

FORM 51-101F3
REPORT OF
MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). This form does not apply in British Columbia.

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of *NI 51-101* shall in all material respects be as follows:

**Report of Management and Directors
on Reserves Data and Other Information**

Management of Mount Dakota Energy Corp. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consist of the following:

- (a)
 - (i) proved and proved plus probable oil and gas reserves estimated as at January 31, 2012 using forecast prices and costs; and
 - (ii) the related estimated future net revenue; and
- (b)
 - (i) proved oil and gas reserves estimated as at January 31, 2012 using Constant prices and costs; and
 - (ii) the related estimated future net revenue.

An independent qualified reserves evaluator has evaluated and reviewed the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation, to inquire whether there had been disputes between the previous independent qualified reserves evaluator and management; and

- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

- (a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas information;
- (b) the filing of the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

"Gary Claytens"

Gary Claytens, Director, Chief Executive Officer

"S. John Kim"

S. John Kim, Director, Chief Financial Officer

"Peter Kohl"

Peter Kohl, Director

"Lyle Harvey"

Lyle Harvey, Director

May 11, 2012

| <p style="text-align: center;">Table 1 NI 51-101 Summary of Oil and Gas Reserves as of January 31, 2012 Forecast Prices and Costs</p> | | | | | | | | |
|--|----------------------|----------------|------------------|----------------|--|---------------|---------------------|----------------|
| Reserves | | | | | | | | |
| | Light and Medium Oil | | Heavy Oil | | Natural Gas (non-associated & associated) | | Natural Gas Liquids | |
| Reserve Category | Gross (Mbbbl) | Net (Mbbbl) | Gross (Mbbbl) | Net (Mbbbl) | Gross (MMcf) | Net (MMcf) | Gross (Mbbbl) | Net (Mbbbl) |
| Proved | | | | | | | | |
| Developed Producing | 11.8 | 11.6 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Developed Non-Producing | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Total Proved | 11.8 | 11.6 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Probable | 6.1 | 5.8 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Total Proved Plus Probable | 17.9 | 17.4 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |

Reference: Item 2.1(1) of Form 51-101F1

| <p align="center">Table 2 NI 51-101 Summary of Net Present Values of Future Net Revenue as of January 31, 2012 Forecast Prices and Costs</p> | | | | | | |
|---|--|------------|-------------|-------------|-------------|--------------------|
| <p align="center">Net Present Values of Future Net Revenue</p> | | | | | | |
| Reserves Category | <p align="center">Before Income Taxes Discounted at (%/Year)</p> | | | | | Bef Tax Net Val |
| | 0 (M\$) | 5 (M\$) | 10 (M\$) | 15 (M\$) | 20 (M\$) | 10%/yr (\$/boe) |
| Proved | | | | | | |
| Developed Producing | 658 | 529 | 441 | 379 | 332 | 38.12 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total Proved | 658 | 529 | 441 | 379 | 332 | 38.12 |
| Probable | 376 | 213 | 132 | 88 | 63 | 22.79 |
| Total Proved Plus Probable | 1,034 | 743 | 574 | 467 | 395 | 33.00 |

Reference Item 2.1(2) of Form 51-101F1

Notes: NPV of FNR include all resource income:
 Sale of oil, gas, by-product reserves
 Processing third party reserves
 Other income

Unit Values are based on net reserve volumes

Table 3
NI 51-101
Total Future Net Revenue
Undiscounted
as of January 31, 2012
Forecast Prices and Costs

| Reserves Category | Revenue (M\$) | Royalties (M\$) | Operating Costs (M\$) | Development Costs (M\$) | Well Abandonment / Other Costs (M\$) | Future Net Revenue Before Income Taxes (M\$) |
|--------------------------|--------------------------|----------------------------|----------------------------------|------------------------------------|---|---|
| Proved | 1,136 | 20 | 457 | 0 | 0 | 658 |
| Proved Plus Probable | 1,839 | 52 | 752 | 0 | 0 | 1,034 |

Reference Item 2.1(3)(b) of Form 51-101F1

Abandonment / Other Costs includes Saskatchewan Capital Surtax, if applicable

| Table 4 NI 51-101 Net Present Value of Future Net Revenue by Production Group as of January 31, 2012 Forecast Prices and Costs | | | |
|---|--|---|--|
| Reserves Category | Production Group | Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M\$) | Unit Value Before Income Taxes (Discounted at 10%/Year) (\$/boe) |
| Proved | Light and Medium Crude Oil (including solution gas and associated by-products) | 441 | 38.12 |
| | Heavy Oil (including solution gas and associated by-products) | 0 | 0 |
| | Natural Gas (including associated by-products)* | 0 | 0 |
| Proved Plus | | | |
| Probable | Light and Medium Crude Oil (including solution gas and associated by-products) | 574 | 33.00 |
| | Heavy Oil (including solution gas and associated by-products) | 0 | 0 |
| | Natural Gas (including associated by-products)* | 0 | 0 |

