realize any value from the Niger Assets.

Significant Events Continuing to Affect the Nuclear Industry

The long-term implications of the nuclear plant problems in Japan still remain uncertain and PAUC 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 to further PAUC's plans is potentially very negative. However, it is the view of management that the fundamental future of nuclear power is not in doubt and that there will be a continued, and likely increasing, demand for uranium over the long term.

Lack of Operational Liquidity

The expenses of PAUC will need to be funded by raising additional funds from existing shareholders or potential new investors or from selling the Niger Assets. There is no guarantee that any debt or additional equity or equity related offering of securities will be available on terms acceptable to PAUC or that it will be able to locate or sell U3O8 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 PAUC 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 PAUC 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 PAUC not receiving an adequate return on invested capital. There is no certainty that the expenditures made by PAUC 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 could affect 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 PAUC.

Uranium and Vanadium Price Volatility

PAUC's activities will be almost exclusively exploration and/or the sale of uranium and vanadium mining properties in Niger. Therefore, the principal factors affecting the value of the PAUC Shares are factors which affect the price of uranium ("U3O8") and vanadium ("V2O5") are thus beyond PAUC's control. Such factors include, among others, (1) the demand for nuclear power, (2) natural catastrophes (3) political and economic conditions in uranium and vanadium 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 U3O8 and V2O5 are affected by rates of reclaiming and recycling of uranium and vanadium and by rates of production of uranium and vanadium 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 U3O8 and V2O5 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 and vanadium-producing countries may have a direct impact on their sales of uranium and vanadium.

The price of uranium and vanadium 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

PAUC will be carrying on business in Niger and its costs will primarily be in U.S. dollars. However, PAUC maintains its accounting records, reports its financial position and results, pays certain operating expenses in Canadian currency. Therefore, because exchange rate fluctuations are beyond PAUC's control, there can be no assurance that such fluctuations will not have an adverse effect on PUAC's operations.

Competition

The mining and mineral exploration industry and in particular, the international uranium industry, is competitive in all of its phases. PAUC 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 PAUC. Because of this competition, PAUC 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 PAUC 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 PAUC 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 PAUC or the properties of others, delays in mining, monetary losses and possible legal liability.

PAUC currently maintains no insurance other than director and officer liability insurance in Canada. PAUC 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 Issuer's operations. PAUC 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 PAUC or to other companies in the mining and exploration industry on acceptable terms. PAUC might also become subject to liability for pollution or other hazards which it may not be insured against or which PAUC may elect not to insure against because of premium costs or other reasons. Losses from these events may cause PAUC 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 PAUC 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. PAUC does not currently have key-person insurance on these individuals.

Conflicts of Interest

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

Regulatory Change

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

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 PAUC 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 PAUC'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, PAUC may be unable to operate its properties as permitted or may be unable to enforce its rights with respect to its properties. PAUC 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 PAUC 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 any the Niger Assets.

The exploration of the area encompassed within the Niger Assets 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 PAUC depends upon its ability to find or acquire, develop and commercially produce base metals and other minerals.

Environmental Risks

All of PAUC's planned operations are subject to environmental regulations, some of which are also subject to environmental licensing. This can make PAUC's business expensive to operate or prevent certain operations altogether. PAUC 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 PAUC and its employees and executive officers.

To the extent PAUC 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 PAUC and could have a material adverse effect on PAUC. If PAUC 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 PAUC. PAUC 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 PAUC's planned 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 PAUC to obtain authorizations for its activities. PAUC 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 PAUC'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 PAUC'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 PAUC from operating even if it and its subsidiaries were otherwise in full compliance with all substantive environmental laws.

Foreign Operations

The Niger Assets are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties 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 PAUC. 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.

With respect to the Niger Assets, 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 PAUC.

Government Regulation

The mining, processing, development and mineral exploration activities of PAUC 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 PAUC 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 PAUC.

No Market for PAUC Shares

As PAUC will not be a reporting issuer in any jurisdiction in Canada, the PAUC Shares will not trade and there will be only limited exemptions to permit the transfer of securities in compliance with applicable securities laws. It is anticipated that holders of the PAUC Shares will be required to hold them for an indefinite period of time.

