MANAGEMENT'S DISCUSSION AND ANALYSIS, ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the results of operations of the Corporation and should be read in conjunction with the audited financial statements of Homeland Uranium Inc. for the year ended December 31, 2007 and the related notes thereto. The financial statements and the financial information contained in the related MD&A were prepared in accordance with GAAP.

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

Overview

Homeland Uranium Inc. [the "Corporation"] was incorporated under the laws of Ontario on December 29, 2006 as 2123493 Ontario Inc. by Homeland Energy Corp. ["HEC"] or [the "Parent"], a private mining company incorporated under the laws of Ontario and continued in the British Virgin Islands. HEC is a wholly owned subsidiary of Homeland Energy Group Limited, a publicly traded company on the TSX. On January 19, 2007, the Corporation changed its name to Homeland Uranium Inc.

The Parent, which held coal and uranium interests in Africa and North America, decided to divest its uranium assets into a separate Canadian entity, these assets comprising two wholly-owned subsidiary companies: Homeland Uranium, Inc. ["USA Sub"], a 100% owned Utah corporation originally incorporated on March 15, 2005; and, Pan African Uranium Corp. ["Ontario Sub"], a 100% owned Ontario registered corporation originally incorporated on January 27, 2006, and Uranium International Limited Niger ["Niger Sub"], a branch of the Ontario Sub, originally incorporated in Niger on April 30, 2007. The transaction was executed on February 1, 2007 at a recorded book value of $6.157 million, in return for 16 million shares of the Corporation. As a result, the Corporation acquired a 100% undivided ownership of the Ontario and Niger Subs, the latter of which retains direct ownership of eight uranium exploration concessions, as well as the USA Sub that holds a 100% interest in the USA properties.. The Corporation has not made any significant dispositions since its incorporation.

Additionally, the Corporation closed a seed financing for total gross proceeds of $1.84 million, in February 2007, in return for the issuance of 8 million shares of the Corporation at a price of $0.23 per share. The Corporation further issued 400,000 shares to several individuals for services rendered towards the acquisition of another uranium property; a further 3.6 million shares remain in escrow pending formal acquisition of this property.

Whereas the Parent originally retained 100% control position of the Corporation as of February 1, 2007, the fact that the acquisition occurred between two related entities, the accounting was done on the basis of continuity of interests. Under this accounting method, the Corporation is deemed to have acquired the uranium assets of the Parent at book value. Subsequent to the acquisition, the Corporation's financial statements presented for comparative purposes reflect the financial position, results of operations and cash flows as if the Corporation existed in the period of comparison and was managing those transferred assets.

The Parent and subsidiary companies shared staff and services prior to February 1, 2007. Historically, the Parent has maintained accounting records necessary to support its consolidated financial statements and for other internal and tax reporting purposes. While the amounts applicable to the uranium assets for periods prior to February 1, 2007 can be derived directly from the accounting records of the Parent, it has been necessary to allocate certain items in the manner described below.

Cash, property, plant and equipment, mineral properties and deferred exploration expenses and future income tax liability prior to February 1, 2007 have been directly derived from the accounting records of the Parent.

Shared expenses incurred by the Parent for periods prior to February 1, 2007 have been allocated on a pro rata basis using the estimated percentage of time spent by individual employees on the uranium assets of the subsidiary companies during the relevant period. For purposes of allocating the shared expenses to the uranium assets, certain expenses which did not relate to the operation of the uranium assets, such as those related to the financing costs of the Parent, have been excluded from the pool of expenses used to calculate the allocation.

The Corporation is a junior mineral exploration company engaged in the acquisition, exploration, and development of properties that have the potential to host economically significant quantities and concentrations of one or more mineral resource commodities. 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 property interests held by the Corporation are in production and, as such, the Corporation does not currently have operating income or positive cash flow from operations.

The Corporation, directly or through joint ventures and strategic alliances, is exploring its mineral properties and will continue to assess future opportunities in order to determine whether or not these properties have the potential to host economically significant quantities and concentration of metallic mineral commodities.

