MANAGEMENT'S DISCUSSION

AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

June 30, 2010

The following discussion covers results of operations of the Corporation and it is advised that they be read in conjunction with the audited financial statements of Homeland Uranium Inc. for the six month period ended June 30, 2010 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 the forward-looking statements. These risks and uncertainties are highlighted under "Forward-Looking Statements" and under "Risk Factors" found in this document, further below.

Overview

Homeland Uranium Inc, [the "Corporation"] was incorporated under the laws of Ontario on December 29, 2006 as 2123494 Ontario Inc. by Homeland Energy Corp. ["HEC"], 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. ("HUI")

HEC originally held coal and uranium interests in Africa and North America. It decided to divest its uranium assets into a separate Canadian entity, these assets in turn held by 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.Uranium International Limited Niger ["Niger Sub"] is a wholly-owned subsidiary company of the Ontario Sub, originally incorporated in Niger on April 30, 2007. The transaction of HEC 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, as well as the USA Sub. The Niger Sub retains direct ownership of eight uranium exploration concessions; the USA Sub holds a 100% interest in the USA properties. The Corporation has not made any significant acquisitions of dispositions since its incorporation.

In February 2007, the Corporation closed a seed financing for total gross proceeds of CDN $1.84 million 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.

Whereas HEC originally retained 100% control position of the Corporation as of February 1, 2007, given 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 HEC 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.

HEC and subsidiary companies shared staff and services prior to February 1, 2007. Historically, HEC 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 HEC, 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 HEC.

Shared expenses incurred by HEC 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 HEC, 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, 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 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 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 uranium and in some cases vanadium, as well.

Capitalization

The following sets the capitalization of the Corporations as at June 30, 2010:

Description	Number of Securities Outstanding
Issued and outstanding	62,472,448[(1)]
Stock options	4,090,000[(2)]
Total Number of Securities Outstanding	**66,562,448**

(1) On June 26, 2010, the Corporation cancelled 3,600,000 Common Shares, which were held in escrow under certain release conditions that did not materialize. In May 2009, the Corporation cancelled 10,361,652 of its Common Shares which were returned to treasury through a debt cancellation agreement with HEC *[see Liquidity and Capital Resources below and Note 13[i] in the financial statements]*.

(2) 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 June 30, 2010 until certain conditions related to this project is met.

Summary of Quarterly Results

In Canadian Dollars

Description	June 2010	March 2010	December 2009	September 2009	June 2009	March 2009	December 2008	September 2008
Current assets	$410,180	$3,930,441	$4,407,748	$5,472,035	$6,174,961	$9,814,283	$11,192,673	$14,118,213
Mineral properties	$12,437,842	$12,161,336	$11,886,821	$13,567,231	$14,689,239	$13,747,918	$12,452,743	$15,454,471
Current liabilities	$191,177	$287,713	$232,037	$861,984	$1,209,017	$1,058,400	$971,811	$844,093
Working capital	$219,003	$3,642,728	$4,175,711	$4,610,051	$4,965,944	$8,755,883	$10,220,862	$13,274,120
Loss for the period (total)	$662,011	($66,417)	$1,946,634	$2,172,809	$342,261	$242,408	$3,820,941	$286,825
Loss per common share	$0.01	$0.00	$0.04	$0.04	$0.01	$0.01	$0.07	$0.01

Results of operations for the six month period ended June 30, 2010 compared to the six month period ended June 30, 2009

USA

The continued slump in uranium prices has led Management to decide to relinquish several of its uranium holdings in the USA. Consequently, during the six month period ended June 30, 2010; the Corporation spent a total of $272,554 in expenses related to the completion of any remaining reclamation work and documentation in order to qualify for the return of bond money that was posted upon the original exploration work being undertaken. This amount is compared to $473,379 that was spent on the acquisition, exploration and development of the US Properties during the six month period ended June 30, 2009.

As at June 30, 2010, the Corporation, through its USA subsidiary, held four properties in the state of Colorado. The properties consist of Atkinson Mesa, Dry Creek, Slickrock, and VEX. Due to the aforementioned continued slump in uranium prices, the properties of Atkinson Mesa, Dry Creek and Slickrock are in the process of being relinquished and outstanding bond money reimbursed.

