



Muskrat Minerals Incorporated
Annual General and Special Meeting of Shareholders
to be held on December 8, 2014 at 2:00 pm (AST – Halifax Time)

Notice of Meeting
and
Management Information Circular

October 22, 2014

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MUSKRAT MINERALS INCORPORATED

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the “**Meeting**”) of holders of common shares of Muskrat Minerals Incorporated (the “**Corporation**”) will be held at 380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4 on December 8, 2014 at 2:00 p.m. (AST – Halifax Time) for the following purposes:

1. to receive the audited consolidated annual financial statements of the Corporation for the financial year ended June 30, 2014 and the report of the auditors thereon;
2. to elect eight (8) directors for the ensuing year;
3. to re-appoint Collins Barrow Toronto LLP, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. to approve, ratify and confirm all acts, contracts, proceedings, appointments and payments of money by the directors and officers of Corporation; and
5. to transact any such other business as may properly come before the Meeting or any adjournment(s) thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the information circular accompanying this notice of meeting.

Shareholders are invited to attend the Meeting. Registered shareholders who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and send it to the registrar and transfer agent of the Corporation, TMX Equity Transfer Services Inc. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received for verification by 2:00 p.m. (Halifax time) on December 4, 2014, or in the case of any adjournment of the meeting, not less than 48 hours prior to the time of such meeting. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

DATED at the Halifax Regional Municipality, in the Province of Nova Scotia, this 22nd day of October, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

By: (Original signed)
Name: David J. Hennigar
Title: Chairman

By: (Original signed)
Name: Lina Tannous
Title: Corporate Secretary

MUSKRAT MINERALS INCORPORATED

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation by the management of Muskrat Minerals Incorporated (the “**Corporation**”) of proxies to be used at the annual general and special meeting (the “**Meeting**”) of holders of common shares of the Corporation, to be held on December 8, 2013, at 2:00 p.m. (Halifax time) at 380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4 or at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the “**Notice of Meeting**”).

The costs incurred in the preparation and mailing of both the form of proxy and this Information Circular will be borne by the Corporation. In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

In this Information Circular, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are representatives of management of the Corporation and are directors and officers of the Corporation. **A shareholder has the right to appoint a person or corporation (who need not be a shareholder of the Corporation) other than the persons designated in the accompanying form of proxy to represent the shareholder at the Meeting. Such right may be exercised by inserting the name of such person or company in the blank space provided in the form of proxy or by completing another proper form of proxy.**

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its executed form of proxy with the Corporation’s transfer agent and registrar, TMX Equity Transfer Services Inc., 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (Attention: Proxy Department), on or before 2:00 p.m. (AST) on December 4, 2014, or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting at which the proxy is to be used. A proxy submitted in paper form should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney.

In addition to any other manner permitted by law, a proxy may be revoked, before it is exercised, by an instrument in writing executed in the same manner as a proxy and deposited to the attention of the President of the Corporation at the head office of the Corporation at any time up to 2:00 p.m. (AST) on the last business day before the day of the Meeting or any adjournment thereof at which the proxy is to be used or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof and thereupon the proxy is revoked. The head office of the Corporation is located at 380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4.

A shareholder attending the Meeting has the right to vote in person and, if the shareholder does so, his, her or its proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

NOTICE AND ACCESS

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily accessible website, rather than mailing physical copies of materials.

The shareholders of the Corporation passed a special resolution at the Corporation's annual general and special meeting of shareholders held on December 6, 2013 authorizing, amongst other matters, the electronic communication with its shareholders. The Corporation has therefore decided to deliver the Meeting materials to all registered and beneficial shareholders by posting the Meeting materials on its website www.musktratminerals.ca and such materials will remain on the website for one full year. The Meeting materials will also be available at www.sedar.com and www.noticeinsite.tmxequity.com/MusktratMineralsASM2014.

All shareholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting materials may request a copy by calling TMX Equity Transfer Services Inc. at 1.866.393.4891. Meeting materials will be sent to the shareholder at no cost to them.

VOTING OF PROXIES

The common shares represented by proxies appointing proxy nominees will be voted for or against or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the common shares represented by proxy shall be voted accordingly.

DISCRETIONARY AUTHORITY

If a specification is not made with respect to any matter, the proxy will confer discretionary authority and will be voted FOR each item of business. If a shareholder appointed someone else to attend the Meeting and vote on the shareholder's behalf, he or she can vote as they see fit.

