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CNH GLOBAL N V
Form 425
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Filer: Fiat Industrial S.p.A.

Subject Company: CNH Global N.V.

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This document does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

An offer of securities in the United States pursuant to a business combination transaction will only be made through a prospectus which is part of an effective registration statement filed with the US Securities and Exchange Commission. CNH Global N.V. ("CNH") shareholders who are US persons or are located in the United States are advised to read the registration statement when and if it is declared effective by the US Securities and Exchange Commission because it will contain important information relating to the proposed transaction. You will be able to inspect and copy the registration statement relating to the proposed transaction and documents incorporated by reference at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. CNH's SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>. In addition, FI CBM Holdings N.V. will make the effective registration statement available for free to shareholders of CNH and Fiat Industrial in the United States.

FORWARD-LOOKING STATEMENTS

This communication contains forward-looking statements relating to CNH and the proposed business combination with FI. All statements included in this communication concerning activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the following: uncertainties as to whether the proposed business combination will be consummated, uncertainties as to the timing of the proposed business combination, uncertainties as to how many of CNH's shareholders will participate in the proposed business combination, the risk that the announcement of the proposed business combination may make it more difficult for CNH to establish or maintain relationships with its employees, suppliers and other business partners, the risk that CNH's business will be adversely impacted during the pendency of the proposed business combination; the risk that the operations of CNH and FI will not be integrated successfully, the risk that the expected cost savings and other synergies from the proposed business combination may not be fully realized, realized at all or take longer to realize than anticipated, and other economic, business and competitive factors affecting the businesses of CNH generally, including those set forth in its annual report on Form 20-F for the year ended December 31, 2012 filed by CNH with the SEC on March 1, 2013. These forward-looking statements speak only as of the date of this communication and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise, except as required by law.

VOORSTEL TOT FUSIE

MERGER PLAN

OPGESTELD DOOR DE RADEN VAN BESTUUR VAN:

DRAWN UP BY THE BOARDS OF DIRECTORS OF:

(1)

(1)

FI CBM HOLDINGS N.V., een naamloze vennootschap met statutaire zetel te Amsterdam en kantoorhoudende te Cranes Farm Road, Basildon, Essex SS14 3AD, United Kingdom, ingeschreven in het handelsregister van de Kamer van Koophandel te Amsterdam onder nummer: 56532474 (*DutchCo*); en

FI CBM HOLDINGS N.V., a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands and having its office address at Cranes Farm Road, Basildon, Essex SS14 3AD, United Kingdom, registered with the Trade Register of the Amsterdam Chamber of Commerce (Kamer van Koophandel) under number: 56532474 (*DutchCo*); and

(2)

(2)

CNH GLOBAL N.V., een naamloze vennootschap met statutaire zetel te Amsterdam en kantoorhoudende te Schiphol Boulevard 217 WTC AIRPORT, 1118 BH Schiphol, Nederland en ingeschreven in het handelsregister van de Kamer van Koophandel te Amsterdam onder nummer: 33283760 (*CNH*),

CNH GLOBAL N.V., a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands and having its office address at Schiphol Boulevard 217 WTC AIRPORT, 1118 BH Schiphol, the Netherlands, registered with the Trade Register of the Amsterdam Chamber of Commerce (Kamer van Koophandel) under number: 33283760 (*CNH*),

DutchCo en CNH worden hierna gezamenlijk ook aangeduid als: de *Vennootschappen*.

DutchCo and CNH are hereinafter jointly also referred to as: the *Companies*.

IN AANMERKING NEMENDE DAT:

(A) Dit Voorstel tot Fusie is opgesteld door de raden van bestuur van de Vennootschappen (de **Raden van Bestuur**) teneinde een Nederlandsrechtelijke juridische fusie tot stand te brengen in overeenstemming met de relevante bepalingen van Titel 2.7 van het Burgerlijk Wetboek (**BW**) tussen DutchCo en CNH, waarbij CNH zal ophouden te bestaan en DutchCo het gehele vermogen van CNH onder algemene titel zal verkrijgen (de **CNH Fusie**) op basis van het bepaalde in en de voorwaarden van de overeenkomst tot fusie gesloten door en tussen DutchCo, CNH, Fiat Industrial S.p.A. (**FI**) en Fiat Netherlands Holding N.V. (**FNH**), gedateerd 25 november 2012 (de Merger Agreement). Een kopie van de **Merger Agreement** is publiek beschikbaar via de website van CNH onderdeel Investors (www.cnh.com).

Naast de CNH Fusie ziet de Merger Agreement ook op: (i) de grensoverschrijdende juridische fusie van FNH met en in FI (de **FNH Fusie**) en (ii) de grensoverschrijdende juridische fusie van FI met en in DutchCo (de **FI Fusie** en tezamen met de CNH Fusie, de **Fusies**). De FI Fusie en de CNH Fusie en daarop betrekking hebbende bepalingen van de Merger Agreement zullen hierna ook aangeduid worden als de **Transactie** en DutchCo, FI, CNH en FNH worden hierna gezamenlijk ook aangeduid als de **Fuserende Vennootschappen**.

CONSIDERING THAT:

(A) This Merger Plan has been prepared by the boards of directors of the Companies (the **Boards**) in order to establish a Dutch law legal merger (juridische fusie) in accordance with the relevant provisions of Title 2.7 of the Dutch Civil Code (the **DCC**) between DutchCo and CNH, whereby CNH will cease to exist and DutchCo will acquire all assets and assume all liabilities of CNH under universal title of succession (verkrijging onder algemene titel) (the **CNH Merger**), on the basis of the terms and conditions of the merger agreement executed by and between DutchCo, CNH, Fiat Industrial S.p.A. (**FI**) and Fiat Netherlands Holding N.V. (**FNH**) dated as of November 25, 2012 (the **Merger Agreement**). A copy of the Merger Agreement is publicly available on the CNH website Investors section (www.cnh.com).

In addition to the CNH Merger, the Merger Agreement also relates to: (i) the cross-border legal merger of FNH with and into FI (the **FNH Merger**) and (ii) the cross-border legal merger of FI with and into DutchCo (the **FI Merger** and together with the CNH Merger, the **Mergers**). The FI Merger and the CNH Merger and the related arrangements in the Merger Agreement will hereinafter be referred to as the **Transaction**, and DutchCo, FI, CNH and FNH are hereinafter jointly also referred to as the **Merging Companies**.

In overeenstemming met de bepalingen van de Merger Agreement, is dit Voorstel tot Fusie opgesteld op basis van het uitgangspunt dat alle drie fusies waarnaar wordt verwezen in deze Overweging (A), tot stand zullen worden gebracht als volgt:

1. De FNH Fusie betreft een inleidende stap in het grotere geheel van de Transactie en zal tot stand worden gebracht, onafhankelijk van de totstandkoming van de Transactie als geheel, op een zekere dag voor de dag waarop de notariële akte met betrekking tot de FI Fusie (de **FI Fusieakte**) zal worden gepasseerd.

2. In overeenstemming met het bepaalde in de Artikelen 4 en 15, lid 3, van het Italiaanse Wetsdecreet 108 van 30 mei 2008 (**Wetsdecreet 108**) en artikel 2:318 van het BW zal de FI Fusie van kracht worden op de wijze als bepaald door de relevante regels van Nederlands recht en daarmee om middernacht MET (*Midden-Europese Tijd*) op de dag volgende op de dag waarop de FI Fusieakte wordt gepasseerd voor een notaris gevestigd in Nederland (de **FI Fusiedatum**).

3. De CNH Fusie vindt plaats in overeenstemming met de relevante bepalingen van Nederlands recht en zal de laatste fusie zijn. De notariële akte met betrekking tot de CNH Fusie zal worden verleden op de FI Fusiedatum. In overeenstemming met de relevante bepalingen van Titel 2.7 van het BW, zal de CNH Fusie van kracht worden om middernacht MET (*Midden-Europese Tijd*) op de dag volgende op de FI Fusiedatum (de **CNH Fusiedatum**).

In accordance with the terms of the Merger Agreement, this Merger Plan has been prepared based on the assumption that all three mergers referred to in this Recital (A), will be executed as follows:

1. The FNH Merger represents a preliminary step in the overall Transaction and will be completed regardless of the completion of said overall Transaction, on a certain day prior to the day on which the notarial deed in respect of the FI Merger (the **FI Merger Deed**) will be executed.

2. Pursuant to the provisions of Articles 4 and 15, paragraph 3, of the Italian Legislative Decree 108 of May 30, 2008 (**Legislative Decree 108**) and of Section 2:318 of the DCC, the FI Merger shall be in accordance with the relevant provisions of Dutch law and as such will become effective at 00.00 AM CET following the day on which the FI Merger Deed is executed before a civil law notary, officiating in the Netherlands (the **FI Merger Effective Date**).

3. The CNH Merger will take place in accordance with the relevant provisions of Dutch law and will be the final merger. The notarial deed relating to the CNH Merger will be executed on the FI Merger Effective Date. In accordance with the relevant provisions of Title 2.7 of the DCC, the CNH Merger will become effective at 00.00 AM CET following the FI Merger Effective Date (the **CNH Merger Effective Date**).

De Merger Agreement voorziet voorts in een dividend in contanten van US\$10 voor ieder uitstaand gewoon aandeel in het kapitaal van CNH. Op 17 december 2012 is een buitengewone algemene vergadering van aandeelhouders van CNH gehouden, waarin is besloten, inter alia, tot het doen van uitkering van dit dividend. Het dividend is reeds uitbetaald op 28 december 2012.

(B) Alle Fuserende Vennoetschappen maken deel uit de FI groep. Meer specifiek: (i) FNH is een volle directe dochtervennoetschap van FI; (ii) DutchCo is een volle directe dochtervennoetschap van FI en (iii) CNH is een indirecte dochtervennoetschap van FI, gecontroleerd middels FNH, die bij benadering 87% van het uitstaande aandelenkapitaal in CNH houdt (het ***FNH Gehouden CNH Aandelenkapitaal***).

Aangezien, zoals hiervoor uiteengezet, FI direct het gehele uitstaande kapitaal van FNH houdt, geldt de FNH Fusie als een vereenvoudigde fusie op grond van Artikel 2505 van het Italiaanse Burgerlijk Wetboek (***IBW***), Artikel 18 van het Wetgevende Decreet 108 en artikel 2:333 lid 1 van het BW. Een afzonderlijk voorstel tot grensoverschrijdende fusie is opgesteld door de Raad van Bestuur van FI in verband met de FNH Fusie. Als gevolg van de FNH Fusie zal het gehele FNH Gehouden CNH Aandelenkapitaal worden verkregen door FI.

