

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Dakota Territory Resource Corp.		2 Issuer's employer identification number (EIN) 80-0942566	
3 Name of contact for additional information Daniel Cherniak	4 Telephone No. of contact 605-906-8363	5 Email address of contact dcherniak@gold-sd.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 141 Glendale Drive		7 City, town, or post office, state, and ZIP code of contact Lead, SD 57754	
8 Date of action January 4, 2021		9 Classification and description Common stock	
10 CUSIP number 23426V208	11 Serial number(s) N/A	12 Ticker symbol DTRC (OTCQB)	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On January 4, 2021, Dakota Territory Resource Corp. ("DTRC") paid a special cash dividend ("Cash Dividend") of \$0.22 per common share to holders of record of DTRC's common stock on December 22, 2020. On September 10, 2021 DTRC and JR Resources Corp. ("JR") entered into an Amended and Restated Agreement and Plan of Merger (as may be amended from time to time, "Merger Agreement"), providing for a business combination of DTRC and JR ("Mergers"). As of the date of this form, the Mergers have not yet been consummated.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ In the event that the Mergers are consummated, DTRC intends to take the position for U.S. federal income tax purposes that the Cash Dividend was paid pursuant to the "plan of reorganization" (within the meaning of Treas. Reg. section 1.368-2(g)) that includes the Mergers. Assuming this position is correct, the Cash Dividend would be treated as "boot" in the reorganization and such shareholder's adjusted tax basis in the JR common stock received in the Mergers would equal the adjusted tax basis of the DTRC common stock exchanged therefor, increased by the amount of gain, if any, recognized with respect thereto, and decreased by the amount of the Cash Dividend treated as received with respect thereto. In the event the Mergers are not consummated, DTRC intends to take the position for U.S. federal income tax purposes that the Cash Dividend was a return of capital distribution that would reduce a shareholder's adjusted tax basis in their DTRC stock, with any distributed amount in excess of such basis treated as capital gain. Even if the Mergers are consummated, a shareholder is not bound by DTRC's position regarding the treatment of the Cash Dividend as boot and may choose to take a differing position (e.g., that the Cash Dividend was a separate return of capital distribution).

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See above. Shareholders are urged to consult with their own tax advisors regarding the consequences of the Mergers, including the availability of the return of capital position described above. Shareholders should also refer to any updated Form 8937 filed by DTRC after consummation of the Mergers or in the event the Mergers are not consummated.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► As described above, in the event the Mergers are consummated, DTRC intends to take the position for U.S. federal income tax purposes that the Cash Dividend was "boot" in the reorganization. Assuming such position is correct, the tax treatment to shareholders of receipt of the Cash Dividend in the event the Mergers are consummated is based on the following Code sections: 354, 356, 358, 368. In the event the Mergers are not consummated, the tax treatment to shareholders of receipt of the Cash Dividend is based on the following Code sections: 301, 316.

18 Can any resulting loss be recognized? ► A shareholder may not recognize any loss in connection with the receipt of the Cash Dividend.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In the event the Mergers are consummated in 2022 and assuming DTRC's position is correct, the stock basis adjustment described above will be taken into account in 2022. In the event the Mergers are not consummated, the stock basis adjustment described above will be taken into account in 2021 (i.e., the year in which the Cash Dividend was paid).

Shareholders who received the Cash Dividend and who sell (or have sold) DTRC common stock prior to the consummation of the Mergers are urged to consult with their own tax advisors regarding the tax consequences to them of receipt of the Cash Dividend.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ► /s/Shawn Campbell Date ► February 7, 2022

Print your name ► Shawn Campbell Title ► Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►			Firm's EIN ►	
Firm's address ►			Phone no.	