ADVICE TO BENEFICIAL HOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders do not hold their common shares in their own name and thus are considered non-registered shareholders. Shareholders who do not hold their common shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker then, in almost all cases, those common shares will not be registered in the shareholder's name on the records of the Corporation. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker or another similar entity (an "**Intermediary**"). Common shares held by an Intermediary can only be voted by the Intermediary upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting common shares.

Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary. Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which instructions

should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as a proxyholder should enter their own name in the blank space on the form of proxy provided to them by their Intermediary and return the same to their Intermediary in accordance with the instructions provided by their Intermediary, well in advance of the Meeting.

NON-OBJECTING BENEFICIAL HOLDERS

These Meeting materials are being sent to both registered and non-registered owners of common shares. If you are a non-registered owner and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you and the accompanying Notice of Meeting are to registered shareholders unless specifically stated otherwise.

RECORD DATE

Persons registered on the common share records of the Corporation at the close of business on October 22, 2014 (the “**Record Date**”) are entitled to vote at the Meeting.

QUORUM

The by-laws of the Corporation provide two (2) persons present and each holding or representing by proxy at least five (5) percent of the shares entitled to vote at the meeting shall be a quorum.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of common shares. At the date hereof, the Corporation has 17,251,015 issued and outstanding common shares, each of which carries the right to one vote. No preferred shares are currently issued and outstanding.

There are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over common shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation other than as disclosed below.

Name	Shares Held ⁽¹⁾	Options Held ⁽¹⁾	% Undiluted	% Partially Diluted
David J. Hennigar	3,042,138	151,000	17.63%	18.35%
Francis MacKenzie	1,698,193	151,000	9.84%	10.63%

Notes:

(1) The above information was supplied to the Corporation by the shareholders and from insider reports available at www.sedi.com.

PRESENTATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the financial year ended June 30, 2014, together with the auditor's report thereon, will be presented to the shareholders at the Meeting, but no vote by the shareholders with respect thereto is proposed to be taken. Receipt at the Meeting of the auditor's report and the Corporation's financial statements for its most recently completed financial year will not constitute approval or disapproval of any matters referred to therein. The audited financial statements of the Corporation for the financial year ended June 30, 2014, together with the auditor's report thereon, have been filed and are available on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The board of directors (the "**Board**") of the Corporation presently consists of eight (8) directors. The Corporation proposes electing a Board of eight (8) directors.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Corporation or within the provisions of the *Business Corporations Act* (Alberta).

The following table sets out the names of the proposed nominees for election as directors, the country in which each is ordinarily resident, all offices of the Corporation now held by each of them, if any, their principal occupations, or employments during the past five years if such nominee is not presently an elected director, the period of time each has been a director of the Corporation, and the number of common shares of the Corporation beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name and Residence of Nominee	Position or Office	Principal occupation for the past 5 years	No. of Common Shares Beneficially Owned*
J. Paul Allingham ⁽¹⁾⁽²⁾ Burlington, ON	Independent Director since November, 2000	Mr. Allingham is currently a management consultant, a director and officer of Hut 2 Hut Events and a director of the Art Fair Company.	79,264 0.46%

David J. Hennigar Bedford, NS	Director & Chairman since October, 2001	Mr. Hennigar is currently a director or officer of numerous public and private companies, including High Liner Foods Inc., Thornridge Holdings Inc., Annapolis Group Inc., Envirosystems Inc., Landmark Global Financial Corporation, Aquarius Coatings Inc., SolutionInc Technologies Limited, and MedX Health Corp. He is also an investment advisor with Altus Securities Inc.	3,042,138 17.63%
C.H. (Bert) Loveless Waverly, NS	Director & VP since February, 2012	Mr. Loveless is a self-employed business consultant for over 14 years, providing advice on Canadian tax and accounting matters.	110,000 0.64%
Francis MacKenzie Bedford, NS	Director & President since February, 2012	Mr. MacKenzie is currently a director or officer of numerous private companies, including Grand River Ironsands Incorporated, North Atlantic Iron Corporation and Forks Specialty Metals Inc.	1,698,193 9.84%
Jean Marc MacKenzie⁽²⁾ Toronto, ON	Independent Director since February, 2012	Mr. MacKenzie is currently Senior Vice President, Health Management of Morneau Shepell Ltd. and also sits on its executive committee, as well as being a director of Grand River Ironsands Incorporated.	400,000 2.32%
Paul Snelgrove⁽²⁾ Goose Bay, NL	Independent Director since February, 2012	Mr. Snelgrove is a businessman based in in Happy Valley-Goose Bay, NL, as well as Chairman of the HVGB Airport Authority and a director of Grand River Ironsands Incorporated.	350,000 2.03%
K. Barry Sparks⁽¹⁾⁽³⁾ Toronto, ON	Independent Director since February, 2012	Mr. Sparks is currently a director of Dundee Corporation and a director and CEO of Cencotech Inc.. He is also the President of Torvan Capital Group, a division of Ashley Park Enterprises Inc.	259,796 1.51%
E. Christopher Stait-Gardner⁽¹⁾⁽³⁾ Vaughan, ON	Independent Director since November, 2000	Mr. Stait-Gardner is one corporate director of Cencotech Inc. and the independent chairman	110,514 0.64%