As at June 30, 2010, the cumulative expenditures on the USA properties were $8,319,389 [December 31, 2009 - $8,046,835]. The amounts of cumulative expenditures don't include mineral property write downs which amounted to $3,310,114 in 2009 [2008 - $4,009,435].

NIGER

On February 1, 2007, the Corporation entered into a material acquisition agreement with HEC pursuant to which the Corporation acquired the USA Sub and the Niger Sub from HEC in return for 16 million shares of Homeland Uranium. An administrative office was set up in Niamey, Niger with an exploration warehouse facility in Agadez and an exploration field compound in Arlit, Niger. Several experienced Nigerien 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 six month period ended June 30, 2010, the Corporation spent a total of $278,467 in exploration activities on its properties in Niger. This compares to $1,763,117 that was spent on the development of the Niger licenses including a major drilling program during the six month period that ended June 30, 2009.

During the six month period ended June 30, 2010 the Corporation completed a follow up field program over the Asekra block of four licenses in order to obtain more data and related detailed information about the three large anomalous areas it identified during 2009. This field program comprised hand held scintillometer readings and geochemical sampling along a series of profile lines over Asekra targets 1, 2 and 3, along with first phase geological mapping and sampling. All data generated will be incorporated into the Corporation's digital data base, processed and interpreted. Based upon the results thus obtained discrete drill targets will be delineated, which along with those already delineated in the Agelal block will comprise the focus of a drill program scheduled to begin during the third quarter of 2010.

As at June 30, 2010, the cumulative net expenditures on these properties were $11,438,002 [December 31, 2009 - $11,159,535].

PERU

Pursuant to a share purchase agreement between the Corporation and Macusani Yellowcake Inc. (TSXV-YEL) ("Macusani") dated October 15, 2008; the Corporation acquired 7,619,047 units of Macusani at a price of $0.2625 per unit for total purchase price of $2 million. Each unit is comprised of one common share and 0.6 of a common share purchase warrant, with each whole warrant exercisable for a 24-month period to acquire an additional common share at a price of $0.35 per share. Consequently, the Corporation now owns approximately 14% of the issued and outstanding common shares of Macusani on a non-diluted basis (17% on a fully-diluted basis if all warrants and stock options were exercised).

The Corporation also acquired certain exclusivity rights until September 15, 2009 to negotiate and enter into an agreement respecting a business combination between the two companies. The exclusivity rights have since expired.

Macusani used the proceeds to fund further exploration of the company's Colibri II-III mineral concessions located on the Macusani plateau in Peru, and for working capital and general corporate purposes. The Company controls over 24,000 hectares (240 km^2) of mineral exploration properties prospective for uranium on the Macusani plateau in Peru. During 2010, it is anticipated that Macusani will continue to advance this project through further refinement of its existing resource estimates, additional drilling, and perhaps completion of an initial Preliminary Feasibility study, as well.

Homeland management along with one of its directors undertook a number of trips to visit Peru, met with Macusani management in Lima, and visited the project in the field. All were very impressed with the abundant mineralization seen at surface at many locations across Macusani's license area and with its consequent exploration potential.

On March 2, 2010, the Corporation announced the signing of a letter of intent with Solex Resources Corp. ("Solex") to complete a business combination that has been unanimously approved by the Boards of Directors of both companies. Under the agreement, the Corporation would acquire from Solex approximately 81.65 million common shares of Solex for consideration of $4 million in cash and approximately 7.619 million common shares of Macusani Yellowcake Inc. ("Macusani") as well as a right to purchase the shares issuable if the Corporation exercises up to approximately 4.57 million Macusani warrants (the "Homeland Assets"). The parties commenced due diligence procedures and negotiated a definitive agreement.