PROMOTERS

The Corporation took the initiative of founding and organizing PAUC and its business and operations and, as such, may be considered to be the promoter of PAUC for the purposes of applicable securities legislation. As at the date of the Circular, Homeland Uranium Inc. is the sole (100%) shareholder. See in this Appendix “A”, “*General Development of PAUC’s Business*”, “*Material Properties*” and “*Prior Sales*”.

The claims comprising the Niger Assets have associated costs with their capital as reflected in the financial statements of PAUC attached as Schedule 1 to this Appendix “A”.

During the 10 years prior to the date of the Circular, the Corporation has not been subject to: a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; nor has the Corporation been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; nor has the Corporation become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

There are no legal proceedings outstanding, threatened or pending, as of the date of the Circular, by or against PAUC or which PAUC is a party or to which the Niger Assets are subject, nor to PAUC’s knowledge are any such legal proceedings contemplated, which could become material to the Shareholders or a shareholder of PAUC.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since PAUC’s incorporation, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding PAUC Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect PAUC .

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of PAUC is MNP LLP of Toronto, Ontario

The registrar and transfer agent of PAUC and for the PAUC Shares is PAUC itself.

INTERESTS OF EXPERTS

MNP LLP, the auditors for PAUC, has confirmed that they are independent with respect to PAUC within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain legal matters relating to the Reorganization will be passed upon by Gardiner Roberts LLP, Toronto, Ontario, legal counsel to PAUC.

None of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received or will receive as a result of the Reorganization a direct or indirect interest in a property of PAUC or any associate or affiliate of PAUC, nor is currently expected to be elected, appointed or employed as a director, officer or employee of PAUC or any associate or affiliate of PAUC.

The information in this Appendix "A" to the Circular in respect of the Niger Assets has been reviewed by Avrom E. Howard, MSc, FGA, PGeo (Ontario)]. Mr. Howard owns 1,900,000 Common Shares and will receive 190,000 PAUC Shares on the completion of the Reorganization.

MATERIAL CONTRACTS

There are no material contracts.

OTHER MATERIAL FACTS

There are no other material facts other than disclosed herein.

FINANCIAL STATEMENTS

See in this Appendix "A", Selected Financial Information Financial Statements" and Schedule "1".

SCHEDULE "1"

PAN AFRICAN URANIUM CORP.

CONSOLIDATED CARVE-OUT FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (unaudited)
AND YEARS ENDED DECEMBER 31, 2013 AND 2012

(Stated in $CAD)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Homeland Uranium Inc.

We have audited the accompanying carve-out financial statements of Pan African Uranium Corp., which comprise the consolidated carve-out statements of financial position as at December 31, 2013 and 2012, and the consolidated carve-out statements of loss and comprehensive loss, changes in net investment by parent, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Carve-out Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated carve-out financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated carve-out financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated carve-out financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated carve-out financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated carve-out financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the conslidated carve-out financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated carve-out financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated carve-out financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ACCOUNTING › CONSULTING › TAX
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Opinion

In our opinion, the carve-out financial statements present fairly, in all material respects, the consolidated carve-out financial position of Pan African Uranium Corp. as at December 31, 2013 and 2012, and its consolidated carve-out financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to the fact that, as described in note 1(a) to the consolidated carve-out financial statements, Pan African Uranium Corp. did not operate as a separate entity during the periods presented. The consolidated carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if Pan African Uranium Corp. had been a separate stand-alone entity during the periods presented or of future results of Pan African Uranium Corp.

Without modifying our opinion, we draw attention to Note 1(c) to the carve-out financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Pan African Uranium Corp.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
November 21, 2014

PAN AFRICAN URANIUM CORP.