Capitalization

The following sets the capitalization of the Corporations as at December 31, 2007:

Description	**Number of Securities Outstanding**
Issued and outstanding	56,434,100(1)
Warrants	16,115,403(2)
Stock options	2,300,000(3)
Total Number of Securities Outstanding	**74,849,503**

(1) inclusive of the 3,600,000 Common Shares currently held in escrow which may be returned to treasury and cancelled in the event the escrow release conditions are not satisfied.
(2) this includes 1,898,353 Private Placement Broker Warrants outstanding.
(3) a further 100,000 stock options were conditionally granted on May 7, 2007 to a key individual associated with a project being developed, but have not been issued as of December 31, 2007 until certain conditions related to this project is met.

Summary of Quarterly Results
In Canadian Dollars

Description	December 2007	September 2007	June 2007	March 2007	December 2006
Current assets	$19,375,972	$20,920,737	$10,783,124	$1,847,758	$74,464
Mineral properties	$11,097,240	$10,280,215	$9,451,892	$8,059,925	$7,703,311
Current liabilities	$1,253,016	$1,068,654	$1,597,287	$46,171	$9,475
Working capital	$18,122,956	$19,852,083	$9,185,837	$1,801,587	$64,989
Loss and comprehensive loss (total)	$ 401,842	$422,052	$224,738	$123,208	$33,152
Loss and comprehensive loss (per common share)	$0.01	$0.01	$0.01	$0.01	N/A

Results of operations for the year ended December 31, 2007 compared to the year ended December 31, 2006

During the year ended December 31, 2007, the Corporation expended a total of $1,840,115 on the acquisition, exploration and development of the US Properties. This is compared to $1,411,177 that was spent on the acquisition, exploration and development of the US Properties during the year ended December 31, 2006.

As of December 31, 2007, the USA Sub held ten properties in the states of Colorado (seven properties) and Utah (three properties). During 2007, activities of the USA Sub consisted of field work on properties acquired during the previous years, 2005 and 2006 along with the acquisition of two additional properties. Exploration work consisted of the compilation, digitization and synthesis of historic data, geological field mapping on and around existing properties for the purpose of identifying the directional trend and related characteristics of known and potentially uranium-bearing sedimentary channels, and a variety of activities related to planning for, undertaking and following up from drilling. During the period April to June, 2007, the USA Sub carried out a fifteen hole drill program at the Wray Mesa property, to confirm historic mineralization and begin to delineate its full lateral extent. As at December 31, 2007, the cumulative net expenditures on the US properties were $ 4,048,451 compared to $2,208,336 as at December 31, 2006.

During the year ended December 31, 2007, the Corporation expended a total of $1,553,814 on the acquisition, exploration and development of mineral properties in the Republic of Niger. This is compared with $5,494,975 that was spent on the acquisition, exploration and development of the Niger Properties during the year ended December 31, 2006. The higher expenditure in 2006 was mostly related to the acquisition costs, by the Parent, of Pan African Uranium Corp, the company that held the rights to the concession licences applications in the Republic of Niger. On January 27, 2006 and by virtue of an amalgamation agreement, HEC acquired 100% of the outstanding common shares of Pan African. Under the terms of the agreement, the shareholders of the latter received one common share, warrant or option of HEC for every two Pan African shares, warrants or options held. HEC continued to negotiate with the Niger authorities for the issuance of the permit agreements. The expenditures in 2007 were related to direct exploration expenditure on the properties including the start of drilling operations at the Algelal concession.

