

MUSTANG GEOTHERMAL CORP
Form DEF 14C
September 11, 2012

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14C INFORMATION

Proxy Statement Pursuant to Section 14(c) of the
Securities Exchange Act of 1934

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Filed by the Registrant

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Check the appropriate box:

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Preliminary Information Statement

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Confidential, for Use of the Commission (only as permitted by Rule 14c-5(d)(2))

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Definitive Information Statement

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Definitive Additional Materials

MUSTANG GEOTHERMAL CORP

(Name of Registrant as Specified in its Charter)

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

(Name of Person(s) Filing Information Statement, if other than the Registrant)

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X .

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(1)

Title of each class of securities to which transaction applies:

(2)

Aggregate number of securities to which transaction applies:

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Per unit or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11(set forth the amount on which the filing fee is calculated and state how it was determined):

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Proposed maximum aggregate value of transaction: 0

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Form, Schedule or Registration Statement No.

(3)

Filing Party:

Date Filed: September 11, 2012

MUSTANG GEOTHERMAL CORP

10580 N. McCarran Blvd., Building 115 208

Reno, NV 89503

(775) 747-0667

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE NOT REQUESTED TO SEND US A PROXY

NOTICE OF ACTION TAKEN BY WRITTEN RESOLUTION OF

SHAREHOLDERS OF RECORD

ON MARCH 8, 2012

(WITHOUT A STOCKHOLDER MEETING)

To the Stockholders of MUSTANG GEOTHERMAL CORP:

NOTICE IS HEREBY GIVEN that the management of **MUSTANG GEOTHERMAL CORP**, a Nevada Corporation (the "Corporation"), solicited votes from four (4) selected shareholders of record (the "Selected Shareholders") as of February 15, 2012, holding a total of 21,625,000 shares amounting to 63% of the issued and outstanding shares eligible to cast votes, to consider and act upon:

1.

The Directors' proposal to amend the Corporation's Articles of Incorporation to change the Corporation's name from **MUSTANG GEOTHERMAL CORP** to **DAKOTA TERRITORY RESOURCE CORP**; and,

2.

The Directors' proposal to effect a reverse stock split of the Company's total issued and outstanding shares of stock on the basis of 10 for 1, with a corresponding amendment to the Corporation's Articles of Incorporation. The total authorized capital shall remain the same.

These Selected Shareholders approved the above corporate actions in a written resolution. However, the Corporation's management does not intend to take any corporate action to enact these resolutions until such time as it has fulfilled its obligations under the rules and regulations of the Securities and Exchange Commission. Therefore, management will be sending this notice to you upon the filing of a Definitive Form 14C with the Securities and Exchange Commission. PROXIES ARE NOT BEING SOLICITED as management has received sufficient votes to approve the above corporate actions. Pursuant to Rule 14c-2 under the Securities Exchange Act of 1934, as amended, the corporate actions will become effective on the filing of a certificate of amendment to our articles of incorporation with the Secretary of State of Nevada, which filing will occur at least 20 days after the date of the mailing of the Form 14C Definitive Proxy Statement. The approximate date on which the Definitive Form 14C information statement will be mailed to security holders is July 23, 2012 or as soon thereafter as the Company files its Form 14C Definitive Proxy Statement with the Securities and Exchange Commission (the SEC).

The Company has asked brokers and other custodians, nominees and fiduciaries to forward this Information Statement to the beneficial owners of the Common Stock held of record by such persons and will reimburse such persons for out-of-pocket expenses incurred in forwarding such material.

This Information Statement will serve as written notice to stockholders pursuant to Section 78.370 of the Nevada General Corporation Law.

THIS IS NOT A NOTICE OF A SPECIAL MEETING OF SHAREHOLDERS AND NO STOCKHOLER MEETING WILL BE HELD TO CONSIDER ANY MATTER DESCRIBED IN THIS FILING. THIS INFORMATION STATEMENT IS BEING FURNISHED TO YOU SOLELY FOR THE PURPOSE OF INFORMING STOCKHOLDERS OF THE MATTERS DESCRIBED HEREIN PURSUANT TO SECTION 14(C) OF THE EXCHANGE ACT AND THE REGULATIONS PROMULGATED THEREUNDER, INCLUDING REGULATION 14C. WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

By Order of the Board of Directors,

/s/ Richard Bachman

Richard Bachman, Chairman and Chief Executive Officer

Reno, NV

September 11, 2012

INFORMATION STATEMENT
REGARDING CORPORATE ACTIONS
APPROVED ON MARCH 8, 2012

Item 1. Information Required by Items of Schedule 14A.

Summary Term Sheet

The following is a summary of the principal terms of the Common Stock Share Exchange Agreement between the Company and North Homestake Mining Company. This summary does not contain all information that may be important to you. We encourage you to read this information statement carefully in its entirety, including the information contained in the appendices and the documents we have incorporated into this information statement.

On March 9, 2012, the Company reported that it had entered into a material definitive agreement not made in the ordinary course of its business. This disclosure was made to the SEC on Form 8-K. You may view this filing on the Company's Edgar site located at <http://www.sec.gov>, and by searching for the Company's Edgar file. Additionally, the Company coincidentally published a press release announcing its entrance into the material definitive agreement. This news release may be viewed at <http://prnewswire.com>.

BACKGROUND OF THE MATERIAL DEFINITIVE AGREEMENT

Since inception, the Company has been primarily engaged in the acquisition and exploration of uranium and geothermal properties. To date, the Company has not yet realized any revenues from operations, and reported a cumulative loss from operations of \$13,596,877 from February 2, 2002 – the Company's inception date, to the fiscal year ended March 31, 2012. Currently, the Company is not actively exploring its four project areas in state of Nevada and seven projects areas in Peru for geothermal energy resources due to the lack of adequate financing.

In order to maintain its operations, the Company has had to rely upon funding in the form of notes payable, convertible notes payable and a line of credit that for the fiscal year ended March 31, 2012 amounted to \$1,514,904.

In its most recent annual report filed on Form 10-K for the fiscal year ended March 31, 2012, the Company reported that its continuation as a going concern was dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. To date, the Company has not arranged for reasonably agreeable financing comporting with prudent business judgment.

It is against this backdrop that the Company, by and through its board of directors consisting of Richard Bachman, Gerald Abele and Gerry Berg, considered available options that would address the Company's financial condition and its operations. Mr. Bachman and Mr. Aberle, notified the Company that they were the sole shareholders, officers and directors in North Homestake Mining Company, a Nevada corporation that possessed mining rights to 1600 acres known as the "Blind Gold Property" located approximately 3 miles northwest of the historic Homestake Gold Mine in South Dakota, which before closing in 2002, had produced over 40 million ounces of gold.

Mr. Bachman's professional background included 22 years working with the now closed Homestake Mining Company from 1980 to 2002 in various capacities ranging from exploration to mine operations. Mr. Bachman was also Homestake Mining Company's Regional Geologist for Peru where he directed a staff of 10 and refocused Homestake's existing exploration program, which resulted in the evaluation of 83 properties in 24 months and yielded one new discovery. From 2001 to 2002, he was Homestake's Regional Geologist, International Special Projects, where he designed and successfully implemented reconnaissance programs in southern Argentina that resulted in the evaluation of 63 properties with five advancing and the coordination and field review of 22 properties.

Mr. Aberle's resume also included 22 years with Homestake Mining Company at the Homestake gold mine in Lead, S.D. Mr. Aberle's mining background included extensive engineering, operations management and project management experience. Over the past 14 years, Mr. Aberle consulted in the mining, underground construction and minerals exploration business for clients including Homestake Mining Co., Barrick Gold Corp., the State of South Dakota and the University of Washington in connection with the planning and development of the National Science Foundation's national deep underground science and engineering laboratory.

The Company undertook a review of the desirability and feasibility of acquiring North Homestake's Blind Gold Property. Mr. Bachman and Mr. Aberle presented to the Company information and their own professional and practical opinions concerning the opportunity for the Company to find gold on the Blind Gold Property based upon historical, geological and topographical information Mr. Bachman and Mr. Aberle studied.

Mr. Bachman and Mr. Aberle notified the Company that they are related parties in that each man is an officer and director of North Homestake, who also control all of North Homestake's issued and outstanding shares, while contemporaneously holding positions as directors and officers of the Company.

