

## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

### Date of Statement

This Statement of Reserves Data and Other Oil and Gas Information is dated August 26, 2013 unless indicated otherwise.

### Disclosure of Reserves Data

All oil and natural gas reserve information contained in this document has been prepared and presented in accordance with NI 51-101. The tables below are a summary of the oil, NGL and natural gas reserves of Blackhawk Resource Corp. ("Blackhawk") and the net present value of future net revenue attributable to such reserves as evaluated in the Blackhawk Resource Corp. Reserve Estimation and Economic Evaluation dated effective June 30, 2013 ("Reliance Report") prepared by Reliance Engineering Group Ltd. ("Reliance"). The Reliance Report is based on forecast price and cost assumptions prepared by Reliance effective June 30, 2013. The tables summarize the data contained in the Reliance Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

### Reserves Estimates

The reserves of Blackhawk were evaluated by Reliance, as set out in the Reliance Report dated August 26, 2013, in which Reliance has evaluated, as of June 30, 2013, the oil and natural gas reserves attributable to all of the properties of Blackhawk. The information was prepared between June 30, 2012 and June 30, 2013.

The following information is a summary of reserves data and related information contained in the Reliance Report. All of the oil and gas properties to which reserves have been attributed are located in the Province of Alberta, Canada. The Reliance Report also presents the estimated net value of future revenue of Blackhawk's properties before and after Taxes, at various discount rates. Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

The information concerning oil and gas reserves includes forward-looking statements relating to future net revenues, forecast capital expenditures, future development plans and costs related thereto, forecast operating costs and anticipated production and abandonment costs. Refer to "Forward-Looking Statements" and "Risk Factors" in this Information Circular.

**All estimates of future revenues made by Reliance in the Reliance Report are stated after the deduction of royalties, and capital and operating costs, but before consideration of income taxes and indirect costs such as administrative, overhead and miscellaneous expenses. It should not be assumed that the estimates of the present value of future net revenues presented in the following tables represent the fair market value of the reserves. There can be no assurance that the forecast price and cost assumptions contained in the Reliance Report will be consistent with actual prices and costs and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Reliance Report and summarized in the notes to the following tables. The recovery and reserves estimates described herein are estimates only. The actual reserves may be greater or less than those calculated and differences may be material.**

## Reserves Data - Forecast Prices and Costs

The following table discloses, in the aggregate, Blackhawk's gross and net proved reserves, estimated using forecast prices and costs, by product type. "Forecast prices and costs" means future prices and costs used by Reliance in the Reliance Report that are generally accepted as being a reasonable outlook of the future.

### SUMMARY OF RESERVES AS OF JUNE 30, 2013 (Forecast Prices & Costs)

RESERVES CATEGORY	Light & Medium Oil		Heavy Oil		Natural Gas <sup>(1)</sup>		Total	
	Gross <sup>(2)</sup>	Net <sup>(3)</sup>	Gross <sup>(2)</sup>	Net <sup>(3)</sup>	Gross <sup>(2)</sup>	Net <sup>(3)</sup>	Gross <sup>(2)</sup>	Net <sup>(3)</sup>
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(Mboe)	(Mboe)
<b>PROVED</b>								
<b>Developed Producing</b>	3.9	3.8	15.3	13.6	305.0	289.0	70.0	65.6
<b>Developed Non-Producing</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Undeveloped</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Proved</b>	<b>3.9</b>	<b>3.8</b>	<b>15.3</b>	<b>13.6</b>	<b>305.0</b>	<b>289.0</b>	<b>70.0</b>	<b>65.6</b>
<b>PROBABLE</b>	<b>0.0</b>	<b>0.0</b>	<b>47.1</b>	<b>41.9</b>	<b>0.0</b>	<b>0.0</b>	<b>47.1</b>	<b>41.9</b>
<b>TOTAL PROVED + PROBABLE</b>	<b>3.9</b>	<b>3.8</b>	<b>62.4</b>	<b>55.5</b>	<b>305.0</b>	<b>289.0</b>	<b>117.1</b>	<b>107.5</b>

**Notes:**

- (1) Estimates of Reserves of natural gas include associated and non-associated gas.
- (2) "Gross Reserves" are Corporation's working interest share of remaining reserves before the deduction of royalties owned by others.
- (3) "Net Reserves" are Corporation's working interest share of remaining reserves less all Crown, freehold, and overriding royalties and interests owned by others.
- (4) Due to rounding, certain columns may not add exactly.

