MOUNT DAKOTA ENERGY CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS PERIOD ENDED OCTOBER 31, 2014

December 23, 2014-The following Management Discussion and Analysis of financial results of Mount Dakota Energy Corp. ("Mount Dakota" or "the Company") should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended October 31, 2014 and the accompanying notes thereto. Additional information relating to the Company is available on SEDAR at www.sedar.com. Mount Dakota is listed on TSX Venture Exchange under the symbol "MMO.V".

Mount Dakota is a Company engaged in the acquisition and drilling of oil & gas producing properties. The Company's success relies on its ability to grow the reserves and production by drilling exploration wells. The reader of this management discussion should be aware that the oil & gas exploration business is highly volatile, with the underlying commodity prices of oil & gas determined by forces outside of the control of the Company. Additionally, oil & gas wells themselves are very dynamic entities, which can suddenly, without prior notice, freeze-up, breakdown, and encounter water problems amongst other things. Therefore, the management of the Company wishes to inform shareholders of the Company, and potential shareholders, that shares in the Company should be rated as "highly speculative", and are not suitable for risk adverse individuals or portfolios. Please consult with your registered financial advisor as to the appropriateness of having or holding shares in a "highly speculative" security.

On February 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). Prior to the transition, the Company prepared its interim and annual financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The unaudited condensed consolidated interim financial statements for the nine months ended October 31, 2014, which are discussed in this MD&A, have been prepared in accordance with IFRS accounting policies.

The significant accounting policies used by Mount Dakota are disclosed in Note 3 to the unaudited condensed consolidated interim financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts to differ materially from current estimates. All dollar amounts included herein are in Canadian dollars except where noted.

Barrels of Oil Equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand two hundred and ninety cubic feet per barrel (6.29 mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers should be aware that historical results are not necessarily indicative of future performance.

OPERATIONS

Mount Dakota produced an average of 3 boe per day during the nine months ended October 31, 2014 consisting of sales in oil compared to 5 boe the previous year's period in 2013. Production was much lower this quarter because of equipment failure from the only producing well. The well has been repaired and is back on production. The economic viability of the Alsike 2 well is still being determined.

FINANCIAL RESULTS

Gross petroleum and natural gas revenue during the nine months ended October 31, 2014 was $83,792 compared to $103,723 during the previous period ending in 2013. There is generally a sixty day delay from the time of production to the recovery of revenues from the Company's operator. The period end receivable is, therefore, recovered in the following period. There is also a sixty day delay in discharging payables to the operator which results in the period-end payable being discharged in the following period.

Operating Income	**For nine months ended October 31, 2014 ($)**	**For nine months ended October 31, 2013 ($)**
Revenues	83,792	103,723
Royalties (refund)	-	923
Production Costs	55,156	84,969
Gross Operating Profit (Loss)	28,636	17,832

General and Administrative

General and administrative expenditures for the nine months ended October 31, 2014 were $123,096 as compared to $79,286 for 2013. Higher charges in depletion and depreciation and accounting were responsible for the increase in General and Administrative expenditures. Also, the Company entered into an office lease with a company controlled by a director of the Company for $3,000 per month effective April 1, 2014. Further, the Company has signed a loan agreement with a party related to a director to borrow an aggregate of $100,000 at the rate of 15% per annum for a term of one year and secured by a promissory note.

MANAGEMENT DISCUSSION AND ANALYSIS (continued):

Cash Flow From Operations and Net Income

For the nine months ended October 31, 2014, the Company reported a comprehensive loss of $94,037 compared to a loss of $61,120 for the comparative period in 2013.

Operating Income	For nine months ended October 31, 2014 ($)	For nine months ended October 31, 2013 ($)
Gain (loss)	(94,037)	(61,120)
Basic/diluted Income (loss) per share	(0.01)	(0.01)
Total Assets	254,919	278,026
Total Liability	1,565,478	1,436,145

Depletion

There were depletion and depreciation expenses of $24,000 for the nine months ended October 31, 2014 compared to $14,019 for the comparative 2013 year.

Summary Information of the Eight Most Recently Completed Quarters:

Three-Month Period Ended	IFRS October 31,2014	IFRS July 30, 2014	IFRS April 31, 2014	IFRS January 31,2013
Revenue	19,364	33,500	30,928	26,112
Oil & Gas Expenditures	15,955	20,849	18,352	58,088
General & Admin.	28,062	63,834	31,201	37,542
Other Income	122	157	145	2,113
Total Income (Loss)	(24,532)	(51,026)	(18,479)	(67,404)
Gain/(Loss) Per Share basic & diluted	0.00	(0.01)	0.00	0.00

Summary Information of the Eight Most Recently Completed Quarters (continued)