The Company's board, that also included Mr. Gerry Berg—a person who was not a related party, conducted a study and consideration of the opportunity presented in the Blind Gold Property. The Company's board considered whether the possible acquisition of the Blind Gold Property was desirable and concluded that the acquisition fell squarely within the ambit of the Company's business category of mining; and, that the opportunity appeared to present a valuable asset that could reasonably and foreseeably, in an exercise of prudent business judgment, result in returning value to the Company's shareholders.

Finding it a desirable acquisition, the question for the Company then turned to how to finance the acquisition in a feasible responsible manner. Given the Company's financial condition, as described above (and to which readers are directed to carefully review the Company's annual report on Form 10-K for the fiscal year ended March 31, 2012), the Company quickly determined that it had no cash to offer as consideration, and could not obtain financing to obtain such cash consideration.

The Company's overall deleterious financial condition led to a discussion of whether the Company could acquire the Blind Gold Property using common stock as consideration. The Company exercised reasonably prudent business judgment by weighing the Company's present financial and operational position against the opportunity presented in the Blind Gold Property acquisition, and negotiated in good faith and in full disclosure concerning related parties to agreeable terms for a common stock share exchange, resulting in the Company's acquisition of all of the outstanding common stock of North Homestake and the Company's acquisition of the Blind Gold Property leases, conditioned on the Company conducting a 10 for 1 reverse split of its common stock, and changing its name to Dakota Territory Resource Corp. Thereafter, the Company would issue to North Homestake's two shareholders: Mr. Richard Bachman and Mr. Gerald Aberle, fifteen million shares each of the Company's post reverse split common stock in exchange for all of the outstanding shares of North Homestake and the assumption of North Homestake's business including the Blind Gold Property. The Company's board of directors unanimously agreed to these terms along with North Homestake's board of directors, and North Homestake's shareholders representing 100% of its issued and outstanding shares who approved entering into the transaction on these terms.

The Company's board of directors then called, consistent with its bylaws, a special meeting of its shareholders to authorize terms for the acquisition. On March 8, 2012, shareholders constituting 21,625,000 shares, or approximately 63% of the total common shares issued and eligible to cast votes, voted to approve and authorize the Board of Directors of the Company to, consistent with the terms of the negotiated common stock share exchange agreement, to:

1. Implement a 10:1 reverse split on all of the common shares of Mustang;

2. Change the name of the Company to Dakota Territory Resource Corp, and apply for a new ticker symbol; and

3. Acquire all of the issued and outstanding common shares of North Homestake Mining Company (North Homestake), a Nevada Corporation, in exchange for issuing to North Homestake's two shareholders: Mr. Bachman and Mr. Aberle, fifteen million shares each of the Company's post reverse split common stock, subject to the terms and conditions of a material definitive agreement between the Company and North Homestake dated March 8th, 2012, or as amended by the Company and North Homestake prior to closing, which is set for March 31, 2012, or as soon as is legally practicable thereafter, taking into consideration regulatory review and approval of the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

The Company shareholders voting for the Company's entry into the common stock share exchange agreement, and its terms including the 10 for 1 reverse split, the name change and the issuance of post split shares of common stock consistent with the terms of the common stock share exchange were:

DAKOTA RESOURCE HOLDINGS, LLC

Ms. Lindsey Aberle , 1303 Silverbrook Lane

Spearfish SD 57783.

Ms. Aberle is the sole owner with voting and investment power of 100% of the issued and outstanding shares of Dakota Resource Holdings, LLC, that controls 2,600,000 shares of the Company's common stock eligible to vote by person or by proxy;

GENOA ENERGY RESOURCES LTD

Mr. Brent Lappin, 1894 US HIGHWAY 50E, STE 4-630

CARSON CITY NV 89701-3202

Mr. Lappin is the sole owner with voting and investment power of 100% of the issued and outstanding shares of Genoa Energy Resources, Ltd. that controls 12,400,000 shares of the Company's common stock eligible to vote by person or by proxy.

MINERA CERRO EL DIABLO, INC

Ms. Catherine Barcomb, 59 DAMONTE RANCH PKWY, STE 209

RENO, NV 89521

Ms. Barcomb is sole owner with voting and investment power of 100% of the the issued and outstanding shares of Minera Cerro El Diablo, Inc., that controls 4,125,000 shares of the Company s common stock eligible to vote by person or by proxy;

MINERA, INC

Amer Smailbegovic, 216 LEMMON DR STE 166

RENO, NV 89506-8701

Mr. Smailbegovic is sole owner with voting and investment power of 100% of the issued and outstanding shares of Minera, Inc., that controls 2,500,000 shares of the Company s common stock eligible to vote by person or by proxy.

SIGNIFICANCE OF THE TRANSACTION ON THE COMPANY AND ITS SHAREHOLDERS

Prior to the closing of the common stock share exchange agreement, the Company had issued and outstanding shares of 34,492,057. The result of the reverse split will significantly and materially *decrease* the ownership of current shareholders, such that for every ten shares a present shareholder now owns, they will receive one share post split. The Company estimates that the total issued and outstanding shares of the Company post split will be approximately 3,449,206.

Consistent with the terms of the common stock share exchange agreement, the Company will issue fifteen million shares *each* to Mr. Richard Bachman and Mr. Gerald Aberle *after* the reverse split occurs. Presently neither Mr. Bachman nor Mr. Aberle own in excess of 5% of the Company s common stock.

By completing the transaction, and considering the effect of the reverse split on present shareholders and their proportionate ownership interests, and the subsequent issuance of fifteen million shares *each* to Mr. Richard Bachman and Mr. Gerald Aberle after the reverse split, Messrs. Bachman and Aberle will control 89.08% of the issued and outstanding shares of the Company, where their prior ownership of the Company was not significant.

ADDITIONAL SIGNIFICANT CONSEQUENCES OF THE TRANSACTION

DILUTION TO PRESENT SHAREHOLDERS

Aside from the foregoing, you should take note that the issuance of a total of thirty million post split shares to Mr. Bachman and Mr. Aberle will further dilute both the equity interests and the earnings per share, if any, of existing holders of the common stock post split. When the consummation of the common stock share exchange agreement occurs, all of the Company's shares so issued will have voting and other rights identical to those of the currently authorized shares of common stock.

As noted, as a result of the closure of the common stock share exchange agreement dilution, will occur to our present shareholders. However, it is the business judgment of our Board of Directors that any dilution to our present shareholders is mitigated by the quality and potential of the business opportunities presented by acquiring the Blind Gold Property.

ANTI-TAKE OVER CORPORATE CONTROL

In addition to the corporate purposes discussed herein, the consummation of the common stock share exchange agreement, and the resulting reverse split and issuance of thirty million post split common shares to Mr. Bachman and Mr. Aberle may, under certain circumstances, have an anti-takeover effect, although this is not the intent of the Board of Directors. For example, it may be possible for the Board of Directors to delay or impede a takeover or transfer of control of the Company as the result of Mr. Bachman and Mr. Aberle controlling 89.08% of the issued and outstanding shares of the Company eligible to vote post split. Additionally, the post split shares issued to Mr. Bachman and Mr. Aberle may have the effect of permitting the Company's current management, including the current Board of Directors consisting in part of Mr. Bachman and Mr. Aberle, to retain their position, and place them in a better position to resist changes that other minority shareholders may wish to make if they are dissatisfied with the conduct of the Company's business. Inasmuch as Mr. Bachman and Mr. Aberle will own common stock representing 89.08% of the issued and outstanding common stock of the Company post split, they will be able to elect all of the Company's directors at a general or special meeting. There is no cumulative voting to give a minority shareholder the right to elect a director. This may also have an anti-takeover effect. Similarly, the Company's Articles provides for indemnification of directors, officers, employees or agents of the Company to the fullest extent permitted by Nevada law pursuant to NRS 78.502 and NRS 78.751, as well as successor provisions. Such indemnification could enable the Company's board of directors, including Mr. Bachman and Mr. Aberle, to take actions that would discourage a third party takeover attempt with impunity; other than a lawsuit by or in the right of the Company, for which indemnification is not available. However, the Board of Directors is not aware of any attempt to take control of the Company and the Board of Directors did not approve the transaction with the intent that it be utilized as a type of anti-takeover device.

