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**RESOLUTION  
OF  
THE BOARD OF DIRECTORS  
OF  
HOMELAND ENERGY GROUP LTD.  
("Homeland" or "the Company")**

**Audit Committee Mandate**

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**RESOLVED** as follows:

- (a) The board of directors (the "Board") shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the audit committee (the "Audit Committee") to be composed of three Directors, all of whom are to be Independent , or such other number not less than two as the Board may from time to time determine. A majority of the Audit Committee shall constitute a quorum.
- (b) Any member of the Audit Committee may be removed or replaced at any time by the Board. Any member of the Audit Committee ceasing to be a director shall cease to be a member of the Audit Committee. Subject to the foregoing, each member of the Audit Committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the Audit Committee shall be filled at the next meeting of the Board.
- (c) The responsibilities of the Audit Committee shall be to:

With respect to Financial Accounting Matters,

1. Review with management and the external auditors the annual consolidated financial statements, the annual report including the management discussion and analysis and the press release before making recommendations to the Board relating to approval of the statements. *Timing: year-end.*
  2. Review with management, and if deemed necessary, with the external auditors the interim financial statements, the quarterly report including the management discussion and analysis and the press release before making recommendations to the Board relating to approval of the statements. *Timing: first three quarters.*
  3. Review with management all financial disclosure included in a prospectus or annual information form or any other public disclosure document containing financial information before making recommendations to the Board relating to the approval of the same. *Timing: as required.*
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4. Review annually the accounting principles and practices followed by the Company and any changes in the same as they occur. *Timing: annually near year-end.*
5. Review new accounting principles of the International Accounting Standards Board which would have a significant impact on the Company's financial reporting as reported to the audit committee by management. *Timing: annually near year-end.*
6. Review estimates and judgments and choices of accounting alternatives which are material to reported financial information as reported to the audit committee by management. *Timing: each quarter and year-end.*
7. Review the status of material contingent liabilities as reported to the audit committee by management. *Timing: each quarter and year-end.*
8. Review the status of income tax returns and potentially significant tax problems as reported to the audit committee by management. *Timing: immediately as known.*
9. Review any errors or omissions in the current or prior year's financial statements. *Timing: immediately as known.*

With respect to the External Auditors,

1. Review with management the performance and independence of the external auditors and report thereon to the Board at least annually, including, where appropriate, a recommendation to replace the external auditor. *Timing: year-end.*
2. Review with management the engagement letter of the external auditors and the scope and timing of the audit work to be performed as outlined in the Audit Plan. *Timing: semi-annually.*
3. Review with the external auditors the performance of management involved in the preparation of financial statements and any problems encountered by the external auditors, any restrictions on the auditors' work, the cooperation received in the performance of the audit and the audit findings. *Timing: year-end.*
4. Review the management letter with the external auditors noting any significant recommendations on internal control made by them to

management and management's response to the recommendations.  
*Timing: mid-year starting in second year.*

5. Review with management and the external auditors their estimated and actual audit fees. *Timing: mid-year.*
6. Receive and review with the external auditors a formal written statement prepared by the external auditors that discloses all relationships, including the nature of and fees for any non-audit services performed for the Company, between the external auditor and the Company and consider whether the nature and extent of such services could impact on the objectivity and independence of the external auditor and, if necessary, recommending that the full board take appropriate action to oversee the independence of the external auditor. *Timing: as required.*

With respect to General Audit Matters,

1. Inquire of management, and the external auditors as to any activities that may be or may appear to be illegal or unethical. *Timing: each quarter and year-end.*
2. Review with management, and if deemed necessary, with the external auditors any material frauds reported to the audit committee. *Timing: immediately as known.*
3. Review with the external auditors the adequacy of staffing for accounting and financial responsibilities. *Timing: year-end.*
4. Report and make recommendations to the Board as the committee considers appropriate. *Timing: as required.*

With respect to Corporate Accountability, establish procedures for:

1. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters; and
  2. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (d) In addition, the Board may refer to the Audit Committee such matters and questions relating to the Company and its affiliates as the Board may from time to time see fit.

- (e) Any member of the Audit Committee may require the auditors to attend any or every meeting of the Audit Committee.
- (f) Any member of the Audit Committee may require experts to attend a meeting of the Audit Committee.
- (g) The Audit Committee shall elect annually a chairman from among its members.
- (h) The Audit Committee shall review and reassess the adequacy of its formal mandate on an annual basis.
- (i) The times of and the places where meetings of the Audit Committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the Audit Committee; provided that notice of every such meeting and the circulation of the financial statements to committee members is at least 48 hours prior to the meeting. The auditors of the Company also shall be given such notice of meetings and shall be entitled to attend and be heard thereat, and the meetings shall be convened whenever requested by the auditors, or any member of the Audit Committee.
- (j) The Audit Committee shall support the senior management team and the Board in keeping abreast of changes occurring or proposed to regulatory requirements and / or general accounting guidelines, such that the Company adopts "best in class" accounting and internal control policies and practices.
- (k) All prior resolutions of the Board relating to the constitution and responsibilities of the Audit Committee are hereby repealed.

*Outside of the Mandate, but as a matter of routine at each Audit Committee Meeting, the CFO will make a series of reports which will include:*

- 1. The CFO is not aware of any frauds or thefts of Company property.*
- 2. The CFO is not aware of any activities that may be illegal or unethical.*
- 3. There are no new contingent liabilities, except as reported.*
- 4. There are no new tax reassessments or other tax issues, except as reported.*
- 5. There are no prior year accounting adjustments, except as reported.*