Zoals verder uiteen is gezet in de toelichting bij dit Voorstel tot Fusie opgesteld door de Raden van Bestuur, is het voornaamste doel van de Transactie om de vennootschappelijke structuur van de FI groep te stroomlijnen. Na totstandkoming van de Transactie, zullen alle bestaande bedrijfsactiviteiten, deelnemingen en andere bezittingen toebehorend aan FI en CNH worden gecombineerd in (of gecontroleerd door, al naar gelang de situatie) een enkele rechtspersoon, d.w.z. DutchCo.

The Merger Agreement further deals with a dividend in cash of US\$10 for each outstanding common share in the share capital of CNH. On December 17th, 2012, an extraordinary general meeting of shareholders of CNH was held at which it was resolved, inter alia, to make this distribution of dividend. The dividend has already been paid on December 28, 2012.

(B) All Merging Companies are part of the FI group. More specifically: (i) FNH is a wholly-owned direct subsidiary of FI; (ii) DutchCo is a wholly-owned direct subsidiary of FI; and (iii) CNH is an indirect subsidiary of FI, controlled through FNH which owns approximately 87% of the outstanding share capital of CNH (the ***FNH Owned CNH Share Capital***).

Since, as stated above, FI directly owns the whole outstanding capital of FNH, the FNH Merger qualifies as a simplified merger pursuant to Article 2505 of the Italian Civil Code (***ICC***), Article 18 of Legislative Decree 108 and Section 2:333 paragraph 1 of the DCC. Separate common cross-border merger terms were prepared by the FI Board in connection with the FNH Merger. As a result of the FNH Merger all FNH Owned CNH Share Capital will be acquired by FI.

As further explained in the explanatory notes on this Merger Plan prepared by the Boards, the main purpose of the Transaction is to streamline the corporate structure of the FI group. Following completion of the Transaction, all existing business activities, shareholdings and other assets belonging to FI and CNH will be consolidated into (or controlled by, as the case may be) one single legal entity, *i.e.* DutchCo.

Teneinde de vennootschappelijke structuur ten aanzien van bepaalde Italiaanse dochtermaatschappijen te stroomlijnen, zal, nadat dit Voorstel tot Fusie is neergelegd, maar voordat de CNH Fusie en de FI Fusie tot stand zullen komen, CNH Italia S.p.A. mogelijksterwijs worden verkocht door CNH (waarvan 25% direct door CNH en waarvan 75% indirect middels een dochtermaatschappij van CNH) aan FI, (er is hierover echter nog geen definitief besluit genomen). Deze transactie zal, in ieder geval, op arm's length voorwaarden worden uitgevoerd en zal geen impact hebben op de ruilverhouding als hieronder vermeld in Paragraaf 8.

(C) FI is momenteel genoteerd aan de Mercato Telematico Azionario, georganiseerd en bestuurd door de Borsa Italiana S.p.A. (***Mercato Telematico Azionario***) en CNH is momenteel genoteerd aan de New York Stock Exchange (***NYSE***). Met de Transactie wordt tevens beoogd de kapitaalstructuur van de FI groep te vereenvoudigen door het creëren van een enkele klasse van liquide aandelen met een notering op de NYSE en een notering op de Mercato Telematico Azionario. Voltooiing van de Transactie is onderworpen aan, *inter alia*, goedkeuring voor de notering van de gewone aandelen in DutchCo (de ***DutchCo Gewone Aandelen***) aan de NYSE. In dit verband zal DutchCo opstellen en deponeren: (i) bij de United States Securities and Exchange Commission (de ***SEC***) een registratieverklaring op Formulier F-4 (tezamen met alle wijzigingen hierop, de ***Registratieverklaring***), in verband met de inschrijving onder de United States of America Securities Act van 1933, zoals gewijzigd, en de regels en

In order to streamline the corporate tree of certain Italian subsidiaries, after filing of this Merger Plan, but prior to the CNH Merger and the FI Merger becoming effective, CNH Italia S.p.A. may possibly be sold by CNH (as to 25% directly by CNH, and as to 75% indirectly through a CNH subsidiary) to FI (however no final resolution has been taken yet on this matter). The transaction will be, in any case, carried out at arm's length terms and conditions and it will not have any impact on the exchange ratio indicated under Section 8 below.

(C) FI is currently listed on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A. (***Mercato Telematico Azionario***) and CNH is listed on the New York Stock Exchange (***NYSE***). The Transaction is also intended to simplify the capital structure of the FI group by creating a single class of liquid stock with a listing on the NYSE and a listing on the Mercato Telematico Azionario. Completion of the Transaction will be subject to, *inter alia*, approval for listing of the common shares of DutchCo (the ***DutchCo Common Shares***) on the NYSE. To this end, DutchCo shall prepare and file: (i) with the United States Securities and Exchange Commission (the ***SEC***) a registration statement on Form F-4 (together with all amendments thereto, the ***Registration Statement***), in connection with the registration under the United States of America Securities Act of 1933, as amended, and the rules and

reglementen op grond hiervan afgekondigd (de *Securities Act*) van DutchCo Gewone Aandelen en de bijzondere stemrechaandelen en (ii) bij de NYSE een noteringsaanvraag voor de DutchCo Gewone Aandelen.

Voorts zal een gelijkwaardig document worden voorbereid en ingediend bij de toezichthoudende autoriteit om toestemming te verkrijgen om een dergelijk gelijkwaardig document te publiceren in verband met de notering van DutchCo Gewone Aandelen op de Mercato Telematico Azionario en zal, ten behoeve van deze notering, de desbetreffende aanvraag worden ingediend bij Borsa Italiana S.p.A.

Als gevolg van de Transactie zullen: (a) FI aandeelhouders ter gelegenheid van de FI Fusie DutchCo Gewone Aandelen ontvangen op basis van de ruilverhouding uiteengezet onder Paragraaf 8.1 van het voorstel tot grensoverschrijdende fusie met betrekking tot de FI Fusie (de *Voorstel tot Grensoverschrijdende Fusie*) en (b) de CNH aandeelhouders (behalve DutchCo, die de moedervennootschap van CNH zal zijn na de totstandkoming van de FNH Fusie en de FI Fusie) ter gelegenheid van de CNH Fusie DutchCo Gewone Aandelen ontvangen op basis van de Ruilverhouding zoals uiteengezet in Paragraaf 8.1 van dit Voorstel tot Fusie. De aandeelhouders van FI ontvangen geen additionele betaling in contanten of anderszins in verband met de FI Fusie en de aandeelhouders van CNH zullen geen additionele betaling ontvangen in verband met de CNH Fusie, anders dan zoals volgt uit de Ruilverhouding uiteengezet in Paragraaf 8.1. van dit Voorstel tot Fusie.

regulations promulgated thereunder (the *Securities Act*) of DutchCo's Common Shares and DutchCo's special voting shares and (ii) with the NYSE a listing application for the listing of DutchCo Common Shares.

In addition, an equivalent document will be prepared and submitted to the supervisory authority in order to obtain the authorization to publish such equivalent document in connection with the listing of DutchCo Common Shares on the Mercato Telematico Azionario and, for the purpose of the above listing, the relevant application will be submitted to Borsa Italiana S.p.A.

As a result of the Transaction: (a) FI shareholders will receive DutchCo Common Shares on occasion of the FI Merger and on the basis of the exchange ratio described under Section 8.1 of the common cross-border merger terms in relation to the FI Merger (the *Common Cross-Border Merger Terms*) and (b) CNH shareholders (other than DutchCo, which will be the parent company of CNH upon completion of the FNH Merger and the FI Merger) will receive DutchCo Common Shares on occasion of the CNH Merger and on the basis of the Exchange Ratio described under Section 8.1 of this Merger Plan below. No additional consideration, either in cash or otherwise, will be paid by DutchCo to the shareholders of FI in connection with the FI Merger and no additional consideration, other than as follows from the Exchange Ratio described under Section 8.1 of this Merger Plan to the shareholders of CNH in connection with the CNH Merger.

(D) Dit Voorstel tot Fusie, het Voorstel tot Grensoverschrijdende Fusie en het voorstel tot fusie in verband met de FNH Fusie zullen tegelijkertijd worden neergelegd bij het handelsregister van de betrokken Kamer van Koophandel tezamen met de relevante documentatie zoals vereist onder het toepasselijke recht. Het Voorstel tot Fusie zal voorts publiek beschikbaar worden gesteld op de website van CNH (www.cnh.com) en zal eveneens ter inzage worden gelegd ten kantore van CNH en ten kantore van DutchCo voor de personen die daartoe op grond van de toepasselijke regelgeving gerechtigd zijn.

In gelijke zin, wordt dit Voorstel tot Fusie voor informatie doeleinden publiek beschikbaar gesteld via de website van FI (www.fiatindustrial.com) en zal ook als nadere informatie bij het Voorstel tot Grensoverschrijdende Fusie ter inzage worden gelegd ten kantore van de zetel van FI voor de personen daartoe op grond van de toepasselijke regelgeving gerechtigd zijn in het kader van de FI Fusie.

Indachtig de nationaliteit van de Fuserende Vennootschappen betrokken bij de Transactie, de relevante bepalingen van Titel 2.7 van het BW en de voorgenomen notering van de DutchCo Gewone Aandelen aan de NYSE en vervolgens aan de Mercato Telematico Azionario, is dit Voorstel tot Fusie opgesteld in het Nederlands en het Engels.

(D) This Merger Plan, the Common Cross-Border Merger Terms and the common cross-border merger plan in relation to the FNH Merger will be simultaneously filed with the trade register of the competent Chamber of Commerce together with the relevant documentation as provided for by applicable law. The Merger Plan will further be made available on the corporate website of CNH (www.cnh.com) and will also be made available for inspection at the offices of CNH and DutchCo for the persons that statutory law enables so to do.

Similarly, this Merger Plan will be made available for information purposes on the corporate website of FI (www.fiatindustrial.com) as well as, for inspection as additional information to the Common Cross-Border Merger Terms, at the registered seat of FI for the persons that applicable law enables so to do in connection with the FI Merger.

In consideration of the nationality of the Merging Companies involved in the Transaction, the relevant provisions of Title 2.7 of the DCC and the intended listing of DutchCo Common Shares on the NYSE and subsequently on the Mercato Telematico Azionario, this Merger Plan has been prepared in Dutch and English.