ABOUT THIS INFORMATION STATEMENT

What is the purpose of this Information Statement?

This Information Statement is being furnished to holders of record of the common stock, par value \$0.001 per share (the Common Stock), as of the close of business on February 15, 2012 of the Company, with respect to written consents of the Company taken by its board of directors and a majority of its shareholders eligible to vote on March 8, 2012, which consents provide that the Company shall have the authority to amend its articles of incorporation to (i) change the name of the Company to Dakota Territory Resource Corp and (ii) to affect a ten for one reverse stock split of its common stock (the Actions). In order to eliminate the costs and management time involved in holding a special meeting, and in order to effect the corporate actions as soon as possible, the Company decided to proceed with the corporate actions by obtaining the written consent of stockholders holding a majority of the voting power of the Company. This Information Statement will be mailed or furnished to the stockholders of the Company after the filing of the Definitive 14C with the Securities and Exchange Commission. The actual closing of the Common Stock Share Exchange Agreement and the amendments to the Company s Articles of Incorporation with the Secretary of State of Nevada will occur at least 20 days thereafter.

On what corporate matters did the principal stockholders vote?

Principal stockholders holding a 63.00% majority of the issued and outstanding voting capital stock of the Company required to vote on the Actions as of February 15, 2012 (the Record Date) voted for and approved the following:

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For the approval of an amendment to the articles of incorporation of the Company to change the name of the Company to Dakota Territory Resource Corp; and,

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For the approval of an amendment to the articles of incorporation of the Company to affect a ten for one reverse stock split of its common shares.

What vote is required to approve the Actions?

In order to amend the articles of incorporation of the Company to authorize the Actions, the affirmative vote of a majority of the voting capital stock is required. On March 8, 2012, majority stockholders of the Company voted in favor of the Actions. Under Section 78.320 of the Nevada Revised Statutes, all activities requiring stockholder approval may be taken by obtaining the written consent and approval of more than 50% of the holders of voting stock in lieu of a meeting of the stockholders. Because principal stockholders entitled to cast a vote representing 21,625,000 shares of Common Stock (which shares are equal to 63.00% of the total issued and outstanding voting capital stock of the Company on the Record Date), no action by the minority stockholders in connection with the Actions is required.

Effective Date of the Amendments

The name change of the Company and the reverse stock split will become effective upon the filing of the certificate of amendment to the Company's articles of incorporation with the Secretary of State of Nevada. Pursuant to Rule 14c-2 under the Exchange Act, the foregoing Actions may not become effective until a date that is at least 20 days after the date on which the Definitive Information Statement on Form 14C has been mailed to the stockholders of the Company.

Dissenters' Right of Appraisal

No dissenters' or appraisal rights are available to our stockholders under the Nevada General Corporation Law in connection with the actions.

No Meeting of Stockholders Required

The Company is not soliciting any votes with regard to the Actions. The principal stockholders that have consented to the Actions hold a majority of the total issued and outstanding shares of voting capital stock and, accordingly, such principal stockholders have sufficient shares to approve the Actions.

ACTIONS TAKEN BY THE COMPANY

Introduction

The Company's current Certificate of Incorporation provides for an authorized capitalization consisting of 300,000,000 shares of common stock, \$0.001 par value (the "Common Stock"), and 10,000,000 shares of Preferred Stock. As of February 15, 2012, the Registrant had 34,492,057 outstanding shares of Common Stock and no shares of Preferred Stock outstanding. The Name Change Proposal seeks to amend the Company's Articles of Incorporation to change the name of the Company to Dakota Territory Resource Corp, and to amend the Company's Articles of Incorporation to affect a ten for one reverse stock split of the Company's common stock. No proposal or action of the Company concerns the Preferred Stock authorized by the Company's Articles of Incorporation. The majority shareholders of the Company have signed an Action by Majority Shareholders' Consent without a Meeting pursuant to Nevada Revised Statutes 78.320 to approve these actions.

Management solicited votes from holders of a majority of the shares eligible to vote as of February 15, 2012 to discuss business opportunities presented to the Company by North Homestake Mining Company ("North Homestake"), a Nevada Corporation and owner of certain gold exploration properties located in South Dakota. The Company and North Homestake conducted negotiations and due diligence investigations into the desirability and possibility of the Company acquiring the gold exploration properties owned by North Homestake. The Company and North Homestake came to an agreement in principal that allowed the Company to acquire the North Homestake's gold exploration properties for an exchange of common stock between the parties. The Company entered into a material definitive agreement with North Homestake on March 8, 2012, and filed Form 8-K with the SEC on March 9, 2012. The terms of the agreement are summarized as follows:

The Company will acquire all of the outstanding shares of North Homestake in exchange for thirty million post reverse stock split shares of the Company's common stock. The Company and North Homestake agreed, as conditions precedent to the closing of the transaction, that the Company would (i) affect a ten for one (10:1) reverse stock split of its presently issued and outstanding common stock and (ii) change its name from Mustang Geothermal Corp to Dakota Territory Resource Corp. After the Company satisfies the two foregoing conditions precedent, the transaction closes and North Homestake and the Company would meet to formally exchange their common stock consistent with this agreement, and the Company would then own and control beneficial ownership of all of the issued and outstanding shares of North Homestake, assume right, title and interest to the gold exploration properties, and assume certain of the liabilities of North Homestake, in exchange for shares of the Company's common stock.

Background of the Share Exchange Agreement with North Homestake

1.

The Company's Business Plan to Date.

The Company was incorporated in Nevada on February 6, 2002. The Company is primarily engaged in the acquisition and exploration of uranium and geothermal properties. Upon location of a commercial geothermal energy resource, the Company's business objectives are to actively prepare the site for the extraction of geothermal energy and the subsequent production of renewal electrical power.

Presently, the Company holds 4,536 hectares of Federal geothermal leases in four project areas in the state of Nevada, which include: Hawthorne, Reese River, Warm Springs, and the Moon Rocks Projects. The Company also holds 6,300 hectares of applications in seven project areas in the Country of Peru, which include: Banos de Inca, Ninobamba, Paclla, Antecata, Coline, Condorama South and Condorama Projects (detailed descriptions of each project area is included with the Company's annual report on Form 10-K for the fiscal year ended March 31, 2012 filed with the SEC on June 29, 2012 and may be accessed at the Company's Edgar site available at <http://www.sec.gov>).

As reported in the Company's annual report on Form 10-K for the year ended March 31, 2012, the Company's present estimated working capital requirements and projected operating expenses for this fiscal year total approximately \$180,000. The Company's current working capital has not been sufficient to cover the Company's estimated capital requirements during the fiscal year ended March 31, 2012. The Company has been unsuccessful in raising capital through the issuance of equity securities or through debt financing.

Given that the Company is an exploration stage company and has not generated revenues to date, the Company's cash flow projections are subject to numerous contingencies and risk factors beyond the Company's control, including exploration and development risks, competition from well-funded competitors, and its ability to manage growth. The Company's inability to acquire sufficient capital funding creates doubts as to whether it can execute its business plan and if the Company is not able to obtain additional capital financing on a timely basis, it may not be able to meet its other obligations as they become due and the Company may be forced to scale down or perhaps even cease the operation of its business.

As was reported in the Company's annual report on Form 10-K for the fiscal years ended March 31, 2012 and March 31, 2011, the Company decided, given the current difficult financial and economic environment the Company is in, to put exploration activities in its geothermal properties in State of Nevada and the Country of Peru on hold. The Company also determined to abandon its uranium project in New Mexico. Over the course of fiscal years 2011 and 2012, the Company actively considered conventional and alternative capital financing, but was unsuccessful. Because the continuation of its business is dependent upon obtaining long-term financing, successful exploration and development of its property interests and, finally, achieving a profitable level of operations, there is substantial doubt about the Company's ability to continue as a going concern without raising sufficient capital.