*The information as to residence, principal occupation(s) and Common Shares beneficially owned or controlled or directed is based on information furnished to the Corporation by the respective nominees as at the date of this Circular.

Notes:

(1) Member of the Audit Committee. J. Paul Allingham will continue to serve as Chairman of the Audit Committee.

- (2) Member of the Corporate Governance and Compensation Committee. Jean-Marc MacKenzie will continue to serve as Chairman of the Corporate Governance and Compensation Committee.
- (3) K. Barry Sparks and E. Christopher Stait-Gardner both sit on the board of Cencotech Inc.

BIOGRAPHIES OF PROPOSED DIRECTORS

The following are short biographies of each nominee for election as a director of the Corporation:

J. Paul Allingham – Executive Vice President dmg world media from 2000 to 2006; Chief Financial Officer & Secretary, dmg world media from 1996 to Dec. 2006; Chief Financial Officer, Bruncor Inc. and New Brunswick Telephone Company Ltd. from 1993 to 1996.

David J. Hennigar – Chairman of High Liner Foods Inc., a major North American marketer of seafood products (listed TSX); Chairman of Thornridge Holdings Limited; Chairman of Annapolis Group Inc., a major real estate developer and parent of EnviroSystems Inc., a leading environmental company; Chairman of Landmark Global Financial Corporation (listed TSXV NEX); Chairman and Acting CEO of Aquarius Coatings Inc. (Listed TSXV). Also an investment advisor with Altus Securities Inc. Also a director of a number of other companies, including, SolutionInc Technologies Limited (listed TSXV), and MedX Health Corp. (listed TSXV).

C.H. (Bert) Loveless – Business consultant from 2000-Present; CFO PharmEng International Inc. 2006-08; CEO P2P Health Systems Inc. from 2000-06; CFO VR Interactive Corporation 2003-10; Deputy Minister, Province of NS from 1994-2000.

Francis MacKenzie – President and director of Grand River Ironsands Incorporated from 2007-Present; an employee of public companies and operated several businesses; was a senior official in municipal and provincial governments; an officer and director of two publicly traded companies including P2P Health Systems Inc. and the Corporation; and was Leader of a provincial political party.

Jean-Marc MacKenzie – Mr. MacKenzie is a member of the Bar in Ontario. He has 18 years of executive experience with international healthcare companies; is extensively involved in the mining industry with respect to health and safety regulatory compliance and is a health management governance director of Grand River Ironsands Incorporated. Mr. MacKenzie is currently Senior Vice President, Health Management of Morneau Shepell Ltd. (TSX:MSI) and also sits on its executive committee. Mr. MacKenzie is also a director of Grand River Ironsands Incorporated.

Paul Snelgrove - Businessman in Happy Valley-Goose Bay, NL as well as Chairman of the HVGB Airport Authority and a Director of Grand River Ironsands Incorporated.

K. Barry Sparks - Director, Dundee Corporation (listed TSX); CEO and Director Cencotech Inc. (TSX.V); President, Torvan Capital Group, a division of Ashley Park Enterprises Inc., corporate finance, advisory and management company.

E. Christopher Stait-Gardner - Corporate director Cencotech Inc. (TSXV:CTZ). Mr. Stait-Gardner was the President and a director of Giesecke and Devrient Canada Inc. from 1996 to 1999 following its acquisition of Security Card Systems Inc., a business he and his family owned from 1989 and of which Mr. Stait-Gardner had been President. Prior to 1989, he held executive officer positions within a variety of companies including NBS Transaction Services Inc., Bank of Montreal, Hudson's Bay Company and IBM Canada Limited. Mr. Stait-Gardner has also served as Vice Chairman, Interac Association, President, MasterCard Association of Canada and was a member of the Senior Planning Committee of the Canadian Payments Association; the Canadian Bankers Association, Interbank Operations Committee and the Retail Counsel of Canada, Systems Committee. He also previously served as a member of the Board of CIRRUS Systems Inc. of Chicago.