The following table discloses, in the aggregate, the net present value of Blackhawk's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated using discount rates of 0%, 5%, 10%, 15% and 20%.

### SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE AS OF JUNE 30, 2013 (Forecast Prices & Costs)

(000s)	Before Income Taxes				
	Discounted At				
	0%	5%	10%	15%	20%
	(\$)	(\$)	(\$)	(\$)	(\$)
Proved					
Developed producing	1,009	915	791	703	637
Developed non-producing	-	-	-	-	-
Undeveloped	-	-	-	-	-
Total proved	1,009	915	791	703	637
Probable	1,761	1,416	1,167	982	843
Total proved plus probable	2,860	2,331	1,958	1,685	1,480
	After Income Taxes				
	Discounted At				
	0%	5%	10%	15%	20%
	(\$)	(\$)	(\$)	(\$)	(\$)
Proved					
Developed producing	1,009	915	791	703	637
Developed non-producing	-	-	-	-	-
Undeveloped	-	-	-	-	-
Total proved	1,009	915	791	703	637
Probable	1,290	1,032	844	705	599
Total proved plus probable	2,389	1,947	1,635	1,408	1,236

**Notes:**

- (1) NPV of FNR includes all resource income: sale of oil, gas, by-product reserves; processing of third party production; and other income.

- (2) Income taxes include all resource income, appropriate income tax calculations and prior tax pools.  
(3) Due to rounding, certain columns may not add exactly.

This table discloses, in the aggregate, certain elements of Blackhawk's future net revenue attributable to its proved reserves and its proved plus probable reserves, estimated using forecast prices and costs, and calculated without discount.

**TOTAL FUTURE NET REVENUE (Undiscounted)  
AS OF JUNE 30, 2013 (Forecast Prices & Costs)**

RESERVES CATEGORY	Revenue (M\$)	Royalties (M\$)	Operating Cost (M\$)	Development Costs (M\$)	Well Aband. Costs (M\$)	BT Future Net Revenue <sup>(1)</sup> (M\$)	Income Taxes (M\$)	AT Future Net Revenue <sup>(1)</sup> (M\$)
<b>PROVED</b>								
<b>Proved Producing</b>	2,850	205	1,372	-	174	1,099	-	1,099
<b>Proved Developed Non- Producing</b>	-	-	-	-	-	-	-	-
<b>Proved Undeveloped</b>	-	-	-	-	-	-	-	-
<b>Total Proved</b>	2,850	205	1,372	-	174	1,099	-	1,099
<b>PROBABLE</b>	3,471	361	1,225	75	49	1,761	471	1,290
<b>TOTAL PROVED + PROBABLE</b>	6,321	566	2,597	75	223	2,860	471	2,389

This table discloses, by production group, the net present value of Blackhawk's future net revenue attributable to its proved reserves and its proved plus probable reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

RESERVES CATEGORY	PRODUCTION GROUP	BT Discounted (10%/Ur) Future Net Revenue (M\$)	Unit Value (\$/mcf)	Unit Value (\$/boe)
<b>TOTAL PROVED</b>	Light & Medium Crude Oil (including solution gas and other by-products)	136	-	35.80
	Heavy Oil (including solution gas and other by products)	319	-	23.40
	Natural Gas (including by-products but excluding solution gas and by-products from oil wells)	336	1.22	-
<b>TOTAL PROVED + PROBABLE</b>	Light & Medium Crude Oil (including solution gas and other by-products)	136	-	35.80
	Heavy Oil (including solution gas and other by products)	1,485	-	26.80
	Natural Gas (including by-products but excluding solution gas and by-products from oil wells)	336	1.22	-

**Notes:**

- (1) BT means before taxes.  
(2) Unit values based on net reserve volumes.