As a result, the Company began investigations into other business opportunities that fell within the purview of its business profile and classification. In so doing, the Company learned of mining opportunities in gold exploration properties in South Dakota owned by North Homestake Mining Company. In its due diligence, the Company relied upon the experience its board members Richard Bachman and Gerald Aberle possessed in mining and geology, and the fact that each man had twenty two years of experience working at the now closed Homestake gold mine, that produced millions of ounces of gold and operated successfully for many years in the geographical regions south and east of the North Homestake gold exploration properties. After conducting due diligence, the Company determined that the opportunities presented by the North Homestake gold exploration properties were worthwhile to acquire in light of (i) the geological history of the North Homestake area; (ii) the recent increased price of gold; and, (iii) the belief based upon informal inquiries that obtaining reasonable and adequate financing for exploitation of the North Homestake gold exploration properties could be had. Additionally, the Company determined that acquiring the North Homestake gold exploration properties was possible by virtue of an exchange of common stock without requiring the Company to acquire funding to complete the transaction.

2.

The North Homestake Opportunity.

North Homestake is a Nevada corporation formed on April 12, 2011, and is active and operating in good standing. Richard Bachman, who is the Company's President, Chief Executive Officer, Chief Accounting Officer and Director, along with Gerald Aberle, who is the Company's Vice President, Chief Operating Officer and Director, founded North Homestake. Mr. Bachman and Mr. Aberle are the sole directors and shareholders of North Homestake (readers are directed to the Section of this filing entitled: Transactions with Related Persons). North Homestake is a gold exploration company whose business plan focuses on the acquisition and exploration of gold resource properties for the purpose of discovering and developing profitable gold mines. North Homestake acquired gold properties located in the Homestake District of South Dakota known as the Blind Gold Property.

The Blind Gold Property contains 1600 acres and is approximately 3 miles northwest and on structural trend with the historic Homestake Gold Mine, which was the largest iron-formation-hosted gold deposit in the world and has produced 1241.4 tons of gold (or approximately 40 million ounces) in its 125 year history. The mine closed in 2001 after Barrick Gold Corporation acquired Homestake Mining Company.

a. Principals of North Homestake and their Qualifications.

Mr. Richard Bachman

Mr. Richard Bachman's work experience includes 22 years working with Homestake Mining Company in various capacities ranging from exploration to operations. From 1983 to 1994, he was the Regional Geologist for the Homestake Mine District managing a cumulative budget of \$70 million. Additionally, during the period from 1995 to 1998, he was Homestake's Regional Geologist for Brazil where he directed a staff of 46 and was responsible for a \$2.5 million annual exploration budget. He conducted a Brazil countrywide assessment that resulted in the acquisition of a one million hectare property in a 20 million ounce gold district in the Amazon.

From 1999 to 2000 Mr. Bachman was Homestake's Regional Geologist for Peru where he directed a staff of 10 and refocused Homestake's existing exploration program, which resulted in the evaluation of 83 properties in 24 months and yielded one new discovery. From 2001 to 2002, he was Homestake's Regional Geologist, International Special Projects, where he designed and successfully implemented reconnaissance programs in southern Argentina that resulted in the evaluation of 63 properties with five advancing and the coordination and field review of 22 properties.

From 2002 until the present, Mr. Bachman has acted as President and Consulting Professional Geologist for Minera Teles Pires Inc., a Reno, Nevada company. Mr. Bachman also served as President, CEO and Director of Capella Resources Ltd from 2006 - 2011, a Canadian public company traded on TSX Venture Exchange with exploration properties in the U.S., Canada, and Chile.

Mr. Bachman holds a Bachelors of Science degree in Geological Engineering from the South Dakota School of Mines and Technology and is a Certified Professional Geologist with the American Institute of Professional Geologists.

Mr. Gerald Aberle

Mr. Gerald Aberle graduated in 1980 from South Dakota School of Mines and Technology with a Bachelor of Science degree in mining engineering. He has over 30 years of experience in the resource industry, including 22 years with Homestake Mining Company at the Homestake Mine. Mr. Aberle's resource and minerals background includes extensive engineering, operations management and project management experience.

Over the past 14 years, Mr. Aberle has consulted in the mining, underground construction and minerals exploration business for clients including Homestake Mining Company., Barrick Gold Corp., the State of South Dakota, and the University of Washington in connection with the planning and development of the National Science Foundation's national deep underground science and engineering laboratory.

Mr. Aberle served as Vice President of Operations for Capella Resources Ltd. from September 2008 to June 2010 and served as President and Chief Executive Officer and Director of Capella Resources Ltd. from August 2011 to December 2011. Mr. Aberle also served as President, CEO and Director of AM Gold from June 2010 to September 2010 and as President, COO and Director of AM Gold from September 2010 to October 2011. Mr. Aberle also has served as President Jerikodie Inc. from July 1998 to Present.

Mr. Aberle also has more than 15 years of private business experience in the United States, primarily in the land development and construction industries.

b. The Blind Gold Property

The unique gold endowment of the Northern Black Hills of South Dakota is attributed to the regional-scale structural intersection of the Trans-Hudson Orogenic Zone and Lewis and Clark Lineament. The Homestake District is geologically located on the boundary of the Superior and Wyoming Geologic Plates, which collided 1.8 billion years ago, forming the north trending Trans-Hudson Orogenic Zone and the Homestake iron-formation gold deposit. At thirty-eight million years-ago, geologic processes were reactivated and a new series of gold deposits formed in relation to intrusion magma along the west-northwest trending Lewis and Clark Lineament. This second gold event was spatially superimposed on the Homestake District and the earlier Homestake gold event.

In terms of total historic US gold production, the Black Hills of South Dakota ranks second only to the Carlin District of northeast Nevada, with the gold production of the Black Hills concentrated in a 100 square mile area known as the Homestake District. In the context of defining success and failure in the exploration business, it has been said that "The odds are best in the shadow of the head frame". This obvious, important exploration principle reflects the fact

that ore forming processes tend to occur as multiple events and produce multiple deposits in favorable geologic settings.

The Homestake District is certainly a favorable geologic setting with a number of unique geologic gold deposit types that have yielded significant gold production, three of which are: (i) The Proterozoic-age Homestake iron-formation gold deposit that produced approximately 40 million ounces of gold; (ii) Tertiary-age replacement gold deposits that produced approximately 9 million ounces of gold; and (iii) Eo-Cambrian Homestake paleoplacer gold deposits that produced approximately 1.2 million ounces of gold. The Homestake gold deposit is the largest iron-formation hosted gold deposit in the world, producing approximately 40 million ounces of gold over 125 years at an average historical reserve grade of approximately 0.3 ounces gold per ton.

Despite the prolific production history of the Homestake District, the area is largely underexplored. Virtually all mines in the District were discovered by virtue of the fact that the deposits were exposed at surface, or were discovered through underground exploration conducted from producing mines in close proximity. Homestake Mining Company also believed the Northern Black Hills area held great exploration potential and in the 1980's and 1990's, undertook a \$70MM exploration program focused primarily on the search for a repeat of the Homestake Mine. The extensive Homestake exploration program successfully discovered significant new gold mineralization two miles north of the Homestake Mine and conclusively proved the continuous extension of the Homestake iron-formation host to a distance extending approximately 3 miles north of the Mine. Gold prices in the range of \$300 per ounce persisted through the 1990's, however, and eventually forced the suspension of Homestake's regional exploration effort. No further work was conducted prior to the closing of the Mine in 2001 and subsequent acquisition of the Company by Barrick Gold Corporation in 2002.

The Blind Gold Property is located approximately 3 miles northwest of the Homestake Gold Mine. Richard Bachman, President and CEO of Mustang and past manager of Homestake's Black Hills exploration program of the 80's and 90's was responsible for the drilling of diamond drill core holes that document the existence of Homestake iron-formation underlying the Blind Gold Property. Mustang believes that the existence of Homestake iron-formation under the Phanerozoic-age rock covering the Blind Gold Property presents a significant exploration opportunity in so much as the repeat of the Homestake style gold mineralization is not only possible, but has already been demonstrated to occur down plunge, roughly one mile south of the Blind Gold Property. Mustang further believes that the discovery of a repeat of the Homestake gold deposit with similar gold grades could present significant financial reward to its shareholders at today's gold prices.