The Board does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy

intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

Except as disclosed below, no proposed director of the Corporation is, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company that: (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO. For the purposes hereof, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Mr. Hennigar was a director of (i) Landmark Global Financial Corporation Limited at the time Landmark Global Financial Corporation Limited had a temporary cease trade order in place from May 7, 2012 for failing to file annual financial statements on time; and when it was delisted as of October 20, 2014 for failure to pay its quarterly NEX listing maintenance fee; (ii) Aquarius Coatings Inc. at the time Aquarius Coatings Inc. had a management cease trade order in place from December 12, 2008 to January 14, 2009 for failing to address TSX Venture Exchange requirements with respect to failing to holding shareholder meetings for the financial years ended March 31, 2007 and March 31, 2008, and an trading halt issued by IIROC on September 11, 2014 for failing to maintain TSXV requirements; (iii) MedX Health Corp. at the time MedX Health Corp. had a management cease trade order in place from (1) January 21, 2010 to February 26, 2010 for failing to hold its financial 2008 annual general meeting within the timeframes required by applicable corporate law and Exchange policy, (2) May 6, 2010 to June 30, 2010 for failing to file its audited annual financial statements, its management discussion and analysis, and its certification of the foregoing filings as required by National Instrument 52-109: *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the year ending December 31, 2009 on or before the prescribed deadline, (3) May 7, 2012 to May 22, 2012 for failing to file its audited annual financial statements, its management discussion and analysis, and its certification of the foregoing filings as required by National Instrument 52-109: *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the year ending December 31, 2011 on or before the prescribed deadline, (4) May 16, 2013 to May 20, 2013 for failing to file its audited annual financial statements, its management discussion and analysis, and its certification of the foregoing filings as required by National Instrument 52-109: *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the year ending December 31, 2012; (iv) was a director of SolutionInc Technologies Limited at the time SolutionInc Technologies Limited had a temporary cease trade order, issued by the British Columbia Securities Commission, in place from August 9, 2011 to August 24, 2011 for failing to file annual financial statements on time; had a cease trading order in place issued by the British Columbia Securities Commission on October 6, 2011 for failing to file June 30, 2011 quarterly financial statements on time and had a cease trading order in place issued by the Alberta Securities Commission on January 4, 2012 for failure to file September 30, 2011 quarterly financial statements on time.

No proposed director of the Corporation: (a) is, or has been, within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. Hennigar who was a director of KLJ Field Services Inc., a private Nova Scotia company, which made an assignment in bankruptcy on February 25, 2009; or (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

REAPPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, the shareholders will be called upon to approve the reappointment of Collins Barrow Toronto LLP (“Collins”) as auditor of the Corporation to hold office until the close of the next annual meeting of shareholders, and to authorize the Board to establish its remuneration.

The Board recommends that shareholders vote FOR the reappointment of Collins as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. Unless the shareholder directs that his, her or its common shares are to be withheld from voting in connection with the reappointment of the auditor, the persons named in the enclosed form of proxy will vote FOR the reappointment of Collins as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. A majority of the votes cast by shareholders at the Meeting is required to approve the reappointment of the auditor and to authorize the directors to fix the remuneration of the auditor.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The Corporation has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Corporate Governance and Compensation Committee (discussed below) has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation awarded to the executive officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the executive with the interests of the Corporation. The other two elements of the compensation the Corporation awards to its executives are: (i) base cash consulting fees; and (ii) in applicable circumstances, cash bonus payments for achievement of stated milestones or benchmarks. The Corporation does not provide executives with perquisites or personal benefits that are not otherwise available to all of our employees.

The deliberations of the Corporate Governance and Compensation Committee are conducted in a special session from which management is absent.

These deliberations are intended to advance the key objectives of the compensation program for the Corporation’s executives. At the request of the Compensation Committee, the executives may, from time to time, provide advice to the Corporate Governance and Compensation Committee with respect to the compensation program for the Corporation’s executives. The Committee makes recommendations regarding the compensation to be awarded to the executives to the full Board of Directors.