CONSOLIDATED CARVE-OUT STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2014, DECEMBER 31, 2013 AND DECEMBER 31, 2012
(Stated in $CAD)

	June 30 2014 (unaudited)	December 31 2013	December 31 2012
ASSETS			
Current:			
Cash	**$ 188**	$ 183	$ 196
Prepaid expenses	**136**	137	123
	$ 324	$ 320	$ 319
LIABILITIES			
Current:			
Accounts payable and accrued liabilities (Note 6)	**$ 534,728**	$ 431,762	$ 444,769
DEFICIT			
Net investment by parent (Note 7)	**(537,427)**	(418,772)	(441,383)
Accumulated other comprehensive income (loss)	**3,023**	(12,670)	(3,067)
	(534,404)	(431,442)	(444,450)
	$ 324	$ 320	$ 319

Going concern (Note 1(c))

Commitments (Note 10)

The accompanying notes form an integral part of these consolidated carve-out financial statements

Approved on behalf of the Board:

"Nick Tintor" Director

"Stephen Coates" Director

PAN AFRICAN URANIUM CORP.

CONSOLIDATED CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (unaudited) AND YEARS ENDED DECEMBER 31, 2013 AND 2012

(Stated in $CAD)

	Six month period ended June 30 2014 (unaudited)	Six month period ended June 30 2013 (unaudited)	Year ended December 31 2013	Year ended December 31 2012
Expenses				
Training fees	**$ 91,540**	$ 84,144	$ 83,440	$ 159,854
Salaries	**56,379**	52,132	106,227	108,930
Occupancy costs	**8,591**	8,915	18,406	20,057
Land taxes	**8,358**	7,925	7,909	16,083
Professional fees	**5,998**	6,000	20,761	18,171
Office and general	**-**	1,234	1,470	6,981
Depreciation	**-**	-	-	29,576
Management fees	**-**	-	-	17,963
Consulting fees	**-**	-	-	13,575
Net loss	**$ (170,866)**	$ (160,350)	$ (238,213)	$ (391,190)

Comprehensive loss				
Net loss	**$ (170,866)**	$ (160,350)	$ (238,213)	$ (391,190)
Item that may be reclassified subsequently to net loss				
Exchange differences on translation of foreign operations	**15,693**	(12,962)	(9,603)	(16,029)
Comprehensive loss	**$ (155,173)**	$ (173,312)	$ (247,816)	$ (407,219)

The accompanying notes form an integral part of these consolidated carve-out financial statements

PAN AFRICAN URANIUM CORP.

CONSOLIDATED CARVE-OUT STATEMENTS OF CHANGES IN NET INVESTMENT BY PARENT
SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (unaudited) AND YEARS ENDED DECEMBER 31, 2013 AND 2012
(Stated in $CAD)

	Net investment by parent	Accumulated other comprehensive loss	Total
As at January 1, 2012	**$ (265,572)**	**$ 12,962**	**$ (252,610)**
Net loss for year	(391,190)	-	(391,190)
Currency translation adjustment	-	(16,029)	(16,029)
Contributions provided by parent company	215,379	-	215,379
As at December 31, 2012	**(441,383)**	**(3,067)**	**(444,450)**
Net loss for year	(238,213)	-	(238,213)
Currency translation adjustment	-	(9,603)	(9,603)
Contributions provided by parent company	260,824	-	260,824
As at December 31, 2013	**(418,772)**	**(12,670)**	**(431,442)**
Net loss for period	(170,866)	-	(170,866)
Currency translation adjustment	-	15,693	15,693
Contributions provided by parent company	52,211	-	52,211
As at June 30, 2014	**$ (537,427)**	**$ 3,023**	**$ (534,404)**

The accompanying notes form an integral part of these consolidated carve-out financial statements

PAN AFRICAN URANIUM CORP.
CONSOLIDATED CARVE-OUT STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (unaudited)
AND YEARS ENDED DECEMBER 31, 2013 AND 2012
(Stated in $CAD)