In addition to the exploration potential for gold hosted in Homestake iron-formation, the Blind Gold Property is also located less than a mile north of the Maitland Mine. The Maitland Mine produced both gold and silver from a Tertiary-age replacement deposit typical of the District, with mineralization hosted in the Cambrian Deadwood formation. The preferred host formation for tertiary-age gold mineralization is Deadwood formation, which outcrops at the southwest corner of the Blind Gold Property. The Paha Sapa Limestone, which also occurs on the surface at Blind Gold, also hosts gold deposits within the District but to a lesser degree. The formation of Tertiary-aged gold-silver replacement deposits is generally dependent on fault and fracture structures necessary to the transportation of mineralizing fluids and proximity to the preferential intrusive bodies, both of which are present at the Blind Gold Property. Tertiary-age gold mineralization is evidenced across the Property by numerous mapped prospect workings dating from the turn of the century through the 1980's in Deadwood formation, Paha Sapa Limestone and Phonolite intrusive.

Mustang believes significant potential exists on the Blind Gold Property for the discovery of Tertiary-aged gold/silver replacement deposits. Deposits of this type within the District were historically produced by underground methods at grades ranging from 0.20 to 2.0 ounces gold per ton. Mustang believes that the historic mining grades of Tertiary-aged gold-silver deposits within the district would support the commercial viability of a similar deposit discovered on the Blind Gold Property.

Mustang's exploration focus is on the search for a repeat of the Homestake gold deposit on the Blind Gold Property, primarily because of the size and grade potential of a deposit of this type and resulting economic opportunity associated with such a discovery. While exploration for other gold deposit types is a secondary priority, the exploration program will be opportunistic as each hole drilled through the overlying cover rock holds additional potential for the discovery of Tertiary-aged gold-silver replacement deposits.

With the knowledge and information gained from Homestake's programs of the 1980's and 1990's, Mustang's Management Team is uniquely qualified to build on the previous work with the distinct economic advantages that have been created by today's higher gold prices. The Black Hills area is known for its rich mining heritage and culture based on generations of mines and miners. South Dakota's exploration and mining regulations are reasonable and comparable to other jurisdictions within the United States. State and County regulatory authorities have also demonstrated their willingness to work with responsible operators to permit well-planned compliant projects.

Mustang understands the risks inherent to minerals exploration and believes that the location and technical merits of the Blind Gold Property coupled with Management's knowledge and experience supports the acquisition of North Homestake Mining Company and will create opportunity and value for its shareholders.

In considering and determining whether to acquire North Homestake and its Blind Gold property, the Company and a majority of its shareholders eligible to vote considered the following:

3.

The Common Stock Share Exchange Agreement.

On March 8, 2012 the Company and North Homestake, entered into a Common Stock Share Exchange Agreement in which the Company agreed to:

Acquire the outstanding shares of North Homestake in exchange for thirty million post reverse stock split shares of the Company's common stock;

The Company and North Homestake agreed, before the closing of the transaction, that the Company would (i) affect a ten for one (10:1) reverse stock split of its presently issued and outstanding common stock and (ii) change its name from Mustang Geothermal Corp to Dakota Territory Resource Corp;

After the Company completes the two foregoing actions, the transaction proceeds to closure with North Homestake and the Company formally meeting to exchange their common stock consistent with the Agreement, resulting in the Company owning and controlling beneficial ownership of all of the issued and outstanding shares of North Homestake, assuming ownership of the Blind Gold Property Claims, and assuming certain of the liabilities of North Homestake, in exchange for shares of the Company's common stock;

The Company's Board of Directors believes that the Common Stock Share Exchange Agreement will constitute a tax free reorganization within the meaning of Internal Revenue Code Sections 351 and 368 (a)(1)(B). However, none of the parties is seeking tax counsel or legal or accounting opinions on whether the Common Stock Share Exchange Agreement qualifies for tax free treatment and the tax-free treatment of the Common Stock Share Exchange Agreement is not a condition precedent to the obligations of the Company or North Homestake to the Agreement. There can be no assurance that North Homestake shareholders who receive the Company's Common Stock will receive tax-free treatment in the exchange. Similarly, there can be no assurance that the Company will receive tax-free treatment in the exchange for its receipt of the North Homestake common stock;

Upon the closing of the Common Stock Share Exchange Agreement, the Company will apply for a new CUSIP number and a new trading symbol. The Company's common shares are currently trading on the OTCBB Market Exchange under the trading symbol: URXE.OB, and will continue to do so for an undetermined period of time after the closing of the Common Stock Share Exchange Agreement. The Company may choose to qualify its common shares to be eligible for trading on another exchange, but there are presently no established plans for such an application at this time.

4.

Effect of the Common Stock Share Exchange Agreement and Related Corporate Actions on the Company

Company common stock outstanding after the closing of the 33,449,206 shares of common stock outstanding.

Common Stock Share Exchange Agreement.

Share ownership of Richard Bachman and Gerald Aberle 30,000,000 post split shares distributed as follows:
after the reverse stock split and Closing of the Common Stock Share Exchange Agreement.
Richard Bachman: 15,000,000 common shares & Gerald
Aberle: 15,000,000

Totals of the required shareholder vote for the Common Stock Share Exchange Agreement by the Company. 21,625,000 pre split shares of common stock representing 63.00% of the issued and outstanding shares of common stock of the Company.

Totals of the required shareholder vote for the Common Stock Share Exchange Agreement by North Homestake. 75,000 shares of common stock representing 100% of the issued and outstanding shares of common stock of North Homestake.

Approval by Directors for the Company. Unanimous by Gerry Berg, Richard Bachman and Gerald Aberle.

Approval by Directors for North Homestake. Unanimous by Richard Bachman and Gerald Aberle, comprising all of the directors.

Corporate structure after completion of the reverse stock split and Closing of the Common Stock Share Exchange Agreement. After the closing of the Common Stock Share Exchange Agreement, Richard Bachman and Gerald Aberle will control 89.08% of the total number of issued and outstanding shares of the Company.

Market for the Company's common stock. The Common Stock is quoted on the OTC Bulletin Board, although there has been sporadic trading in recent months.

Terms of the Share Exchange. Pursuant to the Common Stock Share Exchange Agreement executed on March 8, 2012, the North Homestake Shareholders agreed to exchange all of their common stock in North Homestake, equal to 100% of the issued and outstanding shares, for 30,000,000 of the Company's restricted common shares representing 89.08% of the total number of issued and outstanding post split shares of the Company. Closing of the Common Stock Share Exchange Agreement is contingent upon amending the Company's Articles of Incorporation to (i) Change the name of the Company to Dakota Territory Resource Corp and (ii) Completing a 10 for 1 reverse stock split of the Company's common stock. For further information, see Appendix D - Common Stock Share Exchange Agreement.

Reasons for the Common Stock Share Exchange Agreement. The Common Stock Share Exchange Agreement will enable the Company to engage in the acquisition and exploration of gold resource properties for the purpose of discovering and developing profitable gold mines, including the Blind Gold Property, located in the Homestake District of South Dakota. see Appendix D

No Fairness Opinion.	<p>Common Stock Share Exchange Agreement. Neither the Company nor North Homestake has obtained any report, opinion or appraisal from any outside party relating directly or indirectly to the Common Stock Share Exchange Agreement.</p>
Tax Consequences.	<p>The Company's management believes that the Common Stock Share Exchange Agreement will constitute a tax free exchange within the meaning of Internal Revenue Code Sections 368(a)(1)(B) and 351. However, none of the parties is seeking tax counsel or legal or accounting opinions on whether the Common Stock Share Exchange Agreement qualifies for tax free treatment and tax-free treatment of the share exchange is not a condition precedent to the obligations of the parties to the Agreement. There can be no assurance that either the North Homestake shareholders or the Company's shareholders who receive Common Stock in exchange for their share capital of Company common stock will receive tax-free treatment. Similarly, there can be no assurance that the Company will receive tax-free treatment in the exchange.</p>
Dissenter's Rights.	<p>Dissenter's rights are not applicable under Nevada law to the Common Stock Share Exchange Agreement.</p>

As noted in this filing, as a result of the closure of the Common Share Exchange Agreement dilution will occur to our present shareholders. However, it is the business judgment of our Board of Directors that any dilution to our present shareholders is mitigated by the quality and potential of the business opportunities presented by the Company's acquisition and exploration of gold resource properties for the purpose of discovering and developing profitable gold mines, including the Blind Gold Property located within the Homestake District of South Dakota.