**Pricing Assumptions**

*Forecast Prices Used in Estimates*

The forecast reference prices used in preparing Blackhawk's reserves data are provided in the below table.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS  
AS OF JUNE 30, 2013 (Forecast Prices & Costs)

TABLE 2  
PRODUCT PRICE SCHEDULE  
JUNE 30, 2013  
BLACKHAWK RESOURCES CORP.  
CANADA

YEAR	CANADIAN CRUDE		HARDISTY		\$US/CDN EXCHANGE	SPOT GAS \$/MCF(5)	NGL \$/BBL
	WTI(1) \$/US/BBL	FOB EDMONTON \$(CDN)/BBL(2)	CROMER \$/BBL(3)	HEAVY \$/BBL(4)			
2003 (actual)	30.95	43.50	37.55	33.00	0.72	6.49	37.41
2004 (actual)	41.57	53.31	45.75	37.98	0.77	6.45	44.30
2005 (actual)	56.60	69.11	57.07	45.62	0.88	8.42	55.97
2006 (actual)	66.22	73.16	62.35	51.54	0.88	6.96	63.46
2007 (actual)	72.25	77.00	66.30	53.16	0.93	6.55	62.50
2008 (actual)	99.60	102.90	93.10	83.85	0.94	7.92	82.05
2009 (actual)	61.63	66.20	63.20	59.71	0.88	3.97	53.04
2010 (actual)	79.43	77.80	73.65	68.26	0.97	3.93	65.55
2011 (actual)	95.00	95.16	87.86	78.30	1.01	3.60	77.98
2012 (actual)	94.19	86.53	80.95	74.30	1.00	2.23	73.87
2013	100.40	101.00	91.95	72.75	0.99	3.20	86.40
2014	93.25	93.80	86.30	68.50	0.99	3.45	80.30
2015	87.55	88.10	81.00	65.15	0.99	3.65	75.50
2016	89.15	89.70	82.50	66.35	0.99	4.30	77.00
2017	96.95	97.55	90.70	74.15	0.99	5.10	83.80
2018 (6)	98.40	99.00	92.10	75.25	0.99	5.20	85.05

NOTES:

1. West Texas Intermediate - Cushing, Oklahoma.
2. 40° API and 0.5 percent sulphur adjusted for gravity and transportation.
3. Cromer Medium 29°API and 2.0 percent sulphur adjusted for gravity and transportation.
4. Hardisty Heavy 12° API adjusted for gravity and transportation.
5. Spot Price adjusted for heating value and aggregator contract price.
6. Prices escalated at 1.50 percent per year thereafter.

TABLE 2

## Reconciliation Of Changes In Reserves And Future Net Revenue

The following table provides a reconciliation of Blackhawk's gross reserves based on forecast prices and costs.

	Light and medium crude oil (combined)			Natural Gas and CBM <sup>(1)</sup>		
	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(MMcf)
June 30, 2012	6.1	3.5	9.6	142.0	69.0	211.0
Discoveries, Extensions and Improved recovery	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions	(0.8)	(3.5)	(4.3)	199.0	(69.0)	130.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0
Production	(1.4)	0.0	(1.4)	(36.0)	0.0	(36.0)
June 30, 2013	3.9	0.0	3.9	305.0	0.0	305.0

  

	Heavy Oil			Natural Gas Liquids		
	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)
June 30, 2012	12.9	9.9	22.8	1.0	0.6	1.6
Discoveries, Extensions and Improved recovery	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions	10.0	37.2	47.1	(1.0)	(0.6)	(1.6)
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0
Production	(7.6)	0.0	(7.6)	0.0	0.0	0.0
June 30, 2013	15.3	47.1	62.4	0.0	0.0	0.0

**Note:**

(1) Estimates of reserves of natural gas include associated and non-associated gas.

## Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgment and decision-making on the basis of the available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance become available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. Factors and assumptions that affect these reserve estimates include, among other things: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data become available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

The evaluated oil and gas properties of Blackhawk have no material extraordinary risks or uncertainties beyond those that are inherent in an oil and gas producing company.