Three-Month Period Ended	IFRS October 31,2013	IFRS July 30,2013	IFRS April 31, 2013	IFRS January 31, 2012
Revenue	38,502	41,268	23,954	28,644
Oil & Gas Expenditures	47,663	10,966	27,262	52,148
General & Admin.	18,737	42,223	18,326	31,818
Other Income	98	113	124	(464)
Total Income (Loss)	(27,799)	(11,809)	(21,511)	(55,786)
Gain/(Loss) Per Share basic & diluted	0.00	0.00	0.00	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

The Company depends on loans by companies controlled by directors as well as credit from vendors to maintain operations. The directors of the Company will continue the loans until Mount Dakota is self-sufficient and the Company has good relationships with its vendors. At October 31, 2014 the Company had a working capital deficiency of $1,459,740. The Company currently has no bank loans outstanding. The net debt outstanding is $1,480,235. Management is confident that minimal success in the field will enable the Company to repay all loans and payables as well as operate profitably.

RESERVES

(Proved Plus Probable Constant Price Discounted at 10%)

	January 31, 2014	**January 31, 2013**	**Change**
Net Reserves (BOE)	13,700	14,000	-2%
Net Present Value ($) Before Taxes	353,000	358,000	-1%

The sale of the Garrington well is responsible for the decline in reserves and net present value. Production for the Company's wells have been projected to year 2030 in 2014 compared to 2029 in 2013 by the engineering firm that conducted the reserve report. Management believes the reserve life of the Company's wells are long lived based on the consistent daily production. Additional information can be found in the Company's NI 51-101 disclosure on SEDAR at www.sedar.com.

OUTSTANDING SHARES

As of October 31, 2014, Mount Dakota had the following securities outstanding: 8,460,087 common shares and no stock options.

RELATED PARTY TRANSACTIONS

During the nine months ended October 31, 2014, the Company entered into the following related party transactions:

(a) Accounting expense totaling $6,600 (2013 - $11,700) provided by a company controlled by a director of the Company.

(b) Rent totaling $24,101 (2013 - $Nil) for office premises provided by companies controlled by directors of the Company.

(c) On March 31, 2014 the Company has signed a loan agreement with a party related to a director to borrow an aggregate of $100,000 at the rate of 15% per annum for a term of one year and secured by a promissory note. The Company charged an amount of $8,750 of accrued interest to operations.

(d) On March 31, 2014, amounts due to related parties of $1,116,739 have been transferred to other creditors, of which $658,017 has been assigned to a party related to a director and an amount of $458,722 has been assigned to an arm's length party.

The above transactions have been in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related parties.

BUSINESS PROSPECTS AND OUTLOOK

One of the keys to the successful future growth of a junior oil & gas company is to acquire leases to drill, or to induce others to drill and receive a carried interest. The delay in the completion of the Alsike 2 well is significantly longer than expected. The Company has yet to determine the economic feasibility of the Alsike 2 well.

BUSINESS RISKS

The oil and gas industry is subject to risks in (among others):

- Finding and developing reserves.
- Commodity prices received for such reserves.
- Availability of equipment, manpower and supplies.
- Availability and cost of capital to achieve projected growth.
- Effect of weather on drilling and production.
- Operating in an environmentally appropriate fashion.

Mount Dakota mitigates these business risks by:

- Maintaining cost-effective operations.
- Operating our own properties to control the amount and timing of capital expenditures.
- Minimizing costs by re-entering existing wells to explore missed pay zones
- Restricting operations to western, central and southern Alberta where locations are accessible, operating and capital costs are reasonable and on-stream times are shorter.
- Drilling wells in areas with multiple high deliverability zone potential.

DISCLOSURE CONTROLS AND PROCEDURES OVER FINANCIAL REPORTING

Disclosure controls and procedures are designed to provide reasonable assurances that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), and that management has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in National Instrument 52-109 of the Canadian Securities Administrators and has concluded that such disclosure controls and procedures are effective. However, they do not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors or fraud. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

MANAGEMENT DISCUSSION AND ANALYSIS (continued):

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and CFO of Mount Dakota are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Company assessed the design of its internal control over financial reporting as of January 31, 2014. During this process, management identified certain weaknesses in internal controls over financial reporting which are as follows:

- Due to the nature of the joint venture agreements, the Company is completely reliant on joint venture partners for revenue and cost statements for some of the Company's wells; the Company's limited size does not make it economically feasible to establish a staff to audit the statements of the Company's partners

- Due to the limited number of staff, the Company does not have the sufficient number of financial personnel with the technical accounting knowledge to address all the complex and non-routine accounting transactions that may arise

These weaknesses in internal controls over financial reporting result in a possibility that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of a material misstatement in financial reporting, however, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

READER ADVISORY

Statements in this document may contain forward-looking information. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on this forward looking information.