On April 5, 2010, the definitive agreement was executed. Insiders and senior officers and members of the Board of Directors of Solex agreed to support the Transaction and entered into lockup agreements comprising approximately 10% and 3% of Homeland and Solex' issued and outstanding shares, respectively.. Details of the offer were included in a formal definitive agreement and described in a Management Information Circular which has been filed with the regulatory authorities and mailed to Solex shareholders in accordance with applicable securities laws. Under certain circumstances if the Transaction was not to be completed, a break fee of $250,000 could have been payable by Solex or a reverse break fee of $250,000 could have been payable by Homeland Uranium.

Homeland has arranged Tranche 1 of a private placement of 6,250,000 units at C$0.08 for gross proceeds of C$500,000 and Solex exercised the option to complete an additional private placement, Tranche 2, of 3,125,000 units for gross proceeds of C$250,000 on the same terms and conditions as Tranche 1. The private placement was not conditional on any aspect of the Transaction, and the Transaction was not conditional on the completion of the private placement. The use of proceeds was to fund the exploration and development of Solex's uranium projects in the Macusani Plateau uranium district in Peru and for general corporate purposes.

On March 16, 2010 Solex announced the closing of a private placement for total proceeds of C$750,000. A total of 9,375,000 units priced at C$0.08 were issued. Each unit comprised one common share and one full share purchase warrant. Each full share purchase warrant entitles the holder to purchase, for a period of 18 months from the closing of the private placement, one common share at a price of C$0.15 per share.

At a Special Meeting of Solex shareholders held on April 27, 2010, the shareholders approved the previously announced Transaction and related matters with the Corporation. In addition, the shareholders of Solex approved a proposed name change of the company and a 3:1 share consolidation plan following completion of the transaction.

On May 14, 2010, the Corporation announced the closing of the transaction where it gained control of Solex. The Corporation received 81.7 million (pre-consolidation) common shares of Solex, giving it a majority ownership stake, and received the right to nominate four directors to the Solex board, with former Solex shareholders having the right to nominate two other directors.

The Corporation paid Solex $4 million in cash and approximately 7.6 million shares of Macusani Yellowcake Inc. representing a 12.7% interest. Solex also has the right to purchase any common shares acquired by the Corporation if it exercises the 4.57 million Macusani warrants it owns.

On May 17, 2010, Solex name was changed to Southern Andes Energy Inc. and its shares were consolidated on a 3:1 basis with shares issued and outstanding totalling 53,659,709 post consolidation. The Corporation owns 27,218,147 of these shares (50.7%). The Corporation plans to dividend all the Southern Andes shares to its shareholders as Return of Capital in the next quarter.

GENERAL

During the six month period ended June 30, 2010, general and administrative expenses, including rent, legal and audit fees, corporate services, office, general expenses but excluding all non cash expenses, were $296,229. This is compared to $265,363 expended during the same period in the same six month period of 2009.

Foreign exchange gains for the six month period ended June 30, 2010 amounted to a gain of $203,132 compared to a gain of $128,224 for the six month period ended June 30, 2009. The foreign exchange gains reflect the fluctuation of the Canadian dollar compared to that of the United States dollar and the Euro.

The table below reflects a summary of the results for the six month period ended June 30, 2010:

Description	As at June 30, 2010	As at December 31, 2009
Mineral properties and deferred exploration costs	$12,437,842	$11,886,821
Property, plant and equipment	$191,819	$258,320
	Six month period ended June 30, 2010	**Six month period ended June 30, 2009**
Project development expenses	13,748	$51,528
General and administrative expenses	$495,614	$624,209

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 June 30, 2010, the Corporation had no indebtedness other than ordinary trade payables and accruals totalling $191,177. This is compared $232,037 of trade payables and accruals as at December 31, 2009.

Accounts receivable and prepaid expenses amounted to $69,297 as at June 30, 2010. This is compared to $70,533 of accounts receivable and prepaid expenses as at December 31, 2009.

Mineral properties and deferred exploration were $12,437,842 as at June 30, 2010. As at December 31, 2009 mineral properties and deferred exploration expenses amounted to $11,886,821. During the six month period ended June 30, 2010, the Corporation did not write down any mineral properties. In 2009, the Corporation wrote down $3,310,114 of mineral properties belonging to the US subsidiary.