	Six month period ended June 30 2014 (unaudited)	Six month period ended June 30 2013 (unaudited)	Year ended December 31 2013	Year ended December 31 2012
Operating activities				
Net loss	**$ (170,866)**	$ (160,350)	$ (238,213)	$ (391,190)
Add (deduct) items not affecting cash				
Depreciation	**-**	-	-	29,576
Expenses allocated from parent company	**30,000**	30,000	60,000	60,000
	(140,866)	(130,350)	(178,213)	(301,614)
Change in non-cash working capital items				
Accounts payable and accrued liabilities	**107,118**	(60,122)	(60,725)	158,592
	(33,748)	(190,472)	(238,938)	(143,022)
Financing activities				
Advances from parent company	**33,751**	195,701	238,937	141,931
Other				
Effect of currency translation on cash	**2**	129	(12)	(31)
Change in cash	**5**	5,358	(13)	(1,122)
Cash, beginning of period	**183**	196	196	1,318
Cash, end of period	**$ 188**	$ 5,554	$ 183	$ 196

The accompanying notes form an integral part of these consolidated carve-out financial statements

1. STRUCTURE OF TRANSACTION, NATURE OF OPERATIONS AND GOING CONCERN

(a) **Structure of transaction**

Pan African Uranium Corp. ("PAUC" or the "Company") was incorporated as Uranium International Limited on January 18, 2005 and changed its name to Pan African Uranium Corp. in April, 2005. On January 27, 2006, the Company was acquired by Homeland Energy Inc. ("HEC") in an arm's length transaction through amalgamation with 1685662 Ontario Inc., a 100% subsidiary of HEC. The amalgamated company continued as Pan African Uranium Corp. On January 19, 2007, HEC spun off its 100% interest in the Company to Homeland Uranium Inc. ("HUI" or the "Issuer") in an arm's length transaction for shares of HUI. HUI is a reporting issuer subject to the rules and regulations of the Ontario Securities Commission, but its shares do not yet trade on any stock exchange, pending the transaction described below.

As part of an agreement with an arm's length third party to acquire HUI, HUI has prepared a listing statement dated November 20, 2014 in support of an application to list its common shares on the Canadian Securities Exchange.

Following the listing of HUI's common shares, HUI intends to undertake a reorganization (the "Spin Out") with respect to the shares of PAUC. Under the terms of the Spin Out, the shares of PAUC will be distributed to the shareholders of record of the Issuer on November 3, 2014 on a pro rata basis. If approved, this will result in the current shareholders of HUI owning the shares of PAUC directly, and therefore PAUC will no longer be a subsidiary of the Issuer. The completion of the Spin Out is subject to the approval of the shareholders of the Issuer.

The purpose of the Spin Out is to preserve the value of the historical assets of HUI in Niger for the current shareholders of HUI. On the completion of the Spin Out, the Niger assets, which are owned through PAUC, will no longer be assets of HUI as the shares of PAUC will be held directly by the current shareholders of HUI. PAUC's primary business focus will be to seek to realize value from the Niger assets either through a sale of the Niger Assets or through exploration activities to increase value of the Niger assets. PAUC may seek to realize value from the Niger assets by way of equity financing, joint venture, option agreements or other means or may seek to sell the assets.

These consolidated carve-out financial statements reflect the assets, liabilities, operations and cash flows of Uranium International Limited Niger ("Niger sub"), a subsidiary and branch of PAUC. They comprise the statements of financial position, loss and comprehensive loss, changes in net investment by parent company and cash flows as if PAUC had been an independent operator during the periods presented. The statements of loss and comprehensive loss for the six month periods ended June 30, 2014 and 2013 and for the years ended December 31, 2013 and 2012 include expenses incurred on Niger operations plus an allocation of HUI's general and administrative expenses in each of these periods.

1. STRUCTURE OF TRANSACTION, NATURE OF OPERATIONS AND GOING CONCERN, CONTINUED

The allocation of all expenses not directly chargeable to the Company was estimated using the percentage derived from the ratio of directly chargeable expenses to the Company and total operating expenses incurred by HUI, as follows: for the six month periods ended June 30, 2014 and 2013 - 30% and 37% respectively; for the years ended December 31, 2013 and 2012 - 30% and 24% respectively. The allocation was $60,000 per annum and reflects the estimated costs to manage the affairs of the Company as a widely-held private Canadian company. The allocation of expenses in the statements of loss and comprehensive loss does not necessarily reflect the nature and level of PAUC's future operating expenses.

