

**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, 2013 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, 2013 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 16, 2013

**Table 1**  
**NI 51-101**  
**Summary of Oil and Gas Reserves**  
**as of January 31, 2013**  
**Forecast Prices and Costs**

**Reserves**

Reserve Category	Light and Medium Oil		Heavy Oil		Bitumen		Synthetic Oil		Non Associated Gas		Coal Bed Methane		Shale Gas		Solution Gas		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
<b>Proved</b>																		
Developed Producing	9.0	8.9																
Developed Non-Producing																		
Undeveloped																		
<b>Total Proved</b>	<b>9.0</b>	<b>8.9</b>																
Probable	5.3	5.1																
<b>Total Proved Plus Probable</b>	<b>14.3</b>	<b>14.0</b>																

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

<b>Table 2</b> <b>NI 51-101</b> <b>Summary of Net Present Values of</b> <b>Future Net Revenue</b> <b>as of January 31, 2013</b> <b>Forecast Prices and Costs</b>											
<b>Net Present Values of Future Net Revenue</b>											
Reserves Category	Before Income Taxes Discounted at (%/Year)					After Income Taxes Discounted at (%/Year)					Bef Tax Net Val
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	10%/yr (\$/boe)
<b>Proved</b>											
Developed Producing	311	276	248	224	204	311	276	248	224	204	27.72
Developed Non-Producing											
Undeveloped											
<b>Total Proved</b>	<b>311</b>	<b>276</b>	<b>248</b>	<b>224</b>	<b>204</b>	<b>311</b>	<b>276</b>	<b>248</b>	<b>224</b>	<b>204</b>	<b>27.72</b>
Probable	217	153	111	82	63	217	153	111	82	63	21.77
<b>Total Proved Plus Probable</b>	<b>527</b>	<b>429</b>	<b>358</b>	<b>306</b>	<b>267</b>	<b>527</b>	<b>429</b>	<b>358</b>	<b>306</b>	<b>267</b>	<b>25.56</b>

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  
 Barrel of Oil Equivalent (BOE): 6 Mcf = 1 BOE

Income Taxes:  
 Includes all resource income  
 Apply appropriate income tax calculations  
 Include prior tax pools

<p style="text-align: center;"><b>Table 3</b>  <b>NI 51-101</b>  <b>Total Future Net Revenue</b>  <b>(Undiscounted)</b>  <b>as of January 31, 2013</b>  <b>Forecast Prices and Costs</b></p>								
<b>Reserves Category</b>	<b>Revenue (M\$)</b>	<b>Royalties (M\$)</b>	<b>Operat- ing Costs (M\$)</b>	<b>Develop- ment Costs (M\$)</b>	<b>Well Abandon- ment / Other Costs (M\$)</b>	<b>Future Net Revenue Before Income Taxes (M\$)</b>	<b>Income Taxes (M\$)</b>	<b>Future Net Revenue After Income Taxes (M\$)</b>
Proved	801	9	446		35	311		311
Proved Plus Probable	1,324	26	732		38	527		527

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

Royalties include Saskatchewan Capital Surtax, if applicable

<p align="center"><b>Table 4</b>  <b>NI 51-101</b>  <b>Net Present Value of Future Net Revenue</b>  <b>By Production Group</b>  <b>as of January 31, 2013</b>  <b>Forecast Prices and Costs</b></p>			
<b>Reserves Category</b>	<b>Production Group</b>	<b>Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M\$)</b>	<b>Unit Value Before Income Taxes (Discounted at 10%/Year) (\$/boe)</b>
Proved	Light and Medium Crude Oil (including solution gas and associated by-products) Heavy Oil (including solution gas and associated by-products) Bitumen (including solution gas and associated by-products) Synthetic Oil (including solution gas and associated by-products) Natural Gas (including associated by-products) Coal Bed Methane (including associated by-products) Shale Gas (including associated by-products) Other Income	248	27.72
Proved Plus Probable	Light and Medium Crude Oil (including solution gas and associated by-products) Heavy Oil (including solution gas and associated by-products) Bitumen (including solution gas and associated by-products) Synthetic Oil (including solution gas and associated by-products) Natural Gas (including associated by-products) Coal Bed Methane (including associated by-products) Shale Gas (including associated by-products) Other Income	358	25.56

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

*Notes:* Unit Values are based on net reserve volumes  
 Barrel of Oil Equivalent (BOE): 6 Mcf = 1 BOE

**Table 5**  
**NI 51-101**  
**Summary of Pricing and**  
**Inflation Rate Assumptions**  
**as of January 31, 2013**  
**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 <sup>1</sup> AECO Gas Prices (\$Cdn/MMBtu)	Pentanes Plus FOB Edmonton (\$Cdn/bbl)	Butanes F.O.B. Edmonton (\$Cdn/bbl)	Inflation Rate <sup>2</sup> (%/Yr)	Exchange Rate <sup>3</sup> (\$US/\$Cdn)
<b>Historical</b>								
2008	99.59	102.85	93.05	8.15	104.70	75.09	1.1	0.943
2009	61.63	66.20	62.77	4.19	68.13	49.34	2.0	0.880
2010	79.43	77.80	73.67	4.16	84.21	57.99	1.2	0.971
2011	95.00	95.16	87.86	3.72	104.12	70.93	1.6	1.012
2012	94.19	86.53	80.95	2.43	100.76	64.48	1.3	1.001
<b>Forecast</b>								
2013	93.89	88.63	86.63	3.23	107.27	66.06	1.5	1.003
2014	92.36	92.10	90.10	3.70	111.47	68.65	1.5	1.003
2015	89.76	89.51	87.51	3.91	108.34	66.71	1.5	1.003
2016	94.94	94.67	92.67	4.65	114.59	70.56	1.5	1.003
2017	96.96	96.68	94.68	5.31	117.02	72.06	1.5	1.003
2018	98.41	98.14	96.14	5.39	118.78	73.14	1.5	1.003
2019	99.89	99.61	97.61	5.48	120.56	74.24	1.5	1.003
2020	101.38	101.10	99.10	5.57	122.37	75.36	1.5	1.003
2021	102.91	102.62	100.62	5.65	124.20	76.49	1.5	1.003
2022	104.45	104.16	102.16	5.74	126.07	77.63	1.5	1.003
2023	106.02	105.72	103.72	5.84	127.96	78.80	1.5	1.003
2024	107.61	107.31	105.31	5.93	129.88	79.98	1.5	1.003
Thereafter	Escalation Rate of 1.5%							

(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.

**Table 6**  
**NI 51-101**  
**Reconciliation of Company Gross<sup>(1)</sup> Reserves (Before Royalty)**  
**by Principal Product Type**  
**As of January 31, 2013**  
**Forecast Prices and Costs**

Factors	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas			Natural Gas Solution			Natural Gas Liquids			BOE		
	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 (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
<b>January 31, 2012</b>	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	0.0	0.0
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	0.0	0.0
Infill Drilling	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	0.0	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	0.0	0.0
Technical Revisions	(1.3)	(0.8)	(2.1)	0.0	0.0	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	0.0	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	0.0	0.0
Dispositions	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	0.0	0.0
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	0.0	0.0
Production	(1.5)	0.0	(1.5)	0.0	0.0	0.0	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
<b>January 31, 2013</b>	9.0	5.3	14.3	0.0	0.0	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