De ingevolge de artikelen 2:312, lid 2, en 2:326 van het BW te vermelden gegevens zijn de volgende:

1. RECHTSVORM, NAAM EN ZETEL VAN DE VENNOOTSCHAPPEN

1.1 De verkrijgende vennootschap:

FI CBM HOLDINGS N.V.

Naamloze vennootschap opgericht onder Nederlands recht;

Statutaire zetel te Amsterdam, Nederland;

Hoofdvestiging te Cranes Farm Road, Basildon, Essex SS14 3AD, Verenigd Koninkrijk;

Geplaatst en gestort kapitaal 50.000;

5.000.000 aandelen met een nominale waarde van elk 0,01;

Er rust geen pandrecht of vruchtgebruik op de aandelen in het kapitaal van DutchCo;

Er zijn geen certificaten van aandelen met medewerking van DutchCo uitgegeven;

Ingeschreven in het handelsregister van de Nederlandse Kamer van Koophandel onder nummer 56532474.

DutchCo zal na voltooiing van de FI Fusie de overblijvende vennootschap zijn en zal haar huidige rechtsvorm en officiële zetel behouden en mitsdien onderworpen zijn aan Nederlands recht.

Op het moment van totstandkoming van de FI Fusie en de CNH Fusie zal DutchCo haar huidige statutaire naam, FI CBM Holdings N.V., conform de als Bijlage 2 aangehechte conceptstatuten behouden. De raad van bestuur van DutchCo kan echter voorstellen de naam van DutchCo te wijzigen, mits de goedkeuring van de algemene vergadering van

The information which has to be made available pursuant to Section 2:312, paragraph 2, and Section 2:326 of the DCC is made available below:

1. LEGAL FORM, NAME AND SEAT OF THE COMPANIES

1.1 The acquiring company:

FI CBM HOLDINGS N.V.

Limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands;

Official seat in Amsterdam, the Netherlands;

Principal office address at Cranes Farm Road, Basildon, Essex SS14 3AD, United Kingdom;

Issued share capital: 50,000, fully paid-in;

5,000,000 shares, having a nominal value of 0.01;

No shares in the share capital of DutchCo have been pledged or encumbered with a right of usufruct;

No depository receipts of shares in the share capital of DutchCo have been issued with the co-operation of DutchCo;

Registration number with the Dutch Chamber of Commerce (Kamer van Koophandel): 56532474.

DutchCo, following completion of the FI Merger, will be the surviving company and will maintain its current legal form and official seat, and will therefore be subject to the laws of the Netherlands.

At the time of completion of the FI Merger and the CNH Merger, DutchCo will retain its current corporate name, FI CBM Holdings N.V., in conformity with the draft articles of association of DutchCo as attached hereto in Schedule 2. However, the board of directors of DutchCo may propose to change DutchCo's name subject

aandeelhouders wordt verkregen voordat de DutchCo Gewone Aandelen worden toegelaten tot de handel op de NYSE. Indien de goedkeuring van de algemene vergadering van aandeelhouders wordt verkregen, zal de naam van DutchCo slechts worden gewijzigd na het moment van totstandkoming van de FI Fusie en de CNH Fusie. Indien goedkeuring wordt verkregen, zullen de aandeelhouders, crediteuren en andere belanghebbenden zo snel mogelijk, en in ieder geval op tijd voor bekendmaking van de nieuwe naam aan CNH aandeelhouders op de relevante buitengewone aandeelhoudersvergadering die zal besluiten over de CNH Fusie, over de nieuwe naam worden geïnformeerd middels publicatie op de website van CNH.

1.2 De verdwijnende vennootschap:

CNH GLOBAL N.V.

Naamloze vennootschap opgericht naar Nederlands recht;

Statutaire zetel in Amsterdam, Nederland;

Hoofdvestiging te Schiphol Boulevard 217 WTC Airport, 1118 BH Schiphol, Nederland;

Het geplaatst en volgestorte kapitaal per het moment van dit Voorstel tot Fusie (dat beperkt kan stijgen als gevolg van het uitoefenen van de CNH Equity Rights als hierna gedefinieerd in Paragraaf 7.1): 545.647.689;

242.510.084 aandelen (welk aantal beperkt kan toenemen als gevolg van de uitoefening van CNH Equity Rights als hieronder gedefinieerd in Paragraaf 7.1), met een nominale waarde van 2,25 elk;

to the authorisation of the shareholders meeting to be obtained before the date on which the DutchCo Common Shares are admitted to trading on the NYSE. If authorised by the shareholders meeting, the name of DutchCo will only be changed after the date of completion of the FI Merger and the CNH Merger. If so approved, the shareholders, creditors and other interested parties will be informed on the new name through publication on the corporate website of CNH as soon as possible, and in any case in time for communication of the new name to CNH shareholders at the relevant extraordinary shareholders meeting which will resolve upon the CNH Merger.

1.2 The disappearing company:

CNH GLOBAL N.V.

Limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands;

Official seat in Amsterdam, the Netherlands;

Principal office address at Schiphol Boulevard 217 WTC AIRPORT, 1118 BH Schiphol, the Netherlands;

Issued share capital as at the date of this Merger Plan (which might slightly increase as a result of the exercise of CNH Equity Rights as defined under Section 7.1 below): 545,647,689, fully paid-in;

242,510,084 shares (which might slightly increase as a result of the exercise of CNH Equity Rights as defined under Section 7.1 below), having a nominal value of 2.25;

Uit het aandeelhouders- register van CNH blijkt niet van een pandrecht of vruchtgebruik op de aandelen in het kapitaal van CNH;

According to the shareholders register of CNH, no registered shares in the share capital of CNH have been pledged or encumbered with a right of usufruct;

Er zijn geen certificaten van aandelen met medewerking van CNH uitgegeven;

No depository receipts of shares in the share capital of CNH have been issued with the co-operation of CNH;

Ingeschreven in het handelsregister van de Nederlandse Kamer van Koophandel onder nummer: 33283760;

Registration number with the Dutch Chamber of Commerce (*Kamer van Koophandel*): 33283760;

2. STATUTEN VAN DUTCHCO

2. ARTICLES OF ASSOCIATION OF DUTCHCO

2.1 De statuten van DutchCo zijn vastgesteld bij akte van oprichting verleden voor mr. Dirk-Jan Jeroen Smit, notaris te Amsterdam, op 23 november 2012 en zijn partieel gewijzigd op 19 februari 2013. Een kopie van de statuten van DutchCo zoals deze thans luiden is aan dit Voorstel tot Fusie gehecht als Bijlage 1.

2.1 The articles of association of DutchCo have been established by deed of incorporation executed before Dirk-Jan Jeroen Smit, civil law notary, officiating in Amsterdam, the Netherlands, on November 23rd, 2012 and have subsequently been amended on February 19, 2013. A copy of the current articles of association of DutchCo is attached to this Merger Plan as Schedule 1.

2.2 De statuten van DutchCo zullen ter gelegenheid van de CNH Fusie niet worden gewijzigd. Daarentegen zullen de statuten van DutchCo reeds worden gewijzigd en geheel vernieuwd ter gelegenheid van de FI Fusie in overeenstemming met de conceptstatuten als gehecht aan het Voorstel tot Grensoverschrijdende Fusie (de conceptstatuten zijn ter informatie aan dit Voorstel tot Fusie gehecht als Bijlage 2).

2.2 The articles of association of DutchCo will not be amended on the occasion of the CNH Merger. However, the articles of association of DutchCo will be amended and restated on occasion of the FI Merger in accordance with the draft articles of association attached to the Common Cross-Border Merger Terms (the draft articles of association have been attached hereto for information purposes as Schedule 2).

3. RAAD VAN BESTUUR DUTCHCO

3.1 Per de datum van dit Voorstel tot Fusie bestaat de Raad van Bestuur van DutchCo uit de volgende personen:

- (a) Sergio Marchionne (voorzitter);
- (b) Richard Joseph Tobin; en
- (c) Derek Neilson.

3.2 Als onderdeel van het geheel van de Transactie is een wijziging van de samenstelling van de Raad van Bestuur van DutchCo voorzien. De algemene vergadering van aandeelhouders van DutchCo zal te zijner tijd worden gevraagd een besluit te nemen over de benoeming van iedere persoon die zal worden genomineerd om benoemd te worden als lid van de Raad van Bestuur van DutchCo.

4. TOEKENNING VAN VOORDELEN

Ter gelegenheid van de fusie zullen er geen voordelen aan leden van de Raden van Bestuur of aan anderen betrokken bij de CNH Fusie worden toegekend.

5. TIJDSTIP VAN KRACHT WORDEN CNH FUSIE: JURIDISCH EVENALS ECONOMISCH

5.1 Ingevolge artikel 2:318 van het BW en onder voorwaarde van de voltooiing van de aan de CNH Fusie voorafgaande formaliteiten als uiteengezet in de Merger Agreement zoals voorzien in overweging (A) van dit Voorstel tot Fusie, zal de CNH Fusie tot stand komen en effectief worden op de CNH Fusiedatum (d.w.z. om middernacht MET (*Midden-Europese Tijd*) op de dag volgende op de dag waarop de CNH Fusie Akte wordt gepasseerd voor een notaris gevestigd in Nederland). Per de CNH Fusiedatum, zal CNH ophouden te bestaan als zelfstandige rechtspersoon.

3. BOARD OF DIRECTORS OF DUTCHCO

3.1 As at the date of this Merger Plan, the Board of Directors of DutchCo is composed of the following individuals:

- (a) Sergio Marchionne (chairman);
- (b) Richard Joseph Tobin; and
- (c) Derek Neilson.

3.2 As part of the overall Transaction, it is envisaged that the composition of the Board of Directors of DutchCo will be changed. The general meeting of shareholders of DutchCo will be asked to resolve upon the appointment of each person nominated to be appointed as member of the Board of Directors of DutchCo.

4. BENEFITS GRANTED

No benefits shall be granted to members of any of the Boards or to any other person on the occasion of the CNH Merger.

5. EFFECTIVE DATE OF THE CNH MERGER; LEGAL AS WELL AS FINANCIAL DATE

5.1 Pursuant to Section 2:318 of the DCC and subject to the completion of the pre-merger formalities set forth in the Merger Agreement, as anticipated under Recital (A) to this Merger Plan, the CNH Merger shall be established and will become effective on the CNH Merger Effective Date (*i.e.* at 00.00 AM CET following the day on which the CNH Merger Deed is executed before a civil law notary, officiating in the Netherlands). As per the CNH Merger Effective Date, CNH will cease to exist as standalone legal entity.