On February 1, 2007, Homeland Uranium entered into a material acquisition agreement with HEC pursuant to which Homeland Uranium acquired the USA Sub and the Niger Sub from HEC in return for 15,999,999 shares of Homeland Uranium in addition to the one founding share held. An administrative office has been set up in Niamey, Niger with an exploration warehouse facility in Agadez and an exploration field compound established in Arlit, Niger. Several experienced Nigerian geologists and field technicians resident in Niger were hired during the second quarter of 2007 and by June, 2007 a general strategy and field exploration programme had been initiated. A considerable amount of field equipment including all terrain vehicles, computers, tents and related equipment was purchased and shipped to Niger. Exploration work during 2007 largely comprised the acquisition, translation (from French to English), digitization and synthesis of a body of historic data, this effort having been carried out mostly at the Corporation's global exploration office located in the offices of the USA Sub, in Colorado, USA. Additionally, a Canadian-based geological consultant with expertise in the processing and interpretation of remotely sensed satellite imagery was contracted to acquire, process and interpret a series of images from two different satellite platforms, covering the area of the eight licences in Niger. A contract with an international geophysical survey company was entered into during 2007, as well, for an airborne combined magnetic-radiometric survey over the eight concessions; however, a brief flare up in a regional insurgency within Niger, centered geographically distant from the Niger sub's property area, led to the survey company to remove its aircraft from Niger for the balance of the year. This survey is now tentatively planned for completion during 2008. In the meanwhile, the Corporation embarked upon the design and construction of a ground-based survey platform in order to be able to obtain the magnetic and radiometric data necessary for exploration purposes. This equipment will be mounted upon an all terrain vehicle and shipped to Niger in April 2008 ,with the data generated by it likely available prior to that from the delayed airborne survey and at less cost. Finally, a contract for a ground geophysical survey was completed in late 2007. Referred to as "track etch", it is a method for obtaining a measure of radioactivity at individual locations the source of which may be attributed to a buried source of uranium, at unknown depth. This survey will be completed during the first four months of 2008. Concurrently, a geochemical survey will be completed by the staff of the Niger sub, with samples taken at the same locations as the track etch survey. A budget of US $500,000 has been estimated for these various ground surveys.

As at December 31, 2007, the cumulative net expenditures on the Niger properties were $ 7,048,789 compared to $ 5,494,975 as at December 31, 2006.

During the year ended December 31, 2007, general and administrative expenses, including rent, legal and audit fees, corporate services, office, general expenses but excluding all non cash expenses, were $ 864,954. This is compared to $ 56,523 expended during the same period in the year 2006. The reason for the higher amount in 2007 is that the Corporation existed as a separate entity from HEC for most of the year in 2007. In the year ended December 31, 2006, the Corporation benefited from shared services of HEC.

Foreign exchange losses for the nine month period ended December 31, 2007 amounted to $ 201,433 compared to losses of $ 165,988 for the year ended December 31, 2006. The foreign exchange losses reflect the depreciation of the US dollar.

The table below reflects a summary of the results for the period from January 1, 2006 to December 31, 2007:

Description	As at December 31, 2007	As at December 31, 2006
Mineral properties and deferred exploration costs	11,097,240	7,703,311
Property, plant and equipment	621,669	27,069
	Year ended December 31, 2007	**Year ended December 31, 2006**
Project development expenses	138,112	3,312
General and administrative expenses	864,954	56,523

None of the mineral property interests held by the Corporation are in production or producing any cash flow. In order to develop its properties or to acquire additional properties, additional financing will be required to be obtained by the Corporation. The Corporation's accounting policy is the costs relating to acquisition, exploration and development of mineral properties, less recoveries, are capitalized by project until the commencement of commercial production. If commercially profitable reserves are developed, capitalized costs of the related project will be reclassified as mining assets and amortized on a unit of production method. If it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated life of the property, or the project is sold or abandoned, the project cost is written down to its realizable value.

The recoverability of the amounts shown as mineral properties and deferred exploration expenditures is dependent upon the existence of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to complete the exploration and development, and future profitable production or proceeds from the disposition of such properties.

Liquidity and Capital Resources

As at December 31, 2007, the Corporation had no indebtedness other than ordinary trade payables and accruals totalling $ 1,253,016. This is compared to $9,475 of trade payables and accruals as at December 31, 2006. This is due to the fact that shared expenses, which were incurred by HEC for periods prior to February 1, 2007 did not relate to the operation of the Niger Properties or the US Properties, such as those related to the financing costs of HEC, have been excluded from the pool of expenses used to calculate the allocation. The increase in accounts payable as at December 31, 2007 is due to a liability to a third party relating to the acquisition of the Niger subsidiary as at February 1, 2007.