5.

Exemptions Relied Upon by the Company to Issue Common Shares.

In agreeing to issue to North Homestake and its shareholders Richard Bachman and Gerald Aberle shares of the Company's common stock pursuant to the Common Stock Share Exchange Agreement, the Company is relying on the following exemptions from the registration requirements of Section 5 of the SEC Act:

The first is Section 4.6 the Accredited Investor Exemption contained in Rule 506 of Regulation D pursuant to the Securities Act that exempts from registration offers and sales of securities to accredited investors when the total offering price is less than \$5 million; the Company did not engage in public advertising or solicitation in connection with the transaction; and, the shares issued by the Company contain re-sale restrictions.

Regarding the Common Stock Share Exchange Agreement, Richard Bachman and Gerald Aberle both represented that they were Accredited Investors pursuant to Rule 501(a)(6). It should also be noted that Rule 501(a)(8) indicates that an entity qualifies as an accredited investor where all of its equity owners are accredited investors. Since both Mr. Bachman and Mr. Aberle are accredited investors, and are the only equity owners of North Homestake, North Homestake is therefore considered an accredited investor. The Company did not advertise or solicit North Homestake, Richard Bachman or Gerald Aberle with regards to the Common Stock Share Exchange Agreement and the shares issuable pursuant thereto will be Restricted Shares pursuant to Rule 144.

The second exemption is Section 4.2 the Accredited Investor Exemption contained in Rule 506 of Regulation D pursuant to of the Securities Act which provides that an issuer may sell an unlimited amount of stock to accredited investors without general solicitation or advertising as long as the issuer answers questions, delivers documents to participating non-accredited investors, provides financial statements consistent with Rule 505 and issues restricted shares.

Regarding the Common Stock Share Exchange Agreement, and as stated above, North Homestake, Mr. Bachman and Mr. Aberle all qualify as accredited investors per the disclosure above and the Company did not advertise or publicly solicit them with regards to the Common Stock Share Exchange Agreement. Additionally, North Homestake, Mr. Bachman and Mr. Aberle were afforded the opportunity to review documents, ask questions and review the Company's

Exchange Act reports that were certified by an independent public accountant. Finally, and as agreed to in the Common Stock Share Exchange Agreement included with this filing, the Company will only issue restricted shares to North Homestake, Mr. Bachman and Mr. Aberle who expressly represented to be acquiring said shares as a long term investment without a view towards any public distribution.

Information Concerning the Actions Taken by the Company and Amendments to the Company's Articles of Incorporation.

1.

The Reasons for the Name Change.

The Corporation's Board of Directors proposed changing the name of the Company from **MUSTANG GEOTHERMAL CORP**, to **DAKOTA TERRITORY RESOURCE CORP**, with a corresponding amendment to the Corporation's Articles of Incorporation, to reflect a name for the Corporation more descriptive of its business activities, and allowing for potential diversification in the nature of business activities the Company may pursue. On March 8, 2012, a majority of the shareholders holding 63% of the votes eligible to be cast approved the name change proposal at a special meeting of the Company's shareholders and executed a written consent authorizing same consistent with Nevada law and the Company's bylaws.

2.

The Reasons for the Reverse Stock Split.

The Corporation's Board of Directors proposed to effect a change in capital through a reverse split of the Company's total issued and outstanding shares of stock on the basis of 10 for 1, with a corresponding amendment to the Corporation's Articles of Incorporation. The total authorized capital shall remain the same. The reverse stock split shall not affect any of the Company's Preferred Class of stock that has zero shares issued. On March 8, 2012, a majority of the shareholders holding 63% of the votes eligible to be cast approved the reverse stock split proposal at a special meeting of the Company's shareholders and executed a written consent authorizing same consistent with Nevada law and the Company's bylaws.

We believe that the reverse stock split may improve the price level of our Common Stock and that the higher share price could help generate interest in the Company among investors, possible financiers, and other business opportunities. However, the effect of the reverse stock split upon the market price for our Common Stock cannot be predicted, and the history of similar stock split combinations for companies in like circumstances is varied. There can be no assurance that the market price per share of our Common Stock after the reverse stock split will rise in proportion to the reduction in the number of shares of Common Stock outstanding resulting from the reverse stock split. The market price of our Common Stock may also be based on our performance and other factors, some of which may be unrelated to the number of shares outstanding.

If the reverse stock split successfully increases the per share price of our Common Stock, the Board of Directors further believes such increase may facilitate future financings by the Company. In addition, the resulting reduction in the number of issued and outstanding shares of Common Stock will provide the Company with additional authorized but unissued shares which could be utilized for future asset acquisitions or to otherwise raise funds to help build the Company's business objectives. The Company presently is a party to a pending material definitive agreement to acquire all of the outstanding shares of North Homestake Mining Company, a Nevada Corporation (as is discussed in greater detail herein), in exchange for common shares of the Company. The Company reported this event to the SEC on March 9, 2012, and expects to close the acquisition once the regulatory review of the SEC and the Financial Industry Regulatory Authority (FINRA) are complete, and once the Amendments to the Company's Articles of Incorporation are filed with the Nevada Secretary of State.

In issuing common shares of the Company the board of directors may authorize, without further shareholder approval, the issuance of such shares of common stock to such persons, for such consideration, and upon such terms as the board of directors determines. Such issuance could result in a significant dilution of the voting rights and the stockholders' equity, of then existing shareholders.

Issuance of additional common stock may have the effect of deterring or thwarting persons seeking to take control of the Company through a tender offer, proxy fight or otherwise or to bring about removal of incumbent management or a corporate transaction such as merger. For example, the issuance of common stock or preferred stock could be used to deter or prevent such a change of control through dilution of stock ownership of persons seeking to take control or by rendering a transaction proposed by such persons more difficult.

The reverse stock split will be affected simultaneously for all of our outstanding Common Stock and the exchange ratio will be the same for all of our outstanding Common Stock. The reverse stock split will impact all of the Company's stockholders uniformly, and will not affect any stockholder's ownership percentage in the Company. We will not issue fractional certificates for post-reverse split shares in connection with the reverse stock split. To the extent any holders of pre-reverse split shares are entitled to fractional shares as a result of the reverse stock split, the Company will issue an additional share to round up to the nearest whole share to all holders of fractional shares.

The reverse stock split will affect all of our stockholders uniformly and will not affect any stockholder's percentage ownership interests in the Company or proportionate voting power, except to the extent that the reverse stock split results in any of our stockholders owning a fractional share. All stockholders holding a fractional share shall be issued an additional share to round up to the next whole share. The principal effect of the reverse stock split will be that the number of shares of Common Stock issued and outstanding will be reduced from 34,492,057 shares as of February 15, 2012 to approximately 3,449,206 shares (depending on the number of fractional shares that are issued or cancelled). The number of authorized shares and the par value of Common Stock will not be affected. The reverse stock split does not affect the Company's preferred shares. The Company has not issued any of its preferred class of stock. The following chart depicts the capitalization structure of the Company's common stock, pre and post-split (the post-split issued shares may differ slightly based on the number of fractional shares) and post closure of the Common Stock Share Exchange Agreement:

	Issued Common	Authorized But Unissued
Pre-Reverse Stock Split Authorized Common Shares	Shares	Common Shares
300,000,000	34,492,057	265,507,943
Post-Reverse Stock Split Authorized Common Shares		
300,000,000	3,449,206	296,550,794
	Post-Closure Issued	Post-Closure by Unissued
Post-Closure Authorized Common Shares	Common Shares	Common Shares
300,000,000	33,449,206	266,550,794

The reverse stock split will not affect the par value of our Common Stock. Additionally the reverse stock split will not affect the Company's preferred stock, of which there are zero shares issued and outstanding. As a result, on the effective date of the reverse stock split, the stated capital on our balance sheet attributable to our Common Stock will be reduced to less than the present amount, and the additional paid-in capital account shall be credited with the amount by which the stated capital is reduced. The per share net income or loss and net book value of our Common Stock will be increased because there will be fewer shares of our Common Stock outstanding.