Accordingly, the consolidated carve-out statements of financial position, loss and comprehensive loss, changes in net investment by parent and cash flows, which comprise the consolidated carve-out financial statements, have been prepared in accordance with a financial reporting framework specified within subsection 3.11(b) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for carve-out financial statements.

(b) **Nature of operations**

PAUC is engaged in the business of evaluation and exploration of uranium resource properties in Niger, West Africa. It is a private Canadian company, incorporated under the provisions of the Business Corporations Act (Ontario), and has registered offices at 401 Bay Street, Suite 2702, Toronto, Ontario, Canada, M5H 2Y4. It is currently the 100% subsidiary of Homeland Uranium Inc., prior to anticipated completion of the Spin Out transaction described in note 1(a).

(c) **Going concern**

The accompanying consolidated carve-out financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. In this circumstance, the Company would be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated carve-out financial statements. Such adjustments could be material.

The Company has incurred repeated significant losses as net losses for the six month periods ended June 30, 2014 and 2013 and for the years ended December 31, 2013 and 2012 were $170,866, $160,350, $238,213 and $391,190 respectively. The Company had working capital deficiencies as at June 30, 2014, December 31, 2013 and December 31, 2012 of $534,404, $431,442 and $444,450 respectively. Operations for the six month periods ended June 30, 2014 and 2013 and for the years ended December 31, 2013 and 2012 have been funded entirely by HUI.

1. STRUCTURE OF TRANSACTION, NATURE OF OPERATIONS AND GOING CONCERN, CONTINUED

The Company received renewal of its eight uranium concessions from the Minister of Mines and Industrial Development of the Government of Niger on March 4, 2013 for a further three years *(see note 5(b))*. Such approval had been conditional upon certain factors, the most significant of which was the payment of two years of training fees in the amount of USD $160,000 *(see note 6)*. These two years of training fees were paid by the Company on March 28, 2013 *(see note 6)*. Failure to pay remaining and ongoing annual training fees, to maintain an ongoing administrative presence in Niger or to meet minimum spending and reporting requirements under the renewal terms could result in termination of any 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 2(e))*.

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. Management is not aware of any such agreements, transfers or defects, but 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. Previously, 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 had acknowledged these delays as "force majeure" and, in June, 2010, had granted the Company a 27 month extension (to August, 2012) to its original concessions to compensate for this lost time. Ongoing economic and political uncertainty in the sub-Saharan part of Africa could lead to similar difficulties and delays in the future.

While management believes that it will be able to secure the necessary financing to continue operations into the future, there are material uncertainties 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. Therefore, there is significant doubt as to the propriety of the use of the going concern assumption upon which these consolidated carve-out financial statements have been prepared.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). They were authorized for issuance by the Board of Directors on November 21, 2014.

As required by the IASB, effective January 1, 2014, the Company adopted the following amendment to IFRS:

IAS 32: "Financial Instruments - Offsetting Financial Assets and Financial Liabilities" provides further clarification on the application of certain aspects of offsetting and net and gross settlement. The adoption of this standard had no effect on the consolidated carve-out financial statements.

(b) Basis of preparation

The consolidated carve-out financial statements have been prepared on the historical cost basis as modified by the measurement at fair value of financial assets classified as fair value through profit and loss ("FVTPL").

The preparation of consolidated carve-out financial statements in accordance with IFRS requires management to make certain critical accounting estimates and to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated carve-out financial statements, are disclosed in note 2(k).

These consolidated carve-out financial statements include the accounts of the Company and its wholly owned subsidiary, Uranium International Limited Niger.

(c) 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 profit or loss. 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.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(c) Financial instruments, continued

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. 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 then measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument 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 instrument, or, where appropriate, a shorter period.

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

Financial instrument classifications

The Company has made the following classifications:

Cash	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities

(d) Functional currency and foreign currency translation

Functional and presentation currency

The consolidated carve-out 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 operations is the West African francs ("CFA").