5.2 De financiële gegevens met betrekking tot het vermogen van CNH zullen met ingang van 1 januari 2013 worden verantwoord in de jaarstukken of andere financiële verantwoording van DutchCo en daarmee zullen de boekhoudkundige gevolgen van de Transactie worden verwerkt in de boeken van DutchCo vanaf deze datum.

5.2 The financial information with respect to the assets, liabilities and other legal relationships of CNH will be reflected in the accounts and other financial reports of DutchCo as of January 1, 2013 and with that the accounting effects of the Transaction will be recognized in DutchCo's accounts from that date.

6. MAATREGELEN IN VERBAND MET DE OVERGANG VAN HET AANDEELHOUDERSCHAP VAN CNH

6. MEASURES IN CONNECTION WITH SHAREHOLDING IN CNH

6.1 Als gevolg van het tot stand komen van de CNH Fusie zullen alle uitstaande aandelen in het kapitaal van CNH van rechtswege komen te vervallen.

6.1 As a result of the CNH Merger becoming effective, all shares of CNH currently outstanding will be cancelled by operation of law.

In ruil voor de gewone aandelen in het aandelenkapitaal van CNH, zal DutchCo een zodanig aantal DutchCo Gewone Aandelen toekennen als volgt uit het toepassen van de Ruilverhouding voor de CNH Fusie als hieronder uiteengezet in Paragraaf 8.1, rekening houdend met het totaal aantal gewone aandelen in het aandelenkapitaal van CNH dat op de CNH Fusiedatum zal uitstaan.

In exchange for the common shares in the share capital of CNH, DutchCo will allot such number of DutchCo Common Shares as follows from applying the Exchange Ratio for the CNH Merger as specified under Section 8.1 below taking into account the total number of common shares in the share capital of CNH outstanding at the CNH Merger Effective Date.

Op het moment dat de CNH Fusieakte zal worden gepasseerd, zullen alle gewone aandelen B in het kapitaal van CNH, welke thans alle worden gehouden door FNH, worden gehouden door DutchCo als gevolg van het tot stand komen van achtereenvolgens de FNH Fusie en de FI Fusie. Op grond van artikel 2:325 lid 4 van het BW zullen er geen nieuwe DutchCo Gewone Aandelen worden toegekend in ruil voor gewone aandelen B.

At the time the CNH Merger Deed will be executed, the common shares B in the share capital of CNH, all of which currently owned by FNH, will be held by DutchCo as a result of subsequently the FNH Merger and the FI Merger becoming effective. Pursuant to Section 2:325 paragraph 4 of the DCC, no new DutchCo Common Shares will be allotted for the common shares B.

6.2 De DutchCo Gewone Aandelen die zullen worden toegekend ter gelegenheid van de CNH Fusie en die zullen worden genoteerd aan de NYSE en vervolgens, na voltooiing van de Transactie, zullen worden genoteerd aan de Mercato Telematico Azionario worden in het geval van geregistreerde houders van CNH gewone aandelen direct aan hen toegekend en in het geval van gewone aandelen in CNH die worden gehouden middels intermediairs, toegekend aan de intermediairs en vervolgens ná dematerialisatie geleverd aan de begunstigen middels het systeem van een bevoegd centraal instituut met effect vanaf de CNH Fusiedatum. Verdere informatie met betrekking tot de voorwaarden en de procedure voor toewijzing van de DutchCo Gewone Aandelen zal worden verspreid middels een bericht dat op de website van CNH (www.cnh.com) zal worden geplaatst.

6.3 Onmiddellijk nadat de CNH Fusie van kracht zal zijn geworden en ingevolge de voorwaarden van de Merger Agreement, zal DutchCo bijzondere stemrechaandelen uitgeven met een nominale waarde van één eurocent (0,01) elk, aan die aandeelhouders van CNH die daarvoor in aanmerking komen en die ervoor opteren dergelijke bijzondere stemrechaandelen te ontvangen na totstandkoming van de CNH Fusie in aanvulling op de DutchCo Gewone Aandelen die zij zullen verkrijgen. Aandeelhouders van CNH die bijzondere stemrechaandelen wensen te ontvangen onmiddellijk na de voltooiing van de CNH Fusie dienen de procedures (de *Initial Allocation Procedures*) te volgen zoals beschreven in de CNH aandeelhouders circulaire, die beschikbaar zal worden gemaakt via de website van CNH (www.cnh.com) zodra de buitengewone algemene vergadering van aandeelhouders van CNH bijeen wordt geroepen met het doel om het

6.2 The DutchCo Common Shares being allotted on the occasion of the CNH Merger to be listed on the NYSE and, following the completion of the Transaction, on the Mercato Telematico Azionario will be allotted, in case of registered holders of CNH common shares directly to them and in case the common shares are held through depository intermediaries to the depository intermediaries and after dematerialization by way of delivery to the beneficiaries through the centralized clearing system with effect from the CNH Merger Effective Date. Further information on the conditions and procedure for allocation of the DutchCo Common Shares shall be communicated publicly in a notice published on the website of CNH (www.cnh.com).

6.3 Immediately after the CNH Merger has become effective and pursuant to the terms of the Merger Agreement, DutchCo will issue special voting shares with a nominal value of one euro cent (0.01) each, to those eligible holders of CNH common shares who elect to receive such special voting shares upon completion of the CNH Merger in addition to the DutchCo Common Shares they will receive. Holders of CNH common shares who wish to receive special voting shares immediately after the completion of the CNH Merger are required to follow the procedures (the *Initial Allocation Procedures*) as described in the CNH shareholders circular which will be made available on the corporate website of CNH (www.cnh.com) when the extraordinary meeting of shareholders of CNH for the purposes of approving the entering into the CNH Merger is convened.

aangaan van de CNH Fusie goed te keuren. De karakteristieken van de bijzondere stemrechtenaandelen zijn verder uiteengezet in de voorgestelde statuten van DutchCo zoals gehecht aan dit Voorstel tot Fusie en in de Special Voting Share Terms zoals gedefinieerd in en gehecht aan de Merger Agreement. Ter voorkoming van misverstanden, deze bijzondere stemrechtenaandelen zijn geen onderdeel van de ruilverhouding als hieronder uiteengezet in Paragraaf 8.1.

6.4 CNH heeft geen aandelen zonder stemrechten of aandelen zonder winstrechten uitstaan. Om die reden zijn artikel 2:326 sub (d) tot en met (f) van het BW en de bijzondere schadeloosstellingsregeling als bedoeld in artikel 2:330a van het BW niet van toepassing.

7. RECHTEN EN VERGOEDINGEN TEN LASTE VAN DUTCHCO

7.1 CNH heeft bepaalde beperkte participatierechten op aandelen, prestatieafhankelijke participatierechten op aandelen, optierechten en andere kapitaalsbeloningen toegekend aan bestuurders, leidinggevenden en werknemers van haar groepsmaatschappijen onder het CNH equity incentive plan en het directors compensation plan (*CNH Equity Rights*). In verband met de CNH Fusie en met effect per de CNH Fusiedatum zullen de houders van de CNH Equity Rights gelijkwaardige rechten toegekend krijgen die recht geven op een evenredig aantal DutchCo Gewone Aandelen (met inachtneming van de toepasselijke Ruilverhouding) en de betaling van het CNH Dividend (in verband hiermee heeft CNH op 28 januari 2013 benodigde gelijkwaardige aanpassingen van uitstaande CNH Equity Rights goedgekeurd, die verband houden met de afname van de uitoefenprijzen en de toename van (i)

The characteristics of the special voting shares are further set out in the proposed DutchCo articles of association as attached to this Merger Plan and in the Special Voting Share Terms as defined in and attached to the Merger Agreement. For the avoidance of doubt, these special voting shares are not part of the exchange ratio set out under Section 8.1 below.

6.4 CNH does not have outstanding any shares that are non-voting shares or non-profit-sharing shares. Therefore, Section 2:326 sub (d) to (f) of the DCC and the special compensation arrangement as referred to in Section 2:330a of the DCC do not apply.

7. RIGHTS AND COMPENSATIONS CHARGEABLE TO DUTCHCO

7.1 CNH has issued certain restricted share units, performance share units, options and other equity awards to directors, managers and employees of its group companies under the CNH equity incentive plan and the directors compensation plan (*CNH Equity Rights*). In connection with the CNH Merger and with effect from the CNH Merger Effective Date, the holders of the CNH Equity Rights will be awarded comparable rights to an appropriate number of DutchCo Common Shares (taking into account the applicable Exchange Ratio) and the payment of the CNH Dividend (in this respect, on January 28, 2013, CNH approved required equitable adjustments to outstanding CNH Equity Rights relating to the reduction of the exercise prices and the increase of (i) number of outstanding shares for stock options and (ii) number of

het aantal uitstaande aandelen voor aandelenopties en (ii) het aantal niet verworven aandelen voor prestatieafhankelijke rechten op aandelen en beperkte rechten op aandelen, om de pre-dividend waarde te behouden).

7.2 Anders dan houders van CNH Equity Rights zoals hiervoor uiteengezet in Paragraaf 7.1, zijn er geen personen die, in een andere hoedanigheid dan als aandeelhouder, speciale rechten jegens CNH hebben zoals een recht op een uitkering van winst of tot het nemen van nieuw uit te geven aandelen. Dientengevolge worden er geen gelijkwaardige rechten of vergoedingen toegekend en worden er geen schadeloosstellingen betaald anders dan als hiervoor onder Paragraaf 7.1. uiteengezet.

8. DE RUILVERHOUDING VAN DE AANDELEN EN DE OMVANG VAN DE BETALINGEN

8.1 Als gevolg van de totstandkoming van de CNH Fusie zal DutchCo voor alle geplaatste gewone aandelen in het kapitaal van CNH op de CNH Fusiedatum (**Totaal Aantal Uitstaande Gewone Aandelen**), pro rata parte, een zodanig totaal aantal DutchCo Gewone Aandelen toekennen aan de intermediairs en andere geregistreeerde houders van gewone aandelen als volgt uit de vermenigvuldiging van het Totaal Aantal Uitstaande Gewone Aandelen met 3,828 naar beneden afgerond tot het eerstvolgende aantal hele aandelen. Voor zover een intermediair of andere geregistreeerde houder van gewone aandelen gerechtigd zou zijn tot een fractie van een DutchCo Gewoon Aandeel (na toepassing van de ruilverhouding op diens totale aandelenbelang in CNH), zal DutchCo in plaats van het toekennen van een fractie van een DutchCo Gewoon Aandeel aan zo n depository intermediary of andere

unvested shares for performance shares and restricted shares, to maintain the pre-dividend fair value).