Accounts receivable and prepaid expenses amounted to $ 1,113,301 as at December 31, 2007. There were no accounts receivable or prepaid expenses recorded in 2006. This is mainly because most of HEC's receivables in that year did not relate directly to the operation of the Niger or US Properties, and have been excluded from the pool of expenses used to calculate the allocation for accounts receivable. The recorded amount of accounts receivable as at December 31, 2007 is mostly for reimbursements due from HEC.

Mineral properties and deferred exploration were $11,097,240 as at December 31, 2007. This is compared to $7,703,311 as at December 31, 2006. The amounts in 2006 were mostly related to the acquisition of the Niger Sub as well as net expenditures on the USA Sub during that year.

During the year ended December 31, 2007, the Corporation expended $653,316 on additions to plant and equipment in both Niger and the United States. This is compared to $29,972 which was expended during the year 2006.

Cash and short-term investments as at December 31, 2007 were $18,262,671 compared to $74,464 as at December 31, 2006. The higher liquidity in 2007 was due to the successful closing of a non-brokered seed financing in February 2007 for net proceeds of $1,839,961 and the closing of a brokered private placement of Units in June and August 2007 for net proceeds of $20,714,122

The Corporation has near-term cash needs of approximately $2.5 million through to June 30, 2007 and cash needs of approximately $8 million through to December 31, 2008, consisting of existing exploration activities, property commitments, and new project generation as well as general and administrative expenses. The Corporation may require additional financing to satisfy its cash needs in case of any new major project acquisition. It may finance such requirements through equity financing, debt financing, and joint venture arrangements with other mining companies or the sale of interests in certain mining properties. There can be no assurances that such capital will be available to the Corporation.

The Corporation has limited resources of funds to engage in additional exploration and development, which may be necessary to exploit its properties and make additional acquisition payments in order to maintain its property interests. The Corporation may not be able to obtain, on satisfactory terms; the financing necessary to finance its substantial obligations in respect of the Corporation's mineral property interests.

Commitments

The Corporation holds a lease to purchase option from Future Energy, LLC, for mineral properties, known as the Wray Mesa project, in the USA. The agreement with Future Energy, LLC was signed on May 1, 2006 and is valid for three years. It carries a commitment to pay rental and claim fees of US$331,000 during the first three years. The Corporation is also committed to expend a minimum of US$239,500 on exploring the property during the first two years and US$392,000 in the last year. The Corporation has paid the rental and claim fees for the first two years and exceeded the minimum expenditure requirements on exploration for the first two years.

The Corporation completed its phase one drilling program on the property and plans to do more drilling during 2008 which would fulfill all of its obligations and commitments to Future Energy LLC.

In Niger, the Corporation is committed to spend a minimum of US$300,000 per concession in the first year (US$2,400,000 for the eight concessions). In the second and third years the expenditures are increased to US$500,000 and US$1,325,000 respectively per concession (US$4,000,000 and US$10,600,000 for the eight concessions). In addition, the Corporation is obliged to pay land royalty fees to the government of Niger equivalent to CFA 2,000 ($4.41) per square kilometre in the first year ($16,562 in total). In the second and third renewal periods the land royalties are increased to CFA 3,000 and CFA 5,000 respectively per square kilometre ($24,844 and $41,406 in total for each year respectively). The Corporation has also agreed to make cash payments to the government of Niger for the purpose of training Niger nationals equivalent to US$10,000 per concession per year or US$80,000 for its eight concessions. The Corporation has already paid the land royalty fees and part of the training obligation for the first year.

The Corporation was granted the uranium exploration concessions relating to the Niger Properties in January 2007 and received Niger governmental approval on May 31, 2007. These concessions were granted for a three year period plus a six month preparation period. The Corporation currently has sufficient funds to finance the financial commitments and obligations in connection with each of the concessions relating to the Niger Properties over the next two years.

Risk Factors

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

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

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

The Corporation has certain spending commitments on its properties and it is possible that these commitments may not be met in a timely manner for operational, security or other reasons. In normal circumstances, the Corporation could negotiate an extension for its contract obligations but there is no guarantee that it will succeed in obtaining such an extension or relief. In such cases, the Corporation would risk losing its contractual rights on these properties.