During the six month period ended June 30, 2010, the Corporation did not record any additions to plant and equipment [2009 - $5,492]. Also in 2009, the Corporation sold assets that belonged to the US subsidiary that are no longer of use for a total value of $118,197. The Corporation recorded a loss of $34,441 on this sale.

Cash and equivalents and short-term investments as at June 30, 2010 were $340,883 compared to 4,337,215 as at December 31, 2009. During the six month period ended June 30, 2009, the Corporation invested $4,000,000 in cash, along with other assets, to acquire 50.7% stake in Southern Andes Energy Inc. During the six month period ended June 30, 2009, the Corporation bought back 10,361,652 of its common shares at a cash cost of $2,590,413 through a debt cancellation agreement with HEC.

The Corporation has near-term cash needs of approximately $300,000 through to December 31, 2010 consisting of administrative and property commitments. This does not include any further investment commitments, merger or acquisition plans that the Corporation may undertake during the coming period. The Corporation is considering options to raise extra funds in this coming period to satisfy its long term cash needs. 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

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 1,000 ($2.61) per square kilometre in the first three year term of the agreement ($9,460 in total). In the first, second and later terms of renewals, the land royalties are increased to CFA 2000, CFA 3,000 and CFA 5,000 respectively per square kilometre. The Corporation has also agreed to make cash payments to the government for the purpose of training Niger nationals equivalent to US$10,000 per concession per year for three years or US$ 80,000 for its eight concessions.

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

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 a relatively young organization. Its success will largely depend on the efforts and abilities of certain senior officers and key employees. Certain of the directors and officers of the 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 Corporation will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Corporation 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

The Corporation's activities will be almost exclusively exploration and possibly the development of uranium mining properties in Niger and the U.S. Therefore, the principal factors affecting the price of the Common Shares are factors which affect the price of U_3O_8, and are thus beyond the Corporation'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 U_3O_8 are affected by rates of reclaiming and recycling of uranium and rates of production of uranium from mining, and may be affected by a variety of unpredictable international economic, monetary and political considerations, including increased efficiency of nuclear power plants and increased availability of alternative nuclear fuel, such as mixed oxide fuel generated in part from weapons grade plutonium.

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

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

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

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

Lack of Operational Liquidity

The expenses of the Corporation 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 the Corporation or that it will be able to locate or sell U_3O_8 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 the Corporation's 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 the Corporation's. As a result of this competition, the Corporation 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 Corporation 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 the Corporation.

Insurance and Uninsured Risks

The business of the Corporation 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 Corporation 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' liability insurance, kidnap insurance risk and vehicle insurance in Niger and the United States. The Corporation may however acquire insurance in the future to protect against certain risks in such amounts as it considers being reasonable. While we may obtain insurance against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. Even after acquiring insurance, such insurance will not cover all the potential risks associated with a mining and/or exploration company's operations. The Corporation 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 the Corporation or to other companies in the mining and exploration industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation 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 the Corporation may provide investment, administrative and other services to other entities and parties. The directors and officers of the Corporation have undertaken to devote such reasonable time as is required to properly fulfill their responsibilities in respect to the business and affairs of the Corporation, as they arise from time to time.

Lack of Infrastructure

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

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 the Corporation.

Risks Related to Title to Properties

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Corporation believes that it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of the properties will not be challenged or impaired. Third parties may have known or unknown valid claims underlying portions of the Corporation's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation 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 the Corporation 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.A. properties and the Corporation holds no other property interests as of the date of this prospectus.

The exploration of the area encompassed within the Corporation's properties must be considered to be in an early stage. There is no assurance that any mineralization will be discovered in economic quantities, if at all. The long-term viability of the Corporation 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. The Corporation 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 the Corporation 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 the Corporation'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.

The Corporation must update and review its authorizations from time to time and are subject to environmental impact analyses and public review processes prior to approval of new activities. It is possible that future changes in applicable laws, regulations and authorizations or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Corporation'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 the Corporation from operating even if it and its subsidiaries were otherwise in full compliance with all substantive environmental laws.