7.2 Other than holders of CNH Equity Rights as set out under Section 7.1 above, there are no persons who, in any other capacity than as shareholder, have special rights against CNH such as rights to participate in profit distributions or rights to acquire newly issued shares in the capital of CNH. Therefore no similar special rights are due and no compensation shall be paid to anyone on account of DutchCo, other than as set out above under Section 7.1.

8. THE SHARE EXCHANGE RATIO AND THE AMOUNT OF PAYMENTS

8.1 As a result of the CNH Merger becoming effective, for all common shares outstanding in the share capital of CNH at the CNH Merger Effective Date (the **Total Number of Outstanding Common Shares**), DutchCo will, on a pro rata basis, allot such total number of shares as follows from multiplying the Total Number of Outstanding Common Shares with 3.828 rounded down to the nearest whole number to the depository intermediaries and other registered holders of common shares. To the extent a depository intermediary or other registered holder of common shares would be entitled to a fractional DutchCo Common Share (after application of the exchange ratio on its aggregate shareholding in CNH), DutchCo will, instead of granting a fractional DutchCo Common Share, pay such depository intermediary or other

geregistreerde houder van gewone aandelen een bedrag in contanten toekennen dat evenredig is aan het breukdeel van 10,20 United States dollars (de *Ruilverhouding*).

Ter gelegenheid van de CNH Fusie zullen krachtens de Ruilverhouding geen additionele betalingen plaatsvinden door DutchCo anders dan de betaling zoals hiervoor uiteengezet in Paragraaf 8.1

Middels het gecentraliseerde girale systeem en met effect vanaf de CNH Fusiedatum, zal iedere gerechtigde die onmiddellijk voor de CNH Fusiedatum gerechtigd is tot een of meer aandelen in het kapitaal van CNH, gerechtigd zijn tot 3,828 DutchCo Gewone Aandelen voor iedere gerechtigdheid tot een gewoon aandeel in CNH.

8.2 Op verzoek van DutchCo zal BDO Audit & Assurance B.V. een verklaring met betrekking tot de redelijkheid van de Ruilverhouding afgeven in overeenstemming met het bepaalde in artikel 2:328 lid 1 van het BW. Deze verklaring zal publiek beschikbaar worden gesteld in overeenstemming met de toepasselijke regelgeving.

8.3 Op verzoek van CNH zal Mazars Paardekooper Hoffman N.V. een verklaring met betrekking tot de redelijkheid van de Ruilverhouding afgeven in overeenstemming met het bepaalde in artikel 2:328 lid 1 van het BW. Deze verklaring zal publiek beschikbaar worden gesteld in overeenstemming met de toepasselijke regelgeving.

9. TIJDSTIP MET INGANG WAARVAN EN WELKE MATE WAARIN DE DUTCHCO GEWONE AANDELEN RECHT ZULLEN GEVEN OP EEN AANDEEL IN DE WINST VAN DUTCHCO

registered holder of common shares a cash consideration as equals the fraction of 10.20 United States dollars (the *Exchange Ratio*).

No additional payments, other than the payment set out under this Section 8.1. above, shall be made by DutchCo pursuant to the Exchange Ratio on occasion of the CNH Merger.

Through the centralized clearing system and with effect from the CNH Merger Effective Date, each beneficiary of one or more common shares in the share capital of CNH immediately prior to the CNH Merger Effective Date will effectively be entitled to 3.828 DutchCo Common Share for each entitlement to a common share in CNH.

8.2 At the request of DutchCo, BDO Audit & Assurance B.V., will prepare a statement in relation to the fairness of the Exchange Ratio in accordance with Sections 2:328 paragraph 1 of the DCC. This statement will be made available to the public in accordance with applicable laws and regulations.

8.3 At the request of CNH, Mazars Paardekooper Hoffman N.V., will prepare a statement in relation to the fairness of the Exchange Ratio in accordance with Sections 2:328 paragraph 1 of the DCC. This statement will be made available to the public in accordance with applicable laws and regulations.

9. THE DATE AS OF WHICH AND EXTENT TO WHICH THE DUTCHCO COMMON SHARES WILL CARRY ENTITLEMENT TO PARTICIPATION IN THE PROFITS OF DUTCHCO

Elk DutchCo Gewoon Aandeel zal vanaf 1 januari 2013 volledig delen in de winst van DutchCo naar rato van zijn deelname in het nominale kapitaal van DutchCo ongeacht of deze winst betrekking heeft op activiteiten van DutchCo die zijn verkregen als gevolg van de FI Fusie of als gevolg van de CNH Fusie. Er worden geen bijzondere rechten op dividend toegekend ter gelegenheid van de CNH Fusie.

10. GEVOLGEN VAN DE CNH FUSIE OP DE ACTIVITEITEN VAN CNH

De activiteiten van CNH zullen worden voortgezet door DutchCo tezamen met de activiteiten die DutchCo zal verkrijgen als gevolg van de totstandkoming van de FI Fusie en de FNH Fusie.

11. GOODWILL EN UITKEERBARE RESERVES VAN DUTCHCO

11.1 Aangezien de CNH Fusie plaatsvindt op basis van boekwaarde, zijn er geen andere gevolgen voor goodwill dan dat het bedrag aan goodwill dat thans is opgenomen in de boeken van CNH gelijkelijk zal worden opgenomen in de boeken van DutchCo.

11.2 Als gevolg van de CNH Fusie zullen de vrij uitkeerbare reserves van DutchCo afnemen met de waarde van de deelneming in CNH zoals opgenomen op de balans van DutchCo (nadat de FI Fusie tot stand is gekomen) en zullen zij toenemen met de totale waarde van het vermogen van CNH (op grond van de balans van CNH van 31 december 2012 zou dit een waarde van ongeveer EUR 5.636 miljoen of US\$ 7.434 miljoen vertegenwoordigen op basis van de EUR/US\$ wisselkoers per 31 december 2012 van 1,319) en het bedrag van het betaalbare dividend op de gewone aandelen B (ongeveer

Each DutchCo Common Share will carry entitlement to participation in the profits of DutchCo as from January 1, 2013, in proportion to its participation in the nominal share capital of DutchCo, irrespective of whether such profits arise due to the activities DutchCo acquired as a result of the FI Merger or as a result of the CNH Merger. No particular rights to dividends will be granted in connection with the CNH Merger.

10. IMPACT OF THE CNH MERGER ON THE ACTIVITIES OF CNH

The activities of CNH shall be continued by DutchCo, together with the activities DutchCo will acquire as a result of the completion of the FI Merger and the FNH Merger.

11. GOODWILL AND DISTRIBUTABLE RESERVES OF DUTCHCO

11.1 As the CNH Merger takes place on the basis of the book value, there will be no goodwill impact other than that the amount of goodwill currently represented in the books of CNH will be equally represented in the books of DutchCo.

11.2 As a result of the CNH Merger, the freely distributable reserves (*vrij uitkeerbare reserves*) of DutchCo shall decrease with the value of the participation in CNH in its books (following the FI Merger becoming effective) and shall increase with the aggregate value of the assets and liabilities of CNH (based on the balance sheet of CNH as per December 31, 2012 this would represent a value amounting to approximately EUR 5,636 million or US\$ 7,434 million on the basis of the currency exchange Euro/US\$ as of December 31, 2012 of 1.319) and the amount of the

EUR 1.607 miljoen of US\$ 2.119 miljoen op basis van de EUR/US\$ wisselkoers per 31 december 2012 van 1,319) dat DutchCo ter gelegenheid van de CNH Fusie zal verkrijgen verminderd met de totale nominale waarde van het totaal van alle DutchCo Gewone Aandelen, met een nominale waarde van één eurocent elk, dat wordt toegekend ter gelegenheid van het tot stand komen de CNH Fusie, het gezamenlijk bedrag aan betalingen in contanten als onderdeel van de Ruilverhouding en enige reserve die DutchCo dient aan te houden op grond van de wet en op grond van haar nieuwe statuten zoals deze zullen luiden per de FI Fusiedatum.

dividend payable on the common shares B (amounting to approximately EUR 1,607 million or US\$ 2,119 million on the basis of the currency exchange Euro/US\$ as of December 31, 2012 of 1.319) which DutchCo shall acquire on the occasion of the CNH Merger less the aggregate nominal value of all DutchCo Common Shares, with a nominal value of one euro cent each, being allotted on the occasion of the CNH Merger becoming effective, the total amount of payments in cash as part of the Exchange Ratio and any reserve it must maintain as a matter of Dutch and its articles of association as they will read as of the FI Merger Effective Date.

12. GOEDKEURING VAN HET BESLUIT TOT HET AANGAAN VAN DE FUSIE

12.1 De algemene vergadering van aandeelhouders van CNH en die van DutchCo zullen beide dienen te besluiten tot het aangaan van de fusie op basis van dit Voorstel tot Fusie, alvorens de respectievelijke Raden van Bestuur bevoegd zijn over te gaan tot het doen passeren van de akte houdende de totstandbrenging van de CNH Fusie.

12.2 Het besluit tot het aangaan van de CNH Fusie behoeft geen voorafgaande goedkeuring van een derde.

13. AAN DE FUSIE VOORAFGAANDE FORMALITEITEN, VEREISTE GOEDKEURINGEN EN VOORWAARDEN

13.1 De respectievelijke verplichtingen van iedere partij om de Transactie tot stand te brengen zijn onderworpen aan de voldoening (of het doen van schriftelijke afstand) van de hierna genoemde voorwaarden voorafgaand aan de Closing Date (als gedefinieerd in de Merger Agreement):

12. APPROVAL OF RESOLUTION TO ENTER INTO MERGER

12.1 The general meeting of shareholders of CNH and that of DutchCo will both need to resolve to the entering into the merger on the basis of this Merger Plan before the respective Boards are authorised to have the notarial deed in relation to the establishment of the CNH Merger be executed.