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

Exploration, Development and Operating Risks

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

Uranium Price Volatility

Homeland Uranium's activities will be almost exclusively exploration and possibly the development of uranium mining properties in Niger and the U.S. Therefore, the principal factors affecting the price of the Common Shares are factors which affect the price of U3O8, and are thus beyond Homeland Uranium's control. Such factors include, among others, the demand for nuclear power; political and economic conditions in uranium producing and consuming countries such as Canada, the United States and former Soviet Republics; reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails; sales of excess civilian and military inventory (including from dismantling of nuclear weapons and industry participants production levels and costs of production in countries like Russia, Canada, United States and Africa.

The market prices of U3O8 are affected by rates of reclaiming and recycling of uranium and rates of production of uranium from mining, and may be affected by a variety of unpredictable international economic, monetary and political considerations, including increased efficiency of nuclear power plants and increased availability of alternative nuclear fuel, such as mixed oxide fuel generated in part from weapons grade plutonium.

Macroeconomic considerations include: expectations of future rates of inflation; the strength of, and confidence in, the U.S. dollar, the currency in which the price of U3O8 is generally quoted, and other currencies; interest rates; and global or regional economic events.

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

The price of uranium is also tied directly to the worldwide electrical utility industry. Deregulation of the utility industry, particularly in the U.S. and Europe, is expected to impact 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

Homeland Uranium is exploring uranium mining properties in Niger and the U.S. However, Homeland Uranium maintains its accounting records, reports its financial position and results, pays certain operating expenses and the Common Shares trade, in Canadian currency. Therefore, because exchange rate fluctuations are beyond Homeland Uranium's control, there can be no assurance that such fluctuations will not have an adverse effect on Homeland Uranium's operations or on the trading value of the Common Shares.

Lack of Operational Liquidity

The expenses of Homeland Uranium will be funded from cash on hand from the proceeds of the previous offerings. Once such cash has been expended, Homeland Uranium will be required to seek additional financing. There is no guarantee that any debt or additional equity or equity related offering of securities will be available on terms acceptable to Homeland Uranium or that Homeland Uranium will be able to locate or sell U3O8 in a timely or profitable manner.

Security Threats Due to Armed Conflict

The security situation in the Arlit-Agadez region of northeastern Niger may worsen due to increased rebel activity by a Tuareg movement called the Mouvement des Nigeriens pour la Justice ("MNJ"). The MNJ have recently staged several attacks against government military installations in the region. If this conflict escalates and poses a risk to the health and safety of Homeland Uranium personnel operating in the area, then the Corporation may be forced to curtail or cease field exploration operations in the area, which may result in a material adverse effect on the Corporation's business plan and operations.

Competition

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

Nuclear Accident

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

Insurance and Uninsured Risks

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

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

Resignation by Key Personnel

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

Conflicts of Interest

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

Regulatory Change

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

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 Homeland Uranium 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 Homeland Uranium'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, Homeland Uranium may be unable to operate its properties as permitted or may be unable to enforce its rights with respect to its properties. Homeland Uranium may seek to increase the concentration of its mining activities in areas where it already operates mines, or has exploration licenses which it expects will result in operating mines. If Homeland Uranium seeks to amend its current licenses to include additional resources in the area, there can be no assurance that it will be able to obtain the necessary authorizations and regulatory approvals.

No Mineral Resources or Mineral Reserves

No Mineral Resources or Mineral Reserves have been attributed to the Niger and U.S. properties and Homeland Uranium holds no other property interests as of the date of this prospectus.

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

Environmental Risks

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

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

All of Homeland Uranium's planned exploration and possible development and production activities are or will be subject to regulation under one or more of the various local, state and federal environmental laws and regulations. Many of the regulations require the Corporation to obtain authorizations for its activities. Homeland Uranium 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 Homeland Uranium's business, causing those activities to be economically re-evaluated at that time. Those risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond the Corporation'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 Homeland Uranium from operating even if it and its subsidiaries were otherwise in full compliance with all substantive environmental laws.