## Future Development and Abandonment Costs

### TOTAL FUTURE DEVELOPMENT AND ABANDONMENT COSTS (Undiscounted) AS OF JUNE 30, 2013 (Forecast Prices & Costs)

Year	<u>Total Proven</u>		<u>Proven Plus Probable</u>	
	Capital	Abandonment	Capital	Abandonment
2013	-	-	75,000	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	15,920	-	15,920
2018	-	59,250	-	16,159
2019	-	-	-	-
2020	-	29,133	-	73,527
2021	-	-	-	-
2022	-	-	-	-
Remainder	-	69,665	-	117,490
Total	-	173,968	75,000	223,096
10% DCF	-	74,005	73,234	85,268

## Oil and Gas Properties and Wells

Blackhawk is a junior oil and natural gas exploration and production company with all of its producing assets located in Alberta, Canada.

The Bodo property consists of two producing pools and over 11 net sections of undeveloped land. The three producing pools are referred to as the McLaren Pool located at section 30-T38R1W4, and the Colony Pool located at section 32-T39R2W4.

The McLaren Pool consists of three producing McLaren oil wells tied into a central processing and water disposal facility. One well is used for water disposal. The wells produce from the McLaren Formation at a depth of approximately 750m TVD. The oil is 12 degrees API and the wells typically produce with a water cut above 90%. Clean oil is trucked from the processing facility north to Talisman Chauvin where it is sold.

The Colony Pool consists of a single gas well producing gas out of the Colony Formation. The Colony Pool was put on production on August 20, 2010.

Other producing oil and gas properties owned by Blackhawk include Wood River at section 11 T43R23W4, Queenstown at section 34 T18R22W4, Edson at section 19 T53R15W5 and Greencourt at section 18 T60R9W5. The Wood River property produces natural gas from the Horseshoe Canyon Coal Formation, the Queenstown

property produces oil and gas from two vertical wells in the Glauconite Formation, The Edson property produces gas from a horizontal well in the cardium sandstone formation and the Greencourt property produces oil and gas from the Viking Formation.

The following table shows additional information regarding Blackhawk's wells at June 30, 2013.

<u>Wells</u>	<b>OIL AND GAS WELLS</b>			
	<b>Producing</b>		<b>Non-Producing</b>	
	<b>Gross <sup>(1)</sup></b>	<b>Net <sup>(2)</sup></b>	<b>Gross <sup>(1)</sup></b>	<b>Net <sup>(2)</sup></b>
Provost Area	3.0	2.1	3.0	3.0
Other	8.0	2.5	8.0	3.8
<b>TOTAL</b>	<b>11.0</b>	<b>4.6</b>	<b>11.0</b>	<b>6.8</b>

**Notes:**

- (1) "Gross" wells mean the number of wells in which Blackhawk has a working interest or a royalty interest that may be converted into a working interest.
- (2) "Net" wells means the aggregate number of wells obtained by multiplying each gross well by Blackhawk's percentage working interest therein.

**Properties with No Attributed Reserves**

The following table sets forth information respecting Blackhawk's undeveloped lands as at June 30, 2012.

<u>LOCATION</u>	<b>PROPERTY WITH NO ATTRIBUTED RESERVES</b>		
	<b>Unproved Properties</b>		
	<b>Gross Acres</b>	<b>Net Acres</b>	<b>2013 Expiring Net Acres</b>
Provost Area	6,275	6,275	0
Wood River	800	800	0
Esther	3,200	1,536	0
Peoria	640	240	0
<b>TOTAL</b>	<b>10,915</b>	<b>8,851</b>	<b>0</b>

**Note:**

- (1) Unproved properties have no attributed reserves as of June 30, 2013. Undeveloped acreage within properties where proven reserves have been booked as of June 30, 2013 has not been included.

**Forward Contracts and Marketing**

Blackhawk had no hedges in place during the financial year ended June 30, 2013. Subsequent to June 30, 2013, Blackhawk has not entered any fixed price physical contracts.

**Tax Horizon**

Blackhawk is forecast to begin paying cash taxes in 2014.

**Exploration and Development Activities**

Blackhawk did not participate in any drilling or completions in fiscal 2013.