12.2 The resolution to enter into the CNH Merger does not require the prior approval of a third party.

13. PRE-MERGER FORMALITIES, REQUIRED APPROVALS AND CONDITIONS

13.1 The respective obligations of each party to effect the Transaction are subject to satisfaction or, to the extent permitted by applicable law, waiver (in writing) prior to the Closing Date (as defined in the Merger Agreement) of the following conditions:

(i) de aandeelhouders-goedkeuring voor de FI Fusie op de buitengewone algemene vergadering van aandeelhouders van FI en de goedkeuring van de CNH Fusie op de buitengewone algemene vergadering van aandeelhouders van CNH zal zijn verkregen;

(ii) goedkeuring zal zijn verkregen voor notering op aan NYSE, onder voorwaarde van het officiële bericht tot afgifte, van de DutchCo gewone aandelen die zullen worden toegekend aan de FI aandeelhouders en de CNH aandeelhouders op basis van de Merger Agreement en de uitgifte ingevolge de uitoefening van de Dutch Equity Incentive (als gedefinieerd in de Merger Agreement);

(iii) geen overheidsinstantie of bevoegde autoriteit zal een voorschrift hebben verordend, uitgevaardigd, afgekondigd, aangetekend of kracht van wet hebben gegeven die gelding heeft en de totstandkoming van de Transactie in overeenstemming met de bepalingen van de Merger Agreement verbiedt en geen voorschrift zal zijn verordend, uitgevaardigd, afgekondigd, aangetekend of kracht van wet hebben gekregen door enige overheidsinstantie die de totstandkoming van de Transactie verbiedt of strijdig met wet- en regelgeving maakt;

(i) the approval of the shareholders of the FI Merger by the extraordinary meeting of shareholders of FI and the approval of the CNH Merger by the extraordinary meeting of shareholders of CNH;

(ii) DutchCo common shares which are to be allotted to FI shareholders and CNH shareholders on the basis of the Merger Agreement and issued pursuant to the exercise of the DutchCo Equity Incentive (as defined in the Merger Agreement) shall have been approved for listing on the NYSE, subject to official notice of issuance;

(iii) no governmental entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any order which is in effect and prohibits consummation of the Transaction in accordance with the terms of the Merger Agreement and no order shall have been enacted, entered, promulgated or enforced by any governmental entity which prohibits or makes illegal the consummation of the Transaction;

- (iv) de Inschrijvingsverklaring zal van kracht zijn verklaard door de SEC onder de Securities Act; de SEC zal geen beschikking hebben uitgevaardigd om het van kracht zijn van de Inschrijvingsverklaring te schorsen en er zullen ook geen procedures met dat doel zijn geïnitieerd noch zal daarmee, voor zover bekend bij FI en CNH, zijn bedreigd door de SEC;
- (v) enig bedrag aan contanten te betalen aan (a) FI aandeelhouders die hun recht op schadeloosstelling onder Artikel 2437-quater van het IBW uitoefenen, en/of (b) de crediteuren van FI die hun crediteurenverzetsrechten uitoefenen, zal een totaal van 325 miljoen niet overschrijden;
- (vi) de 60-dagen periode volgende op de datum waarop het besluit van de buitengewone algemene vergadering van aandeelhouders van FI zal zijn gedeponerd bij het Venootschapsregister van Turijn zal zijn verstreken of zal eerder zijn geëindigd door de uitgifte van een obligatie door FI voldoende om enige claims van FI's crediteuren te kunnen voldoen;
- (vii) Reconta Ernst & Young S.p.A. zal, in overeenstemming met de relevante bepalingen van Italiaans recht en de relevante bepalingen van EU recht, het FI rapport met betrekking tot de redelijkheid van de ruilverhouding voor de FI aandelen hebben afgegeven aan FI (waarvan een kopie aan CNH zal worden verstrekt zo snel als mogelijk na het afgeven hiervan aan FI);
- (iv) the Registration Statement shall have been declared effective by the SEC under the Securities Act; no stop order suspending the effectiveness of the Registration Statement shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or, to the knowledge of FI or CNH, threatened by the SEC;
- (v) the amount of cash, if any, to be paid to (a) FI shareholders exercising cash exit rights under Article 2437-quater of the ICC, and/or (b) creditors of FI exercising their creditor opposition rights, shall not exceed in the aggregate 325 million;
- (vi) the 60 day-period following the date upon which the resolution of the extraordinary general meeting of FI has been registered with the Companies Register of Turin shall have expired or have been earlier terminated pursuant to the posting of a bond by FI sufficient to satisfy FI's creditors' claims, if any;
- (vii) Reconta Ernst & Young S.p.A. shall have delivered to FI, in accordance with the applicable provisions of Italian law and the applicable laws in the EU, the FI expert report with respect to the fairness of the exchange ratio for the FI shares (a copy of which shall have been provided to CNH as soon as practicable upon delivery thereof to FI);

(viii) Mazars Paardekooper Hoffman N.V. zal in overeenstemming met de relevante bepalingen van Nederlands recht en de relevante bepalingen van EU recht, het rapport genoemd in Paragraaf 8.3 met betrekking tot de redelijkheid van de ruilverhouding hebben afgegeven aan CNH (waarvan een kopie aan FI zal worden verstrekt zo snel als mogelijk na het afgeven hiervan aan CNH);

(ix) CNH zal een opinie hebben ontvangen van McDermott Will & Emery LLP of een andere in de Verenigde Staten van Amerika nationaal erkende belastingadviseur (de keuze van een dergelijke andere belastingadviseur dient te zijn goedgekeurd door de special committee van de raad van bestuur van CNH naar eigen redelijk oordeel) en FI zal een opinie hebben ontvangen van Sullivan & Cromwell LLP of een andere in de Verenigde Staten van Amerika nationaal erkende belastingadviseur, en zulks in elk geval op de Closing Date, dat de CNH Fusie voor de doeleinden van zal kwalificeren voor federale inkomstenbelasting van de VS als reorganisatie als bedoeld in Artikel 368(a) van de U.S. Internal Revenue Code van 1986. Met betrekking tot de afgifte van de opinies als omschreven in deze paragraaf 13(ix), kan ieders belastingadviseur eisen en vertrouwen op (en mag bij wijze van referentie opnemen)

(viii) Mazars Paardekooper Hoffman N.V. shall have delivered to CNH, in accordance with the applicable provisions of Dutch law and the applicable laws in the EU, the report mentioned under Section 8.3 above with respect to the fairness of the exchange ratio (a copy of which shall have been provided to FI as soon as practicable upon delivery thereof to CNH);

(ix) CNH shall have received an opinion of McDermott Will & Emery LLP or other (U.S.) nationally recognized tax counsel (the choice of such other tax counsel must have been approved by the special committee of the board of directors of CNH in its reasonable discretion) and FI shall have received an opinion of Sullivan & Cromwell LLP or other (U.S.) nationally recognized tax counsel, in each case as of the Closing Date, to the effect that the CNH Merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the U.S. Internal Revenue Code of 1986. In rendering the opinions described in this Section 13(ix), each party's tax counsel may require and rely upon (and may incorporate by reference) reasonable and customary

de redelijke en gebruikelijke verklaringen en convenanten, daarbij inbegrepen zodanige convenanten als opgenomen in de attesten van functionarissen van CNH en FI. Ter voorkoming van misverstanden, CNH en FI zullen niet dezelfde belastingadviseur aanwijzen om een opinie af

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\$

305,550\$ 196,775\$ 502,325

As of December 31, 2018, the interest amount has been accrued but is unpaid.

Notes Payable to Related Party

The Company had 11 notes payable to its CGO pursuant to advances which had historically been made by the CGO. The notes were dated between March 2011 and August 2012, were unsecured, ranged in amount from \$10,000 to \$50,000, and bore interest at 12% per annum. These notes were re-structured and combined on March 27, 2013 into a single promissory note payable (the "New Note"). In conjunction with this restructuring, the CGO forgave accrued interest totaling \$57,817 (recorded as an equity transaction). The New Note is unsecured, has a principal amount of \$265,000, and bears interest at 4% per annum. The Company will apply 10% of the gross proceeds from any equity financing in an amount exceeding \$0.5 million (whether one or more transactions) from and after the date hereof to prepay principal and accrued interest. All remaining unpaid principal and interest was due at December 31, 2018 and remains unpaid.

DAKOTA TERRITORY RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

(UNAUDITED)

Note 4—Notes Payable (continued)

On August 26, 2016, the Company issued a note payable in the amount of \$25,000 to Minera Teles Pires Inc., a Company controlled by our CGO, for the purpose of funding ongoing operating expenses. The note bears annual interest of 3% and was due and payable on October 26, 2016. The Company paid \$21,855 in principal during the year ended March 31, 2018. The remainder of the loan is outstanding as of the date of this filing.

On September 15, 2016, the Company issued a note payable in the amount of \$30,000 to Minera Teles Pires Inc., a Company controlled by our CGO, for the purpose of funding ongoing operating expenses. The note bears annual interest of 4% and was due and payable on December 14, 2016. This loan remains outstanding as of the date of this filing.

On August 10, 2018, the Company issued a note payable in the amount of \$10,500 to Jerikodie, Inc., a Company controlled by our President and CEO, for the purpose of funding ongoing operating expenses. The note bears interest of 3% and is due and payable immediately upon closing its first financing.

During the nine months ended December 31, 2018, we received an advance from our CGO in the amount of \$7,000 for working capital.

Note 5—Convertible Notes Payable

On August 14, 2008, the Company executed a 5% convertible note of \$100,000 that was due August 13, 2010. The note is now due and payable; however, the lender has to date made no request for payment. The note may be converted from time to time, all or any part of the principal plus any unpaid accrued interest (\$52,819 as of December 31, 2018) thereof into common stock of the Company at a conversion price per share equal to the greater of i) the

closing market price per share of the common stock on the trading day immediately preceding the date of conversion as quoted on the OTC-BB or such other exchange upon which the Company's shares are then listed or traded, or ii) \$200 per share. As of December 31, 2018, this note is outstanding. There is no derivative liability associated with this note at December 31, 2018 as the market price of the stock would have to be above \$200 to trigger a derivative, which is unlikely based on the Company's stock price as of December 31, 2018.

Note 6—Line of Credit

The Company executed a Line of Credit with Wells Fargo Bank in California. The Line of Credit allows the Company to borrow up to \$47,500. The Line of Credit bears interest at 7.75% per annum, is unsecured, and due on demand. The balance on this Line of Credit at December 31, 2018 was approximately \$36,400. The line of credit is guaranteed by an officer.

Note 7—Common Stock

Our authorized capital stock consists of 300,000,000 shares of common stock, with a par value of \$0.001 per share, and 10,000,000 preferred shares with a par value of \$0.001 per share.