Need for and Availability of Future Additional Equity Capital

Homeland Uranium's business strategy may require additional substantial capital investment following this Offering. To the extent that cash generated internally and cash available under any credit facility that may be entered into are not sufficient to fund capital requirements, the Corporation will require additional debt and/or equity financing. However, this type of financing may not be available or, if available, may not be available on satisfactory terms. If the Corporation fails to generate or obtain sufficient additional capital in the future, it could be forced to reduce or delay capital expenditures, sell assets or restructure or refinance indebtedness, if any.
Homeland Uranium may need to obtain additional resources in the future in order to execute the Corporation's growth strategy, including the possible acquisition of new businesses and assets. Homeland Uranium may not be able to obtain debt financing on terms attractive to it, or at all. If the Corporation cannot obtain adequate funds to satisfy its capital requirements internally or through other methods of financing, the Corporation may need to increase its capital through an additional equity offering. Sales by Homeland Uranium of a substantial number of common shares after the completion of the offering could negatively affect the market price of the common shares and dilute existing shareholdings.

Foreign Operations

A majority of the operations of Homeland Uranium are currently conducted outside of Canada in Niger and the U.S. and as such, the operations of Homeland Uranium are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour 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 favour 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 or the United States may adversely affect the operations or profitability of Homeland Uranium. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

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

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

Government Regulation

The mining, processing, development and mineral exploration activities of Homeland Uranium are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the mining and processing operations and exploration and development activities of the Homeland Uranium 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 Homeland Uranium.

Market Price of Common Shares

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

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

No Dividends

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

Control of the Corporation

The Corporation currently has two significant shareholders holding an aggregate of close to 60% of the outstanding securities of the Corporation. As a result, the ability to impact on the election of directors and other corporate actions is concentrated with these shareholders, possibly to the detriment of other shareholders.

Forward Looking Statements

This discussion contains “forward looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the 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 Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, lack of a statutory framework for uranium mining in the country of Niger, lack of access to historic drill core, delays in obtaining governmental and regulatory approvals, uncertainty of acquiring necessary drilling permits, general business, economic, competitive, political, social and security uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of uranium; possible variations of geological parameters; failure of equipment to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection, terrorism or war; delays in obtaining financing or in the completion of exploration, development or construction activities, as well as those factors discussed in the section entitled “Risk Factors” in this prospectus. Although the 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.

Transactions with Related Parties

During the year ended December 31, 2007, the Corporation recorded several related party transactions involving HEC. The Corporation paid $13,522 to HEC towards sharing its office space. The Corporation moved to a new office in January 2008. The Corporation also paid HEC US$125,000 ($132,612) representing 50% of the cost of consulting services for the acquisition of the Niger concessions. HEC issued 125,000 shares of its own, valued at US$250,000 ($294,800), to the consultant in return for their services. In addition and as at December 31, 2007, the accounts receivable and prepaid expenses of the Corporation included $710,000 receivable from HEC representing the Corporation’s liability to a third party relating to the acquisition of the Niger Sub shares, which HEC has agreed to reimburse.

During the year ended December 31, 2007, the Corporation paid $66,750 to Grove Communications for corporate and investor relation services. The owner of Grove Communications is Stephen Coates, a director and Chairman of the Board of the Corporation. The Corporation also paid Mr. Coates a onetime honorarium compensation of $50,000 for extraordinary time spent in the establishment and financial viability of the Corporation. Mr. Coates was instrumental in securing the acquisition of the Niger Properties and the US Properties and in introducing the Corporation to several investment funds during the June 2007 Private Placement.

Finally, the Corporation paid $10,000 to Tormin Resources Limited ("**Tormin**") as consulting fees. The owner of Tormin is John Cook, a Director of the Corporation. Tormin provides consulting services to the Corporation, primarily for coordinating technical due diligence reviews of prospective projects.

Changes in Accounting Policies

Effective January 1, 2007, the Corporation adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005 namely: (i) CICA Handbook Section 1530 Comprehensive Income; (ii) CICA Handbook Section 3855 Financial Instruments - Recognition and Measurement; (iii) CICA Handbook Section 3861 Financial Instruments - Presentation and Disclosure; and (iv) CICA Handbook Section 3865 Hedges.

CICA Handbook Section 1530 sets out reporting and disclosure standards with respect to comprehensive income and its components. Comprehensive income is composed of net income and other comprehensive income. The Corporation does not have any components of comprehensive income except for net income and therefore this policy has had no impact on the Corporation's financial statements.