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Foreign currency translation

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

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

(e) Mineral properties

All acquisition and exploration costs, net of incidental revenues, are charged to profit or loss in the period incurred 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 and equipment. 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.

(f) Equipment

Equipment is now fully depreciated (as of December 31, 2012) and was formerly depreciated as follows:

♦	Exploration equipment	Straight-line	3 to 5 years
♦	Automotive equipment	Straight-line	3 to 5 years
♦	Furniture and fixtures	Straight-line	4 to 10 years
♦	Computer equipment	Straight line	2 to 5 years
♦	Office equipment	Straight-line	2 to 5 years

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(g) Impairment of non-financial assets

The Company continually reviews and evaluates the events or changes in the economic environment that indicate a risk of impairment of assets to determine whether the carrying amount of the asset or group of assets under consideration exceeds its or their recoverable amount. Impairment of the assets is evaluated at the cash-generating unit ("CGU") level which is the smallest identifiable group of assets that generates cash inflows, independent of the cash inflows from other assets, as defined by IAS 36 "Impairment of assets". Recoverable amount is defined as the higher of the CGU's fair value (less costs to sell) and its value in use. The active market or a binding sale agreement provides the best evidence for the determination of the fair value, but where neither exists, fair value is based on the best information available to reflect the amount the Company could receive for the CGU in an arm's length transaction. Value in use is equal to the present value of future cash flows expected to be derived from the use and sale of the CGU.

(h) Provisions and contingencies

Provisions are recognized when a legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense.

The Company's activities could give rise to obligations for environmental rehabilitation which can include facilities dismantling, removal, treatment of waste materials, monitoring, compliance with environmental regulations, security and other site-related costs required to perform the rehabilitation work. Any current expenditures regarding the environmental rehabilitation are charged to the cost of the project. Provisions for rehabilitation are periodically adjusted by the Company, when applicable.

When a contingency substantiated by confirming events can be reliably measured and is likely to result in an economic outflow, a liability is recognized at the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated carve-out financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(i) Accumulated other comprehensive income

Comprehensive income is comprised of net income and other comprehensive income. Certain gains and losses arising from changes in fair value are temporarily recorded outside the consolidated carve-out statement of loss in accumulated other comprehensive loss as a separate component of shareholders' deficit. Other comprehensive loss may include any unrealized gains and losses on available-for-sale securities, foreign currency translation gains and losses on the currency used for presentation and changes in the fair market value of derivative instruments designated as cash flow hedges, all net of taxes.

(j) Income taxes

Income tax expense represents current tax and deferred tax. The Company records current tax based on the taxable profits for the period which is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither that taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(k) Critical accounting estimates

The preparation of these consolidated carve-out financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include, but are not limited to, the following:

(i) Environmental rehabilitation provision

Provisions for rehabilitation require judgement as to the time frame and amounts required to successfully complete such rehabilitations given factors such as weather conditions, the success of replanting efforts and limitations on access to the relative area of exploration.

(ii) Niger liabilities

As illustrated by the period of "force majeure" described in note 1(c), there is an uncertainty that often arises when conducting business in Niger. These uncertainties require significant judgements to ensure that liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations, are measured based on management's best estimate of the expenditure required to settle the obligation at the reporting date.

(iii) Functional currency

The functional currency for the Company and subsidiaries is the currency of the primary economic environment in which each operates: Canadian dollar and West African CFA. Determination of functional currency may require certain judgements to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(k) Critical accounting estimates, continued

(iv) General and administrative expenses

The allocation of general and administrative expenses from HUI to PAUC require estimates as to the amount of time and effort required by management and professional advisors to continue active, ongoing operations of the Company as a widely held Canadian private company, and does not necessarily reflect the nature and level of future operating expenses.

3. ADOPTION OF NEW AND REVISED IFRS STANDARDS AND INTERPRETATIONS

The Company has reviewed new and revised accounting pronouncements, standards, amendments and related interpretations that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 9: "Financial Instruments" was issued by the IASB on November 12, 2009 and will replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Company has not early adopted any of these standards, amendments and interpretations. However, management is currently assessing the impact of their application in the consolidated carve-out financial statements.