On May 21, 2018, the Board approved the issuance of 1,300,000 common stock plan options with an exercise price of \$0.08 per share. The options were granted to replace Mr. Mathers 1,000,000 options which expired on March 19, 2018. The term of the new options is 7 years and vest immediately. The Black-Scholes pricing model was used to estimate the fair value of the 1,300,000 options issued during the period, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 295%, and an expected life of 7 years. We have determined these options to have an approximate fair value of \$91,000. These options have been expensed in full during the quarter ended June 30, 2018.

DAKOTA TERRITORY RESOURCES CORP.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018****(UNAUDITED)****Note 7—Common Stock (continued)**

On August 21, 2018, the Company completed a sale of our restricted common shares to a private investor. The Company sold a total of 750,000 shares of restricted common stock at a price of \$0.10 per share for an aggregate amount of \$75,000 received by the Company. In addition, the Company issued a Warrant to purchase an additional 750,000 shares of our restricted common stock at an exercise price of \$0.10 per share on or before August 20, 2019. We have determined that the 750,000 common stock warrants have an approximate fair value of \$20,100. The Black-Scholes pricing model was used to estimate the fair value of the 750,000 warrants issued during the period, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 291%, and an expected life of one year. The warrant has not been exercised.

At December 31, 2018, the total issued and outstanding shares were 60,916,787.

Common Stock Options and Warrants

A summary of the Company's stock option activity and related information for the two year period ended December 31, 2018 is as follows:

	Options	Price Range	Weighted Average Remaining Life (Years)
Outstanding March 31, 2017	7,350,000	\$ 0.06 – 0.14	6.78
Granted	-	-	-
Cancelled/Expired	(1,000,000)	\$ 0.14	-

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Exercised	-	-	-
Outstanding March 31, 2018	6,350,000	0.06 – 0.13	6.69
Granted	1,300,000	\$ 0.07	6.69
Cancelled/Expired	-	-	-
Exercised	-	-	-
Outstanding December 31, 2018	7,650,000	0.06 – 0.13	6.69

A summary of the Company's stock warrant activity and related information for the two year period ended December 31, 2018 is as follows:

	Warrants	Price Range	Weighted Average Remaining Life (Years)
Outstanding March 31, 2017	1,500,000	\$ 0.11	0.17
Granted	-	-	-
Cancelled/Expired	(1,500,000)	0.11	0.17
Exercised	-	-	-
Outstanding March 31, 2018	-	-	-
Granted	750,000	\$ 0.10	0.10
Outstanding December 31, 2018	750,000	\$ 0.10	0.10

DAKOTA TERRITORY RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

(UNAUDITED)

Note 8 – Consulting agreement

On October 2, 2018, the Company entered into a geological consulting agreement with an individual. As consideration for the consulting agreement, the Company granted this individual 300,000 shares of Common Stock at a price \$0.03 per share, or \$9,000 total consideration.

Note 9 – Subsequent events

On December 29, 2018, the Company issued a note payable to an entity controlled by its CEO in the amount of \$10,000 for ongoing operating expenses. The funds were received by the Company subsequent to December 31, 2018.

On January 2, 2019, the Company entered into a Strategic Advisory agreement with an individual. As consideration for this position, the Company granted this individual 300,000, 10-year common stock options at an exercise price of \$0.08 per share. These options will be valued using the Black-Scholes model in the period ending March 31, 2019.

On January 2, 2019, the Company's Board of Directors consented to reprice 900,000 Incentive Plan options previously granted at \$0.13 per share in March 2015 to three individuals. By Board consent, these options have been repriced at \$0.08 per share. These options will be valued using the Black-Scholes model in the period ending March 31, 2019.

On February 5, 2019, the Company entered into an agreement for legal services in regards to various Corporate and securities law matters. In consideration of services to be performed, the Company has agreed to pay a monthly fee of \$2,000 in cash and issue upon the date hereof a warrant to purchase up to 500,000 shares of our common stock, at the exercise price of \$0.08 per share, on or before December 31, 2024. Effective February 5, 2019, and continuing on the first day of each subsequent calendar month thereafter, 41,667 shares of our common stock shall vest and become exercisable under this warrant (all 500,000 shares shall vest on January 1, 2020), provided that on such vesting date,

our legal engagement with us has not been terminated by us.

Between January 2019 and February 2019, Dakota Territory Resource Corp. sold for \$230,000 in cash an aggregate of 2,300,000 shares of common stock, \$0.001 par value, and warrants to purchase an aggregate of 2,300,000 shares of Common Stock at a purchase price of \$0.10 per share on or before June 30, 2020.

These shares of Common Stock and Warrants were issued pursuant to the exemption from registration contained in to Section 4(a)(2) of the Securities Act as privately negotiated, isolated, non-recurring transactions not involving any public offering or solicitation. Each purchaser represented that such purchaser's intention to acquire the shares for investment only and not with a view toward distribution. None of the securities were sold through an underwriter and, accordingly, there were no underwriting discounts or sales commissions involved.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this Quarterly Report on Form 10-Q, unless the context requires otherwise, references to "Dakota Territory Resource Corp.," "the Corporation" "we," "our" or "us" refer to Dakota Territory Resource Corp.. *You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this quarterly report. This Quarterly Report on Form 10-Q may also contain statistical data and estimates we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified their data.*

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and the exhibits attached hereto contain "forward-looking statements". Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and development of our properties, plans related to our business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q, include, but are not limited to:

the progress, potential and uncertainties of our 2019-2020 exploration program at our properties located in the Homestake District of the Black Hills of South Dakota (the "Project");

the success of getting the necessary permits for future drill programs and future project exploration;

expectations regarding the ability to raise capital and to continue our exploration plans on our properties; and

plans regarding anticipated expenditures at the Project.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

risks associated with lack of defined resources that are not SEC Guide 7 Compliant Reserves, and may never be;

risks associated with our history of losses and need for additional financing;

risks associated with our limited operating history;

risks associated with our properties all being in the exploration stage;

risks associated with our lack of history in producing metals from our properties;

risks associated with our need for additional financing to develop a producing mine, if warranted;

risks associated with our exploration activities not being commercially successful;

risks associated with ownership of surface rights at our Project;

risks associated with increased costs affecting our financial condition;

risks associated with a shortage of equipment and supplies adversely affecting our ability to operate;

risks associated with mining and mineral exploration being inherently dangerous;

risks associated with mineralization estimates;

risks associated with changes in mineralization estimates affecting the economic viability of our properties;

risks associated with uninsured risks;

risks associated with mineral operations being subject to market forces beyond our control;

risks associated with fluctuations in commodity prices;

risks associated with permitting, licenses and approval processes;

risks associated with the governmental and environmental regulations;

risks associated with future legislation regarding the mining industry and climate change;

risks associated with potential environmental lawsuits;

risks associated with our land reclamation requirements;

risks associated with gold mining presenting potential health risks;

risks related to title in our properties

risks related to competition in the gold mining industries;

risks related to economic conditions;

risks related to our ability to manage growth;

risks related to the potential difficulty of attracting and retaining qualified personnel;

risks related to our dependence on key personnel;

risks related to our United States Securities and Exchange Commission (the “SEC”) filing history; and

risks related to our securities.

This list is not exhaustive of the factors that may affect our forward-looking statements. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as required by law, we disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. **We qualify all the forward-looking statements contained in this Quarterly Report by the foregoing cautionary statements.**

Overview and Organizational History

We are an exploration stage company engaged in the business of the acquisition and exploration of mineral properties. The Company maintains 100% ownership of three mineral properties located in the Black Hills of South Dakota, including the Blind Gold, City Creek and Homestake Paleoplacer Properties, all of which are located in the heart of the Homestake District and cover a total of approximately 3,341 acres. We currently have limited operations and have not established that any of our projects or properties contain any proven or probable reserves under SEC Industry Guide 7.

On March 9, 2012 the Company entered into an agreement with North Homestake Mining Company to exchange common stock to affect the acquisition of North Homestake’s gold exploration properties located in South Dakota. The Agreement was completed on September 26, 2012 and the Company concurrently effected a 10 for 1 reverse stock split. The merger was recorded as a reverse recapitalization and the issuances of common stock were recorded as a reclassification between paid-in capital and par value of Common Stock. North Homestake Mining Company was incorporated in the State of Nevada on April 12, 2011.

On December 31, 2012, the Company completed an agreement to acquire 57 unpatented lode mining claims covering approximately 853 acres in the Black Hills of South Dakota in exchange for 1,000,000 shares of the Company’s common stock, which was valued at \$0.15 per share on the transaction date.

On February 24, 2014 the Company acquired surface and mineral title to the 26.16 acres of the Squaw and Rubber Neck Lodes that comprise Mineral Survey 1706 in the Black Hills of South Dakota. The property is located immediately to the north and adjoining the Company's Paleoplacer Property.

On March 3, 2014, we completed an acquisition of approximately 565.24 mineral acres in the Northern Black Hills of South Dakota. The acquisition increased our mineral interests in the Homestake District by nearly 23%, to over 3,057 acres. As part of the property acquisition, we purchased an additional 64.39 mineral acres located immediately southwest and contiguous to our Paleoplacer Property, including mineral title to the historic Gustin, Minerva and Deadbroke Gold Mines.

On April 5, 2017, we acquired a combination of surface and mineral title to 284 acres in the Homestake District of the Northern Black Hills of South Dakota. The acquisition included 61 acres located immediately south and contiguous with our City Creek Property; 82 acres located approximately one half mile south of our Blind Gold Property at the western fringe of the historic Maitland Gold Mine; and 141 acres located immediately north and contiguous to our Homestake Paleoplacer Property.

On November 19, 2018 the Company announced the staking of 42 unpatented lode mining claims covering approximately 718 acres located immediately to the north and adjacent to the Company's City Creek Property. The acquisition was based on recently completed inversion modeling of its geophysical survey data. Through this staking, the City Creek project area was expanded from approximately 449 acres to 1,167 acres and the Company's overall land holdings in the Homestake District were increased 3,341 acres to approximately 4,059 acres in total.