CICA Handbook Section 3855 sets out standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities, including derivatives, be measured at fair value on initial recognition and recorded on the balance sheet. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading", "available-for-sale", "held-to-maturity", "loans and receivables", or "other financial liabilities". CICA Handbook Section 3861 sets out standards for the presentation and disclosure of financial instruments.

Financial assets and financial liabilities held-for-trading are measured at fair value with changes in those fair values recognized in net income. Financial assets and financial liabilities considered "held-to-maturity", loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost.

The Corporation has made the following classifications:

- Cash, short-term investments and interest bearing deposits are classified as "held-for-trading" and measured at fair value. Gains and losses resulting from change in fair values are recorded in net income.
- Accounts receivable are classified as "loans and receivables" and are recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.
- Accounts payable are classified as "other financial liabilities" and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

CICA Handbook Section 3865 sets out standards on the use of hedge accounting. The Corporation currently does not have any hedges in place and therefore this policy has had no impact on the Corporation’s financial statements.

Impact upon adoption of CICA Handbook Sections 1530, 3855, 3861 and 3865

The adoption of these new accounting standards has had no significant impact on the Corporation’s consolidated financial statements.

Accounting changes

Effective January 1, 2007, the Corporation adopted the revised CICA Handbook Section 1506, Accounting Changes, relating to changes in accounting policies, changes in accounting estimates and errors. Adoption of these recommendations had no significant effect on the consolidated financial statements for the year ended December 31, 2007, except for the disclosure of accounting changes that have been issued by the CICA but have not yet been adopted by the Corporation because they are not effective until a future date (as described under “Future Accounting Standards” below).

Future Accounting Standards

On December 1, 2006, the CICA issued three new accounting standards: CICA Handbook Section 1535, Capital Disclosures; CICA Handbook Section 3862, Financial Instruments – Disclosures; CICA Handbook Section 3863, Financial Instruments – Presentation. These standards are effective for interim and annual financial statements for the Corporation’s reporting period beginning on January 1, 2008. CICA Handbook Section 1535 specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The new CICA Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

In March 2007, the CICA approved CICA Handbook Section 3031, Inventories, which replaces the existing CICA Handbook Section 3030, Inventories. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008, with earlier application encouraged. The standard provides more guidance on the measurement and disclosure requirements for inventories.

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing CICA 3062, Goodwill and Other Intangible Assets, and CICA 3450, Research and Development Costs. New Section 3064 addresses when an internally developed intangible asset meets the criteria for recognition as an asset. The CICA also issued amendments to Section 1000, Financial Statement Concepts, and Accounting Guideline AcG-11, Enterprises in the Development Stage. EIC-27, Revenues and Expenditures during the Pre-operating Period, will not apply to entities that have adopted Section 3064. These changes are effective for fiscal years beginning on or after October 1, 2008, with earlier adoption permitted, and will be adopted by the Company effective January 1, 2009. The objectives of the changes are to reinforce a principle-based approach to the recognition of costs as assets and to clarify the application of the concept of matching revenues and expenses in CICA 1000. Collectively, these changes bring Canadian practice closer to IFRS and U.S. GAAP by eliminating the practice of recognizing as assets a variety of startup, pre-production and similar costs that do not meet the definition and recognition criteria of an asset.

The Corporation is currently assessing the impact of these new accounting standards on its financial statements.

Funding

During the year ended December 31, 2007, the Corporation entered into two transactions to generate cash flow to finance its operations. They are as follows:

In February 2007, the Corporation completed a non-brokered private placement for seed financing purposes that consisted of 8,000,000 common shares at a price of $0.23 per common share for total net proceeds of $1,839,961. No brokerage fees, warrants or cash commissions were payable with this issue.