Need for and Availability of Future Additional Equity Capital

Homeland Uranium's business strategy may require additional substantial capital investment. To the extent that cash generated internally and cash available under any credit facility that may be entered into are not sufficient to fund capital requirements, the 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.

The Corporation 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. The Corporation 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 the Corporation 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 the Corporation 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 the Corporation. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

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

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

Government Regulation

The mining, processing, development and mineral exploration activities of the Corporation 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 Corporation are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

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

Market Price of Common Shares

The Common Shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in precious metals and uranium oxide or other mineral prices, or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Corporation'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 The Corporation'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 the Corporation's long-term value. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation 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 50% 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 six month period ended June 30, 2010, the Corporation paid $2,000 to Laurence Curtis as consulting fees [December 31, 2009 - $14,250]. Mr. Curtis became a Director of the Corporation in June 2009.

The above transactions, occurring in the normal course of operations, are conducted on terms that approximate market value and are measured at the exchange amounts.

On January 20, 2009, The Corporation provided a cash loan to Homeland Energy in the amount of $2.5 million at an interest rate of 10% for a term of one year. Homeland Energy issued 250,000 common shares priced at $0.20 per share to the Corporation as a placement fee in respect of this transaction. The loan was approved by the independent directors of both companies. As Homeland Energy owned approximately 39% of the issued and outstanding capital of the Corporation, this transaction was a related party transaction within the meaning of Multilateral Instrument 61-101 (“MI 61-101”). The transaction was exempt from the valuation and minority shareholder approval requirements of MI 61-101 pursuant to the exemptions contained in sections 5.5(a) and 5.7(a) of MI 61-101 in that the fair market value of the transaction did not exceed 25% of the Corporation market capitalization.

On May 30, 2009, the Corporation signed an agreement with HEC to accept the cancellation of its indebtedness in exchange for 10,361,652 shares of the Corporation which were pledged by a subsidiary of Homeland Energy. The total settlement amounted to $2,590,413 and comprised principal and accumulated interest. The Corporation's shares were valued at $0.25 per share.

As a result of the above transaction, the Corporation cancelled a total of 10,361,652 of its own shares at an assigned value of $4,217,220 or $0.407 per share. The $1,626,807 difference between the assigned value of the cost of the shares and the acquisition cost was credited to contributed surplus.

Prior to this settlement, Homeland Energy Group, either directly or indirectly, held 39.4% (22,250,000 shares) of the Corporation. Following the settlement, Homeland Energy Group is left with a 25.8% position (11,888,348 shares) in the Corporation. The agreement was approved by the independent directors of both corporations. Following a recent financing by the Corporation, Homeland Energy Group's position was diluted to 19%.

Future Accounting Changes

Transition to International Financial Reporting Standards

Canadian public companies will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, for fiscal years beginning on or after January 1, 2011 The Corporation is working to implement the IFRS changes to its consolidated financial statements. . Effective January 1, 2011, the Corporation will adopt IFRS as the basis for preparing consolidated financial statements and will report the financial results for the quarter ended June 30, 2011 prepared on an IFRS basis. The Corporation will also provide comparative data on an IFRS basis, including an opening balance sheet as at December 31, 2010.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Corporation is in the process of evaluating the requirements of the new standards.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

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

Funding

On June 3, 2010, the Corporation closed a non-brokered private placement financing of 20 million common shares at $0.05 per common share for gross proceeds of $1 million. The common shares were subject to a four month hold period in accordance with requisite securities laws. A finder's fee of 5% payable in cash was paid on a portion of the private placement to qualified finders. The net proceeds of the financing amounted to $985,500. During the six month period ended June 30, 2009, the Corporation did not raise any funds.

Funding Summary

The following table shows the net proceeds from the two equity offerings that the Corporation has made since its establishment.

Description	Amount
Net proceeds from February 2007 funding	$1,839,961
Net proceeds from the 2007 Private Placement Unit Offering	$ 20,714,122
Net proceeds from the 2010 Private Placement	$ 985,500
Net cash proceeds raised to date	**$23,539,583**

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.

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