We were incorporated in the State of Nevada on February 6, 2002 under the name Lakefield Ventures, Inc. In September 2012, the Company changed its name from Mustang Geothermal Corp. to Dakota Territory Resource Corp., reflecting a change in business. The Company has been in the exploration stage since its formation and has not realized any revenues from its planned operations. The Company is primarily engaged in the acquisition, exploration, and development of mineral properties.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further long-term financing, successful exploration and development of our property interests and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Current Plan of Operations

During fiscal years 2019 and 2020, the Company will require additional new financing of approximately \$4.80 million to carry out our planned acquisition and exploration strategy in the Homestake District of the Black Hill of South Dakotas, including general and administrative expenses of approximately \$675,000.

Our Corporate development strategy and 2-year budget is focussed on expanding our high quality brownfields mining interests in the District, continuing to build on our extensive historic data sets, permitting the Blind Gold and City Creek Properties for drilling, completing a new airborne geophysical survey, conducting several new field programs and the commencement of our first drill programs on the Homestake Paleoplacer Property. Our current working capital will not be sufficient to cover our estimated capital requirements during the next twelve-month period; we will be required to raise additional funds through the issuance of equity securities or through debt financing. There can be no assurance that we will be successful in raising the required capital or that actual cash requirements will not exceed our estimates.

Since we are an exploration stage company and have not generated revenues to date, our cash flow projections are subject to numerous contingencies and risk factors beyond our control, including exploration and development risks, competition from well-funded competitors, and our ability to manage growth. We can offer no assurance that our expenses will not exceed our projections.

Liquidity and Capital Resources

As of December 31, 2018, we had a working capital deficit of approximately \$2.8 million and our accumulated deficit as of December 31, 2018 was approximately \$4.8 million. We had a loss for the nine months ended December 31, 2018 of approximately \$461,000.

During the nine months ending December 31, 2018, we received \$75,000 from an investor in a private placement for the purchase of 750,000 shares of our common stock at \$0.10 per share.

During our fiscal year ending March 31, 2019, we plan to spend approximately \$897,000 for diamond drilling, \$23,000 for field programs and \$90,000 for assays, as well as approximately \$691,000 for expenses related to exploration programs. The timing of these expenditures is dependent upon a number of factors, including the availability of drill contractors. We estimate that general and administrative expenses during fiscal year ending March 31, 2019 will be approximately \$400,000 to include payroll, legal and accounting services and other general and other expenses necessary to conduct our operations, not including planned exploration costs of approximately \$1,600,000.

We have no employees. Our management, all of whom are consultants, conduct our operations. We do not expect any material changes in the number of employees over the next twelve-month period. Given the early stage of our exploration properties, we intend to continue to outsource our professional and personnel requirements by retaining consultants on an as needed basis. However, if we are successful in our initial and any subsequent drilling programs, we may retain employees.

We currently do not have sufficient funds to complete exploration and development work on our properties, which means that we will be required to raise additional capital, enter into joint venture relationships or find alternative means to finance placing one or more of our properties into commercial production, if warranted. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration and development or production on one or more of our properties and any properties we may acquire in the future or even a loss of property interests. We cannot be certain that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be favorable or acceptable to us. Our ability to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as our business performance.

Going Concern

The unaudited financial statements accompanying the report have been prepared on a going concern basis, which implies that our company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. Our company has not generated revenues since inception and it's unlikely to pay cash dividends or generate earnings in the immediate or foreseeable future. The continuation of our company as a going concern is dependent upon the continued financial support from related party advances, the ability of our company to obtain necessary equity financing to achieve our operating objectives, and the attainment of profitable operations. As of December 31, 2018, we had cash of \$5,584. In addition to funding our general and administrative expenses, we are obligated to address our current obligations totaling \$2,878,602. This includes current obligation amounts for accounts payable – related party of \$1,597,713 and notes payable – related party of \$315,645.

These circumstances raise substantial doubt about our ability to continue as a going concern, as described in Note 1 of our December 31, 2018 unaudited financial statements. The financial statements do not include any adjustments that might result from the outcome of that uncertainty. The continuation of our business is dependent upon obtaining further long-term financing, successful exploration and development of our property interests and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to obtain further funds required for our continued operations. We are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be forced to scale down or perhaps even cease the operation of our business.

Results of Operations

Nine months ended December 31, 2018 and 2017

We had no operating revenues for the nine months ended December 31, 2018 and 2017. We are not currently profitable. As a result of ongoing operating losses, we had an accumulated deficit of \$4,845,646 as of December 31, 2018.

Our exploration costs were approximately \$33,400 and \$42,400 for the nine months ended December 31, 2018 and 2017, respectively. Our general and administrative expenses for the nine months ended December 31, 2018 were approximately \$403,000 and approximately \$275,000 for the nine months ended December 31, 2017. Our general and administrative expenditures were primarily for legal, accounting & professional fees, investor relations and other general and administrative expenses necessary for our operations.

We had losses from operations for the nine months ended December 31, 2018 and 2017 totaling approximately \$436,000 and \$317,000, respectively, and a net loss for the nine months ended December 31, 2018 and 2017 totaling approximately \$462,000 and \$342,000, respectively. We accrued interest expense on notes payable totaling approximately \$25,000 and \$25,000 for the nine months ended December 31, 2018 and 2017, respectively.

Three months ended December 31, 2018 and 2017

We had no operating revenues for the three months ended December 31, 2018 and 2017. We are not currently profitable. As a result of ongoing operating losses, we had an accumulated deficit of \$4,845,646 as of December 31, 2018.

Our general and administrative expenses for the three months ended December 31, 2018 and 2017 were approximately \$108,000 and \$87,000, respectively. Our general and administrative expenditures were primarily for legal, accounting & professional fees, investor relations and other general and administrative expenses necessary for our operations. Our exploration expenses for the three months ended December 31 30, 2018 and 2017 were approximately \$12,000 and \$22,000, respectively.

We had losses from operations for the three months ended December 31, 2018 and 2017 totaling approximately \$120,000 and \$109,000, respectively, and a net loss for the three months ended December 31, 2018 and 2017 totaling approximately \$128,000 and \$117,000, respectively. We accrued interest expense on notes payable totaling approximately \$8,000 and \$8,000 for three months ended December 31, 2018 and 2017.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, results of operations, liquidity or capital resources.

Critical Accounting Estimates

Management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. Preparation of financial statements requires management to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and the related disclosures of contingencies. Management bases its estimates on various assumptions and historical experience, which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are fairly presented in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Management believes that the following critical accounting estimates and judgments have a significant impact on our financial statements; Valuation of options granted to Directors and Officers using the Black-Scholes model, and fair value of mineral properties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

At the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operations of our disclosure controls and procedures (as

defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act). Based on that evaluation the CEO and CFO have concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were not effective in ensuring that: (i) information required to be disclosed by us in our reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during our most recent fiscal quarter that ave materially affected, or are reasonably likely to materially effect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

There have been no material changes from the risk factors as previously disclosed in our Form 10-K for the year ended March 31, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Except as set forth below, all unregistered sales of equity securities during the period covered by this Quarterly Report were previously disclosed in our current reports on Form 8-K or quarterly reports on Form 10-Q and up to the date of this filing.

Date	Description	Number	Purchaser	Proceeds (\$)	Consideration	Exemption (A)
October 2018	Common Stock	300,000	Consultant	\$Nil	Services	Sec. 4(a)(2)
January -February 2019	Common Stock	2,300,000	PP Investors	\$230,000	Cash	Sec. 4(a)(2)
January – February 2019	Common Stock Purchase Warrants	2,300,000	PP Investors	\$Nil	--	Sec. 4(a)(2)

(A) With respect to sales designated by “Sec. 4(a)(2),” these securities were issued pursuant to the exemption from registration contained in to Section 4(a)(2) of the Securities Act as privately negotiated, isolated, non-recurring transactions not involving any public offer or solicitation. Each purchaser represented that such purchaser’s intention to acquire the securities for investment only and not with a view toward distribution. None of the securities were sold through an underwriter and accordingly, there were no underwriting discounts or commissions involved.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosure

Pursuant to Section 1503(a) of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (The “Dodd-Frank Act”), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. During the quarter ended September 30, 2017, our U.S. exploration properties were not subject to regulation by the Federal Mine Safety and Health Administration (“MSHA”) under the *Federal Mine Safety and Health Act of 1977* (the “Mine Act”).

Item 5. Other Information

None.

Item 6. Exhibits.

The following exhibits are attached hereto or are incorporated by reference:

Exhibit Number	Description
<u>3.1 (i), (ii)</u>	Articles and Bylaws incorporated by reference from our Registration Statement on Form 10-SB filed on February 27, 2003.
<u>3.2</u>	Certificate of Amendment to the Articles of Incorporation dated June 2, 2005 incorporated by reference from our quarterly report on Form 10-QSB filed on November 17, 2006.
<u>3.3</u>	Certificate of Change dated June 2, 2005 incorporated by reference from our quarterly report on Form 10-QSB filed on November 17, 2006.
<u>3.4</u>	Certificate of Amendment to the Articles of Incorporation incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
<u>3.5</u>	Certificate of Change incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006.
<u>3.6</u>	Articles of Incorporation of Urex Energy Corp.. incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006.
<u>3.7</u>	Articles of Merger incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006.
<u>3.8</u>	Certificate of Change incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006.
<u>3.9</u>	Certificate of Correction with respect to the Certificate of Change incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006.
<u>3.10</u>	Certificate of Correction with respect to the Articles of Merger incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006.
<u>3.11</u>	Amended Articles and Plan of Merger filed on September 14, 2012 incorporated by reference from our Current Report on Form 8-K filed on October 3, 2012.
<u>16.1</u>	Letter from PLS, CPA dated April 2, 2013 incorporated by reference from our Current Report on Form 8-K filed on April 5, 2013.
<u>14.1</u>	Our Code of Ethics adopted April 26, 2013 incorporated by reference from our annual report on Form 10-K filed on July 1, 2013.
<u>31.1*</u>	Section 302 Certification of Richard Bachman, Chief Executive Officer
<u>31.2*</u>	Section 302 Certification of Wm. Chris Mathers, Chief Financial Officer
<u>32.1*</u>	Section 906 Certification of Richard Bachman, Chief Executive Officer
<u>32.2*</u>	Section 906 Certification of Wm. Chris Mathers, Chief Financial Officer

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DAKOTA TERRITORY RESOURCE CORP..

/s/ Gerald Aberle

By: Gerald Aberle, duly authorized officer
Chief Executive Officer and Principal Executive Officer
Dated: February 14, 2019

/s/ Wm. Chris Mathers

By: Wm. Chris Mathers, duly authorized officer
Chief Financial Officer and Principal Accounting Officer
Dated: February 14, 2019