On June 19, 2007, the Corporation closed the first tranche of a brokered private placement consisting of 16,316,250 subscription receipts at a price of $0.80 per subscription receipt for total gross proceeds of $13,053,000. On August 8, 2007, the Corporation closed the second and final tranche of the brokered private placement consisting of 12,117,850 subscription receipts for total gross proceeds of $9,694,280. The total gross proceeds were $22,747,280 for a total of 28,434,100 subscription receipts. The main Agent for this placement was Haywood Securities Inc. Each unit is convertible into one common share of the Corporation and one half of one common share purchase warrant of the Corporation. Each whole common share purchase warrant of the Corporation entitles the holder to purchase one additional common share of the Corporation at an exercise price of $1.25 per share during the 24 months period ending June 19, 2009 for the first tranche of common share purchase warrants of the Corporation and August 8, 2009 for the second tranche of the common share purchase warrants of the Corporation. In conjunction with this funding, the Corporation paid cash brokerage fees and commissions to the Agent and other brokers amounting to $1,377,321. In addition, the Agent and other brokers were issued 1,898,353 broker Warrants. Each broker compensation option entitles the holder to purchase one additional common share of the Corporation and one half of one common share purchase warrant of the Corporation at an exercise price of $0.80 per broker compensation option during the 24 months period ending June 19, 2009 for the first tranche and August 8, 2009 for the second tranche. Share issue costs, legal and audit fees associated with the equity financing amounted to $655,837. The subscription agreement included a penalty dilution clause that entitled the subscribers of the placement to additional 20% common shares in case the Corporation did not file a preliminary prospectus within six months after the respective closings. The Corporation did however file a preliminary prospectus within the prescribed period and was accepted by the regulatory authorities on February 13, 2008. The 20% dilution clause has thus become void. A value of $4,776,929 was ascribed to the common share purchase warrants of the Corporation based on their fair value as determined using the Black-Scholes option valuation method. Similarly a value of $1,057,382 was ascribed to the Warrants. As at December 31, 2007, none of the common share purchase warrants of the Corporation or the broker Warrants had been exercised. In addition, the Corporation is planning to sell a further 1,000,000 New Units of Homeland Uranium together with its planned IPO. Each New Unit consists of one New Unit Share and one-half of one New Unit Warrant. Each whole New Unit Warrant will entitle the holder thereof to purchase one New Unit Warrant Share at a price of $1.25 per share at any time until 5:00 p.m. (Toronto time) on the date that is 24 months from the date of closing of the New Unit Offering. The Corporation completed a prospectus which qualifies the distribution of the New Unit Shares and New Unit Warrants.

Funding Summary

Upon the Closing of the New Unit Offering, the Corporation anticipates having the following funds available:

Description	Amount
Net proceeds from previous funding	$1,839,961
Net proceeds from the Private Placement Unit Offering	$ 20,714,122
Net cash proceeds raised to date	**$22,554,083**
Less amount spent up to December 31, 2007	$4,431,127
Working Capital as at December 31, 2007	**$18,122,956**
Estimated proceeds from New Unit Offering(1)	$1,000,000
TOTAL (2)	**$19,122,956**

(1) Assuming maximum offering and before deducting the Agent's fee and expenses of the New Unit Offering.
(2) The description of the total funds available does not include, or make allowance for, funds to be received by the Corporation on the Over-Allotment Option and outstanding incentive stock options or other rights to purchase the shares of the Corporation, the proceeds of which will be added to the Corporation's working capital position.

Controls and Procedures

The Corporation verifies that, to its best knowledge, neither the financial statements of the Corporation nor this document contain any untrue statement of a material fact. In our opinion, they fairly present the financial condition, results of operations and cash flows of the Corporation, as of the date and for the periods presented in the documents. The certifying officers of the Corporation are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting. These disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Corporation, including its consolidated subsidiaries, is made known to them and to the Board of Directors. In addition, they are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Corporation periodically evaluates the effectiveness of the Corporation's disclosure controls and procedures to ensure accurate and proper financial reporting and disclosure.

Subsequent Events

[a] The Corporation filed a final prospectus dated February 11, 2008 for qualification of the securities underlying subscription receipts and to offer up to 1,000,000 units to the public at a price of $1.00 per share.

[b] On March 6, 2008, the Corporation granted 2,710,000 stock options to directors, officers and consultants of the Corporation at an exercise price of $0.80 per share. The options are valid for a period of five years from the date of grant and are vested over a period of eighteen months.