The reverse stock split will not change the proportionate equity interests of our stockholders, nor will the respective voting rights and other rights of stockholders be altered, except for possible immaterial changes. The Common Stock issued pursuant to the reverse stock split will remain fully paid and non-assessable. The reverse stock split is not intended as, and will not have the effect of, a "going private transaction" covered by Rule 13e-3 under the Securities Exchange Act of 1934. We will continue to be subject to the periodic reporting requirements of the Securities Exchange Act of 1934.

Stockholders should recognize that they will own a fewer number of shares than they presently own (a number equal to the number of shares owned immediately prior to the filing of the certificate of amendment divided by ten). While we expect that the reverse stock split will result in an increase in the potential market price of our Common Stock, there can be no assurance that the reverse stock split will increase the potential market price of our Common Stock by a multiple equal to the exchange number or result in the permanent increase in any potential market price (which is dependent upon many factors, including our performance and prospects). Also, should the market price of our Common Stock decline, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would pertain in the absence of a reverse stock split. Furthermore, the possibility exists that potential liquidity in the market price of our Common Stock could be adversely affected by the reduced number of shares that would be outstanding after the reverse split. In addition, the reverse stock split will increase the number of stockholders of the Company who own odd lots (less than 100 shares). Stockholders who hold odd lots typically will experience an increase in the cost of selling their shares, as well as possible greater difficulty in effecting such sales. Consequently, there can be no assurance that the reverse stock split will achieve the desired results that have been outlined above.

a.

Description of the Company's Securities Subject to the Reverse Stock Split.

The Company's current Certificate of Incorporation provides for an authorized capitalization consisting of 300,000,000 shares of common stock, \$0.001 par value (the Common Stock), and 10,000,000 shares of Preferred Stock. As of February 15, 2012, the Registrant had 34,492,057 outstanding shares of Common Stock and no shares of Preferred Stock outstanding.

b.

No Action is Being Taken Regarding the Company's Preferred Shares.

Neither the Company's Board of Directors or the action of the majority of shareholders eligible to vote regarding this Information Statement have taken any action regarding the Company's Preferred Class of Common Stock, none of which is issued and outstanding.

c.

Current Capitalization Prior to the Reverse Stock Split.

As of March 31, 2012, the Company had 34,492,057 outstanding shares of Common Stock. The Company has not issued any of its Preference Class of Shares.

Holders of common stock are entitled to one vote for each share on all matters submitted to a stockholder vote. Holders of common stock do not have cumulative voting rights. Therefore, holders of a majority of the shares of common stock voting for the election of directors can elect all of the directors. Holders of common stock representing a majority of the voting power of the Company's capital stock issued and outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of company stockholders. A vote by the holders of a majority of the outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to the articles of incorporation.

There is no fixed rate of dividends payable to holders of the Company's common shares. Holders of common stock are entitled to share in all dividends that the board of directors, in its discretion, declares from legally available funds. In the event of liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that remain after payment of liabilities and after providing for each class of stock, if any, having preference over the common stock. Holders of the common stock have no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to the common stock.

d.

A Summary Description of the Transaction In Which Common Stock is to be Issued in the Transaction.

Management solicited votes from holders of a majority of the shares eligible to vote as of February 15, 2012 to discuss business opportunities presented to the Company by North Homestake Mining Company (North Homestake), a Nevada Corporation and owner of certain gold exploration properties located in South Dakota. The Company and North Homestake conducted negotiations and due diligence investigations into the desirability and possibility of the Company acquiring the gold exploration properties owned by North Homestake. The Company and North Homestake came to an agreement in principal that allowed the Company to acquire North Homestake s gold exploration properties for an exchange of common stock between the parties. The Company entered into a material definitive agreement with North Homestake on March 8, 2012, and filed Form 8-K with the SEC on March 9, 2012. The terms of the agreement are summarized as follows:

The Company will acquire all of the outstanding shares of North Homestake in exchange for thirty million post reverse split shares of the Company s common stock. The Company and North Homestake agreed, as conditions precedent to the closing of the transaction, that the Company would (i) affect a ten for one (10:1) reverse split of its presently issued and outstanding common stock and (ii) change its name from Mustang Geothermal Corp to Dakota Territory Resource Corp. After the Company satisfies the two foregoing conditions precedent, the transaction will close and North Homestake and the Company will meet to formally exchange their common stock consistent with this agreement (that is, the Company will issue to North Homestake 30,000,000 shares of post-split common stock, and North Homestake will convey all of its issued and outstanding shares to the Company). Thereafter, the Company will assume right, title and interest to the gold exploration properties, and assume certain of the liabilities of North Homestake, in exchange for shares of the Company s common stock.

e.

Exemptions from Registration Relied Upon by the Company to Issue Common Shares in the Common Stock Share Exchange Agreement.

Regarding the Common Stock Share Exchange Agreement, Richard Bachman and Gerald Aberle both represented that they were Accredited Investors pursuant to Rule 501(a)(6). It should also be noted that Rule 501(a)(8) indicates that an entity qualifies as an accredited investor where all of its equity owners are accredited investors. Since both Mr. Bachman and Mr. Aberle are accredited investors, and are the only equity owners of North Homestake, North Homestake is therefore considered an accredited investor. The Company did not advertise or solicit North Homestake, Richard Bachman or Gerald Aberle with regards to the Common Stock Share Exchange Agreement and the shares issuable pursuant thereto will be Restricted Shares pursuant to Rule 144.

The second exemption is Section 4.2 the Accredited Investor Exemption contained in Rule 506 of Regulation D pursuant to of the Securities Act which provides that an issuer may sell an unlimited amount of stock to accredited investors without general solicitation or advertising as long as the issuer answers questions, delivers documents to participating non-accredited investors, provides financial statements consistent with Rule 505 and issues restricted shares.

Regarding the Common Stock Share Exchange Agreement, and as stated above, North Homestake, Mr. Bachman and Mr. Aberle all qualify as accredited investors per the disclosure above and the Company did not advertise or publicly solicit them with regards to the Common Stock Share Exchange Agreement. Additionally, North Homestake, Mr. Bachman and Mr. Aberle were afforded the opportunity to review documents, ask questions and review the Company's Exchange Act reports that were certified by an independent public accountant. Finally, and as agreed to in the Common Stock Share Exchange Agreement included with this filing, the Company will only issue restricted shares to North Homestake, Mr. Bachman and Mr. Aberle who expressly represented to be acquiring said shares as a long term investment without a view towards any public distribution.

f.

Capitalization After the Reverse Stock Split.

The reverse stock split will affect all of our stockholders uniformly and will not affect any stockholder's percentage ownership interests in the Company or proportionate voting power, except to the extent that the reverse stock split results in any of our stockholders owning a fractional share. All stockholders holding a fractional share shall be issued an additional share. The principal effect of the reverse stock split will be that the number of shares of Common Stock issued and outstanding will be reduced from 34,492,057 shares as of February 15, 2012 to approximately 3,449,206 shares (depending on the number of fractional shares that are issued or cancelled). The number of authorized shares and the par value of Common Stock will not be affected. The reverse stock split does not affect the Company's preferred shares. The Company has not issued any of its preferred class of stock. The following chart depicts the capitalization structure of the Company's common stock post-split (the post-split issued shares may differ slightly based on the number of fractional shares):

		Authorized But Unissued
Pre-Reverse Stock Split Authorized Common Shares	Issued Common Shares	Common Shares
300,000,000	34,492,057	265,507,943
Post-Reverse Stock Split Authorized Common Shares		
300,000,000	3,449,206	296,550,794
		Post-Closure by Unissued
	Post-Closure Issued	
Post-Closure Authorized Common Shares	Common Shares	Common Shares
300,000,000	33,449,206	266,550,794

g.

Anti-Take Over Effects of the Reverse Stock Split.

The effective decrease in our authorized shares, combined with the issuance of thirty million post reverse split shares of common stock to Messrs. Bachman and Aberle (who constitute 100% of the shareholders of North Homestake) could potentially be used by management to thwart a take-over attempt, or allow management to remain intact, since after the closing of the Common Stock Share Exchange Agreement, both Mr. Bachman and Mr. Aberle will constitute a majority of the Company's board of directors and its two major stockholders controlling 89.08% of the total number of issued and outstanding shares of the Company. The foregoing, when considered with the over-all effects of the completion of reverse stock split by the Company, and the closing of the Common Stock Share Exchange Agreement, might render it more difficult or discourage a merger, tender offer or proxy contest, or the removal of incumbent management. The proposal could make the accomplishment of a merger or similar transaction more difficult, even if it may appear beneficial to some shareholders.