**Production Estimates**

The following table summarizes Blackhawk's estimated future average proven plus probable daily production volumes for 2013 for each product type.

**SUMMARY OF PRODUCTION ESTIMATES BY FIELD:  
JUNE 30, 2013 <sup>(1)</sup>  
(FORECAST PRICES & COSTS)**

<b>FIELD</b>	<b>Light &amp; Medium Oil (bbl/d)</b>	<b>Heavy Oil (bbl/d)</b>	<b>Natural Gas <sup>(2)</sup> (Mcf/d)</b>
Edson	0.0	0.0	15.0
Provost	0.0	28.4	0.0
Wood River	0.0	0.0	64.0
Queenstown	1.1	0.0	8.0
Greencourt	1.9	0.0	4.0
<b>TOTAL</b>	<b>3.0</b>	<b>28.4</b>	<b>91.0</b>

**Notes:**

(1) Daily production is taken from the Reliance Report as of June 30, 2013.

(2) Natural Gas includes Associated and Non-Associated sales gas volumes.

**Production History - Year Ended June 30, 2013**

The following tables summarize certain information in respect of Blackhawk's production, product prices received, royalties paid, operating expenses and resulting netback for the indicated periods during the financial year ended June 30, 2013.

	<b>3 month period Jul. 1, 2012 – Sep. 30, 2012</b>	<b>3 month period Oct. 1, 2012 – Dec. 31, 2012</b>	<b>3 month period Jan. 1, 2013 – Mar. 31, 2013</b>	<b>3 month period Apr. 1, 2013 – Jun. 30, 2013</b>
<b>Average Daily Production</b>				
Oil & NGLs (bbls/d)	31.4	28.0	28.0	12.3
Gas (mcf/d)	83.9	75.6	88.6	93.1
Boe/d	45.4	40.6	42.7	27.8
<b>Average Price Received</b>				
Oil and NGLs (\$/bbl)	\$65.60	\$67.50	\$55.27	\$72.22
Gas (\$/mcf)	\$2.53	\$3.70	\$3.27	\$3.62
Combined (\$/boe)	\$50.07	\$53.44	\$42.97	\$44.02
<b>Royalties</b>				
Oil & NGLs (\$/bbl)	\$9.47	\$14.27	\$5.09	\$0.91
Gas (\$/mcf)	\$0.17	\$0.16	\$0.17	\$0.00
Combined (\$/boe)	\$6.87	\$9.85	\$3.69	\$0.40
<b>Operating Expenses</b>				
Combined (\$/boe)	\$28.87	\$33.25	\$28.29	\$67.48
Transportation	\$1.81	\$1.88	\$1.03	\$0.87
<b>Netback Received</b>				
Combined (\$/boe)	\$12.52	\$8.46	\$9.96	\$(24.73)



The following table summarizes Blackhawk's average net production volumes during the year ended June 30, 2013 for each field in total, by product type.

<b>FIELD</b>	<b>Light &amp; Medium Oil (bbl/d)</b>	<b>Natural Gas <sup>(1)</sup> (Mcf/d)</b>	<b>Heavy Oil (bbl/d)</b>	<b>Natural Gas Liquids (bbl/d)</b>
Edson	0.1	6.9	0.0	0.0
Provost	0.0	0.3	20.2	0.0
Greencourt	2.2	3.3	0.0	0.0
Queenstown	2.3	10.5	0.0	0.4
Woodriver	0.0	67.0	0.0	0.0
<b>Total</b>	<b>4.6</b>	<b>88</b>	<b>20.2</b>	<b>0.4</b>

**Note:**

(1) Natural Gas includes Associated and Non-Associated sales gas volumes.

**Employees/Consultants**

As at June 30, 2013 and the Effective Date, Blackhawk had three part-time consultants whose services are used on a regular basis for day-to-day operations.

**Environmental**

Blackhawk believes that it is in compliance with applicable existing environmental laws and regulations and is not aware of any proposed environmental legislation or regulations with which it would not be in material compliance. However, the natural resources industry may in the future become subject to more stringent environmental protection rules. This could increase the cost of doing business and may have a negative impact on earnings in the future.