4. EQUIPMENT

The Company's equipment, all fully depreciated as at December 31, 2012, was all written off in the current year as the assets are no longer in use, as follows:

	Computer equipment	Automotive equipment	Furniture and fixtures	Exploration equipment	Total
Cost					
As at January 1, 2012	**$ 95,280**	**$ 22,508**	**$ 33,916**	**$ 93,575**	**$ 245,279**
Currency adjustment	(3,478)	(1,265)	(2,171)	(5,652)	(12,566)
As at December 31, 2012	**91,802**	**21,243**	**31,745**	**87,923**	**232,713**
Written off	(91,802)	(21,243)	(31,745)	(87,923)	(232,713)
As at December 31, 2013 and June 30, 2014	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Accumulated depreciation					
As at January 1, 2012	**$ 90,198**	**$ 22,507**	**$ 27,562**	**$ 74,525**	**$ 214,792**
Depreciation	5,486	-	6,092	18,053	29,631
Currency adjustment	(3,882)	(1,264)	(1,909)	(4,655)	(11,710)
As at December 31, 2012	**91,802**	**21,243**	**31,745**	**87,923**	**232,713**
Written off	(91,802)	(21,243)	(31,745)	(87,923)	(232,713)
As at December 31, 2013 and June 30, 2014	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net book value					
As at December 31, 2012	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
As at December 31, 2013	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
As at June 30, 2014	$ -	$ -	$ -	$ -	$ -

5. MINERAL PROPERTIES

The following provides the relevant background on the Company's uranium exploration concessions in Niger:

(a) The Company was originally granted three-year uranium exploration concessions in January 2007 that were approved by a governmental order on May 31, 2007. The eight concessions are located in the Agadez-Arlit district of northern Niger and are held in the name of Uranium International Limited Niger. On September 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 to give recognition to conditions of "force majeure" that existed at that time.

(b) On March 4, 2013, the Company obtained approval for renewal of its Niger uranium concessions for a further three years from authorities in Niger. Such approval was conditional upon certain factors, the most significant of which was payment of two years of training fees on March 28, 2013 in the amount of USD $160,000 *(see note 6)*.

(c) The key terms of the concession renewal include:

(i) 50% of the areas licensed under the previous concessions were relinquished on renewal, such that the area of exploration now covers approximately 1,870 square kilometres;
(ii) cumulative minimum expenditures of USD $4,916,350 for all concessions during the three-year renewal period *(see note 10(a))*;
(iii) a 10% free carried interest for the state in the mining phase with an option to acquire an additional 30% at market value;
(iv) tax and other exemptions during the exploration period include:
- value added tax;
- corporate income tax;
- income tax for expatriate employees;
- land tax;
- license contributions;
- mining flat tax and other registration fees; and
- import duties on certain equipment and spare parts;

(v) a sliding scale mining royalty between 5.5% to 12% of the market value of production on FOB terms; and
(vi) 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; and
- import duties on certain equipment and spare parts

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30 2014 (unaudited)	December 31 2013	December 31 2012
Trade accounts payable and accrued liabilities	$ 413,274	$ 319,212	$ 368,135
Payroll related	97,219	88,023	59,946
Provisions	24,235	24,527	16,688
	$ 534,728	$ 431,762	$ 444,769

As at June 30, 2014, December 31, 2013, and December 31, 2012, accounts payable and accrued liabilities contains USD $320,000, USD $240,000 and USD $320,000 respectively representing training fee obligations accruing at an annual rate of USD $80,000 under the terms of the original uranium concessions *(see note 5(b))*. The renewal process for the uranium concessions was formalized on March 4, 2013, but was conditional upon acknowledgement of these liabilities by the Company. Of the amount payable as at December 31, 2012, two years of training fees of USD $160,000 were paid on March 28, 2013. The amount of USD $320,000 provided for as at June 30, 2014 represents four years of unpaid fees for the years from 2011 to 2014 inclusive.