Reference Item 2.1(3)(c) of Form 51-101F1

* Includes corporate Capital GCA, if applicable

Unit Values are based on net reserve volumes

Table 5
NI 51-101
Summary of Pricing and
Inflation Rate Assumptions
as of January 31, 2012
Forecast Prices and Costs

| Year | WTI Cushing Oklahoma (\$US/bbl) | Edmonton Par Price 40° API (\$Cdn/bbl) | Cromer Medium 29.3° API (\$Cdn/bbl) | Natural Gas ¹ AECO Gas Prices (\$Cdn/MMBtu) | Pentanes Plus FOB Field Gate (\$Cdn/bbl) | Butanes F.O.B. Field Gate (\$Cdn/bbl) | Inflation Rate ² (%/Yr) | Exchange Rate ³ (\$US/\$Cdn) |
|-------------------|--|--|---|---|--|--|--|---|
| Historical | | | | | | | | |
| 2007 | 72.27 | 77.06 | 65.36 | 6.65 | 77.33 | 63.71 | 2.0 | 0.935 |
| 2008 | 99.59 | 102.85 | 93.05 | 8.15 | 104.70 | 75.09 | 1.0 | 0.943 |
| 2009 | 61.63 | 66.20 | 62.77 | 4.19 | 68.13 | 47.07 | 2.0 | 0.880 |
| 2010 | 79.43 | 77.81 | 73.66 | 4.16 | 84.21 | 57.04 | 1.0 | 0.971 |
| 2011 | 95.00 | 95.16 | 87.86 | 3.72 | 104.12 | 70.93 | 1.5 | 1.012 |
| Forecast | | | | | | | | |
| 2012 | 100.56 | 99.49 | 92.53 | 2.70 | 106.37 | 74.16 | 2.0 | 1.011 |
| 2013 | 97.93 | 96.89 | 90.11 | 3.39 | 103.59 | 72.22 | 2.0 | 1.011 |
| 2014 | 94.58 | 93.58 | 87.03 | 3.80 | 100.04 | 69.75 | 2.0 | 1.011 |
| 2015 | 97.07 | 96.04 | 89.32 | 5.45 | 102.68 | 71.59 | 2.0 | 1.011 |
| 2016 | 99.37 | 98.32 | 91.44 | 5.68 | 105.11 | 73.28 | 2.0 | 1.011 |
| 2017 | 101.35 | 100.28 | 93.26 | 5.80 | 107.21 | 74.75 | 2.0 | 1.011 |
| 2018 | 103.38 | 102.29 | 95.13 | 5.92 | 109.36 | 76.24 | 2.0 | 1.011 |
| 2019 | 105.45 | 104.34 | 97.03 | 6.05 | 111.55 | 77.77 | 2.0 | 1.011 |
| 2020 | 107.56 | 106.42 | 98.97 | 6.18 | 113.78 | 79.32 | 2.0 | 1.011 |
| 2021 | 109.71 | 108.55 | 100.95 | 6.31 | 116.05 | 80.91 | 2.0 | 1.011 |
| Thereafter | | | | Escalation Rate of 2% | | | | |

(1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.

(2) Inflation rates for forecasting prices and costs.

(3) Exchange rates used to generate the benchmark reference prices in this table.

Notes:

Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Reference Item 3.2 of Form 51-101F1

Table 6
NI 51-101
Reconciliation of Company Gross⁽¹⁾ Reserves (Before Royalty)
by Principal Product Type
As of January 31, 2012
Forecast Prices and Costs

| Factors | Light and Medium Oil | | | Heavy Oil | | | Coalbed Methane | | | Associated and Non-Associated Gas | | | Natural Gas Solution | | | Natural Gas Liquids | | |
|-------------------------|----------------------|------------------------|------------------------------------|----------------------|------------------------|------------------------------------|---------------------|-----------------------|-----------------------------------|-----------------------------------|-----------------------|-----------------------------------|----------------------|-----------------------|-----------------------------------|----------------------|------------------------|------------------------------------|
| | Gross Proved (Mbbbl) | Gross Probable (Mbbbl) | Gross Proved Plus Probable (Mbbbl) | Gross Proved (Mbbbl) | Gross Probable (Mbbbl) | Gross Proved Plus Probable (Mbbbl) | Gross Proved (MMcf) | Gross Probable (MMcf) | Gross Proved Plus Probable (MMcf) | Gross Proved (MMcf) | Gross Probable (MMcf) | Gross Proved Plus Probable (MMcf) | Gross Proved (MMcf) | Gross Probable (MMcf) | Gross Proved Plus Probable (MMcf) | Gross Proved (Mbbbl) | Gross Probable (Mbbbl) | Gross Proved Plus Probable (Mbbbl) |
| January 31, 2011 | 13.2 | 6.3 | 19.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 128 | 25 | 153 | 0 | 0 | 0 | 5.1 | 1.0 | 6.1 |
| Extensions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| Improved Recovery | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| Technical Revisions | (0.2) | (0.2) | (0.4) | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| Discoveries | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| Acquisitions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| Dispositions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | (103) | (25) | (128) | 0 | 0 | 0 | (5.1) | (1.0) | (6.1) |
| Economic Factors | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| Production | (1.2) | 0.0 | (1.2) | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | (25) | 0 | (25) | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| January 31, 2012 | 11.8 | 6.1 | 17.9 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |

(1) Gross Reserves means the Company's working interest reserves before calculation of royalties, and before consideration of the Company's royalty interests.

Reference: Item 4.1 of Form 51-101F1