As discussed below, the reason the reverse stock split was proposed and approved by both the Company's board of directors and a majority of the shareholders eligible to vote was to decrease the amount of issued shares of the Company in order to attract potential investors, conduct possible financing and to acquire assets, including but not limited to North Homestake Mining Company. This proposal is not the result of management's knowledge of an effort to accumulate the issuer's securities or to obtain control of the issuer by means of a merger, tender offer, solicitation or otherwise.

Neither the Company's Articles nor its By-laws presently contain any provisions having anti-takeover effects and this proposal is not a plan by management to adopt a series of amendments to the Company's charter or by-laws to institute an anti-takeover provision. The Company does not have any plans or proposals to adopt other provisions or enter into other arrangements that may have material anti-takeover consequences.

The advantage of the reverse stock split will be to permit the Company to pursue financing from investors, acquire assets including the North Homestake opportunity, and issue shares of common stock in exchange for the financing. The main disadvantage to the reverse stock split is that it may have an anti-takeover effect and discourage any potential mergers or tender offers.

As discussed above, the reverse stock split was the subject of a unanimous vote approving the reverse stock split by the Board of Directors, as well as the unanimous recommendation by the Board of Directors to stockholders to approve the reverse stock split, as well as a majority vote of the stockholders eligible to vote, approving the reverse stock split. There are no rules or practices on any stock exchange that permit such exchange to reserve the right to refuse to list or to de-list any stock which completes a reverse stock split.

h.

Effectiveness of the Reverse Stock Split, Name Change & Share Issuance to Close the Common Stock Share Exchange Agreement.

As previously noted, the Common Stock Share Exchange Agreement will close after the Company completes the Name Change and the ten for one Reverse Split of its common shares. The successful completion of these actions is premised upon the Company filing preliminary and definitive proxy statements with the SEC. Pursuant to Rule 14C-2 under the Securities Exchange Act of 1934, as amended, the corporate actions will become effective on the filing of a certificate of amendment to our articles of incorporation with the Secretary of State of Nevada, which filing will occur at least 20 days after the date of the mailing of the Form 14C Definitive Proxy Statement to the Company stockholders. The approximate date on which the Definitive Form 14C information statement will be mailed to security holders is July 23, 2012, or as soon thereafter as the Company files its Form 14C Definitive Proxy Statement with the Securities and Exchange Commission. Further, the Company is required to file a Notice of Corporate Action with FINRA in order actually affect the ten for one Reverse Split and to acquire a new trading symbol consistent with the change of the Company's name.

i.

Procedure for Exchange of Stock Certificates.

The Company anticipates that the reverse split will become effective on August 13, 2012, or as soon thereafter as is practicable, which we will refer to as the "effective date." Beginning on the effective date, each certificate representing pre-reverse split shares will be deemed for all corporate purposes to evidence ownership of post-reverse split shares.

Our transfer agent, Holladay Stock Transfer, Inc, 2939 North 67th Place Ste. C, Scottsdale AZ 85251, will act as exchange agent for purposes of implementing the exchange of stock certificates. We refer to such person as the "exchange agent." Holders of pre-reverse split shares may choose to surrender to the exchange agent certificates representing pre-reverse split shares in exchange for certificates representing post-reverse split shares. No new certificates will be issued to a stockholder until that stockholder has surrendered the stockholder's outstanding certificate(s) together with the properly completed and executed letter of transmittal.

j.

Fractional Shares.

We will not issue fractional certificates for post-reverse split shares in connection with the reverse split. To the extent any holders of pre-reverse split shares are entitled to fractional shares as a result of the reverse stock split, the

Company will issue an additional share to all holders of fractional shares.

STOCKHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATE.

Federal Tax Consequences of the Closure of the Common Stock Share Exchange Agreement.

There are no tax consequences to either the proposal to change the name of the Company, or the proposal to affect a ten for one Reverse Split the Company's common shares.

Questions and Answers About the Actions Taken by the Company.

The Following are questions and related answers that may address some your questions regarding: (i) the Actions noted above to change the name of the Company and to conduct a ten for one reverse stock split; and, (ii) the pending transaction between the Company and North Homestake, and related matters. These questions and answers may not contain all of the information relevant to you. These questions and answers do not purport to summarize all material information relating to the Common Stock Share Exchange Agreement (the Transaction), or any of the other matters discussed in this information statement, and are subject to, and are qualified in their entirety by, the more detailed information contained or incorporated by reference in or attached to this information statement. Therefore, please carefully read this information statement, including the attached exhibits, in its entirety.

Q: Why is the Company entering into the transaction?

A: The Company believes that acquiring the outstanding stock and business of North Homestake presents an opportunity to enhance stockholder value for the Company. The Company is a development stage or start-up company whose business plans are not fully implemented and realized. The Company has not begun active operations and has not generated any revenues thus far. The Company determined that North Homestake has substantial business assets and opportunities. The Company believes that its acquisition of North Homestake could provide liquidity for Company investors and provide the Company with increased visibility within the investor community. The acquisition will also provide the Company with the potential of raising additional capital to finance further development of its existing assets as well as the acquired North Homestake assets. The Company's stockholders will be able to participate in the growth and opportunities that result from the transaction.

Q: What will happen in the transaction?

A: In the proposed transaction, the Company will amend its articles of incorporation to change its name to Dakota Territory Resources Corp. and affect a ten for one reverse split of its common shares. These are conditions precedent to the transaction closing. There are regulatory procedures that must be followed by the Company in order to accomplish the actions. These regulatory procedures include filing both preliminary and definitive proxy statements with the Securities and Exchange Commission (SEC) and completing certain Corporate Action Notification procedures with the Financial Industry Regulatory Authority (FINRA). After the aforementioned procedures and conditions are satisfied, the Company will exchange 30,000,000 shares of its common stock as consideration for all 75,000 shares constituting all of the issued and outstanding shares of North Homestake and acquire its business assets, information and know how. The Common Stock Share Exchange Agreement that governs the transaction is appended to this information statement. You are encouraged to read it carefully.

Q: Is the transaction contingent on the completion of the name change and the reverse split of the Company's common shares?

A: Yes. Completion of the Common Share Exchange Agreement is contingent on the Company completing the name change and the ten for one reverse stock split of its common shares. Therefore, if the Company does not successfully complete these actions, the transaction would fail.

Q: When does the Company expect to complete the transaction?

A: The Company and North Homestake are working to complete the merger as quickly as practicable. However, the exact timing cannot be predicted, and the Company may need to obtain an extension of time from North Homestake in order to facilitate and complete the conditions precedent to closing the Transaction noted directly above.

Q: Do I have appraisal or dissenters rights?

A: No. Under Nevada law and the Company's articles of incorporation and bylaws, no stockholder has any right to dissent to the proposed amendments, and no stockholder is entitled to appraisal of or payment for their shares of Common Stock pursuant to such amendments to the Company's articles of incorporation.

Q: Whom should I call with questions?

A: If you have any questions about the proposed Transaction or if you need additional copies of the information statement or the enclosed information, please call or write:

Mustang Geothermal Corp/Mr. Richard Bachman

10580 N. McCarran Blvd., Building 115-208

Reno, Nevada

(775) 747-0667

Q: Did the North Homestake stockholders approve the transaction?

A: Yes. The holders of a majority of the issued and outstanding common stock of North Homestake considered, voted on and adopted the proposal to approve entering into the Transaction contemplated by the Common Stock Share Exchange Agreement, and the operative documents are appended to this filing.

Q: Will my rights as a Mustang Geothermal Corp stockholder change as a result of the transaction?

A: No. The articles of incorporation of Company are being amended only with respect to the name change of the Company and the ten for one reverse stock split. Your rights as a Mustang Geothermal Corp stockholder pursuant to the Company's by-laws and Nevada law will not change.

Q: What will happen if the transaction is not completed?

A: If the transaction were not completed for any reason, both the Company and North Homestake would return to their respective positions as if the Transaction never occurred, and the Company will return to its present business plans as described in this Information Statement. Both companies will incur expenses associated with attempting to effectuate the T