7. NET INVESTMENT BY PARENT

Homeland Uranium Inc.'s ("HUI") investment in the Company and its Niger operations is presented as "net investment by parent" in these consolidated carve-out financial statements. The net investment represents the net accumulated contributions from HUI, accumulated net losses, and the value of the Company's 100 common shares wholly-owned by HUI.

8. INCOME TAXES

(a) Income rate reconciliation

The following table reconciles the expected income tax recovery at the Canadian federal and provincial statutory rate of 26.50% (2012 - 26.50%) to the amount recognized in the consolidated carve-out statements of loss:

	Years ended December 31 2013	Years ended December 31 2012
Net loss before recovery of income taxes	$ 238,213	$ 391,190
Expected income tax recovery	26.50%	26.50%
Expected income tax recovery	$ (63,130)	$ (103,670)
Decrease (increase) resulting from:		
Differences in foreign tax rates	(6,240)	(11,010)
Tax rate changes and other adjustments	(264,740)	(22,150)
Change in tax benefits not recognized	334,110	136,830
	$ -	$ -

(b) Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2013	2012
	$	$
Non-capital losses carried forward	1,372,500	1,312,500
Resource-related properties	5,568,200	5,568,200
Other temporary differences	-	319,700

In addition to the above noted unrecognized deferred tax assets, the Niger branch has a deductible temporary difference of approximately $6,746,000 (2012 - $5,686,000).

8. INCOME TAXES, CONTINUED

The Canadian non-capital loss carry forwards expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

	Canada
2014	$ 259,360
2025	26,920
2026	76,030
2028	8,300
2029	589,600
2030	16,060
2031	259,620
2032	76,610
2033	60,000
	$ 1,372,500

9. FINANCIAL RISK FACTORS

Risk management

The Company's activities expose it to a variety of financial risks: liquidity risk, mineral property risk and currency risk. 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) **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. The Company had working capital deficiencies as at June 30, 2014, December 31, 2013 and December 31, 2012 of $534,404, $431,442 and $444,450 respectively. All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

(b) **Mineral property risk**

The Company's operations in Niger are exposed to various levels of political risk and uncertainties, including political and economic instability, government regulations relating to exploration and mining, military repression and civil disorder, all or any of which may have a material adverse impact on the Company's activities or may result in loss of part or all of the Company's concessions.

9. FINANCIAL RISK FACTORS, CONTINUED

(c) **Sensitivity analysis**

As at June 30, 2014, December 31, 2013 and 2012, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to foreign currency risk on fluctuations of financial instruments that are denominated in West African francs (CFA's) and US dollars and are related to cash and accounts payable and accrued liabilities. As at June 30, 2014, sensitivity to a plus or minus 10% change in the foreign exchange rate would affect comprehensive loss by $53,000 (December 31, 2013 - $43,000; December 31, 2012 - $44,000), virtually all of which is related to CFA denominated financial instruments.

10. COMMITMENTS

(a) **Niger concessions**

As described in note 5, the Company had its eight uranium concessions renewed on March 4, 2013 for a further three year period. Under the terms of those concession renewals, the Company is committed to minimum exploration expenditures of USD $4,916,350 over the three year extension.

In addition, under the terms of the original agreement and continued during the renewal period, the Company is committed to payment of annual training fees of USD $10,000 per concession (totalling USD $80,000 per year) for its eight concessions for the purpose of training Niger nationals *(see note 6)*.

Please note that after printing an error was discovered in the below table located on pages 10 and 11 of Appendix A. The corrected table is below.

Pan African Uranium Corp. Selected Consolidated Carve-out Financial Statement Information Consolidated Carve-out Statement of Loss and Comprehensive Loss Six months ended June 30, 2014 (unaudited)	
	$
Expenses	
Training fees	91,540
Salaries	56,379
Occupancy costs	8,591
Land taxes	8,358
Professional fees	5,998
Total operating expenses	170,866
Net loss for the period	(170,866)
Comprehensive income	15,693
Comprehensive loss for the period	(155,173)