The Corporation relies on its Corporate Governance and Compensation Committee and its Board, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its executives. The Board is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the executives of the Corporation, and to others, including, without limitation, to the Corporation’s directors, and for reviewing the Corporate Governance and Compensation Committee’s recommendations regarding the compensation to be awarded to any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer’s position. The Board incorporates the following goals when it makes its compensation decisions with respect to the Corporation’s executives: (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation’s shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

SUMMARY COMPENSATION TABLE

Securities legislation requires the disclosure of certain financial and other information relating to a reporting issuer's 'Named Executive Officers', which are defined as an issuer's CEO, CFO and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity whose total compensation was, individually, more than \$150,000 in the last fiscal year.

The following table sets forth the compensation earned in each of the Corporation's three most recently completed financial years by its Named Executive Officers

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Francis MacKenzie President (CEO)	2014	105,000 ⁽²⁾	Nil	54,000 ⁽³⁾	Nil	Nil	Nil	Nil	159,000
	2013	105,000 ⁽²⁾	Nil	24,222	Nil	Nil	Nil	Nil	129,222
	2012	12,500	Nil	7,778	Nil	Nil	Nil	Nil	20,278
Lorne MacFarlane Chief Financial Officer	2014	30,000	Nil	54,000 ⁽³⁾	Nil	Nil	Nil	Nil	84,000
	2013	30,000	Nil	24,222	Nil	Nil	Nil	Nil	54,222
	2012	12,500	Nil	7,778	Nil	Nil	Nil	Nil	20,278
C. H. (Bert) Loveless Vice President (COO)	2014	30,000	Nil	54,000 ⁽³⁾	Nil	Nil	Nil	Nil	84,000
	2013	30,000	Nil	24,222	Nil	Nil	Nil	Nil	54,222
	2012	7,500	Nil	7,778	Nil	Nil	Nil	Nil	15,278

Notes:

- (1) Based on the grant date fair value of the applicable awards. The fair value of options granted are estimated at the date of grant using a Black-Scholes Option Pricing Model.
- (2) Mr. MacKenzie is paid a consulting fee by the Corporation of \$30,000 and a consulting fee of \$75,000 by Grand River Ironsands Incorporated, the Corporation's partially owned subsidiary, for a consolidated fee of \$105,000.

- (3) On December 6, 2014, each Named Executive Officer was awarded 85,000 stock options to purchase the same number of common shares. The stock options vested immediately and expire on December 6, 2023. Each option is exercisable at \$0.85. The closing market price on December 6, 2013 was \$0.85 per share and the fair value assigned to these stock options was calculated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 100.00%, risk-free interest rate 1.50% and average expected life of 5 years. The fair value of each stock option granted was \$0.635 per option, and the aggregate fair value assigned to these stock options for each Named Executive Officer was \$54,000.

INCENTIVE PLAN - OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets out for each Named Executive Officer all option-based awards outstanding at the end of the most recently completed financial year. There were no share based awards.

Name	Option Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Francis MacKenzie	85,000	0.85	December 6, 2023	Nil
	16,000	0.65	May 28, 2022	800
	50,000	0.65	November 30, 2022	2,500
Lorne MacFarlane	85,000	0.85	December 6, 2023	Nil
	16,000	0.65	May 28, 2022	800
	50,000	0.65	November 30, 2022	2,500
C. H. (Bert) Loveless	85,000	0.85	December 6, 2023	Nil
	16,000	0.65	May 28, 2022	800
	50,000	0.65	November 30, 2022	2,500

Notes:

- (1) On May 28, 2012, the Corporation's closing share price was \$0.61. On November 30, 2012, the closing share price was \$0.65. On December 6, 2013, the closing share price was \$0.85.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation has no plan or arrangement whereby any Named Executive Officer may be compensated in an amount exceeding \$100,000 in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a subsidiary or a change in the Named Executive Officer's responsibilities following such a change of control.

PENSION, RETIREMENT PLANS AND PAYMENTS MADE UPON TERMINATION OF EMPLOYMENT

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or

related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

EMPLOYMENT CONTRACTS

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, the executive officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full time employees) during the last completed financial year.

COMPENSATION OF DIRECTORS

The Corporation's Corporate Governance and Compensation Committee and its Board makes the determination as to the appropriate level of remuneration for the directors and officers of the Corporation. Remuneration is assessed and determined by taking into account such factors as the size of the Corporation and the level of compensation earned by directors and officers of companies of comparable size and industry. Each of the Corporation's directors is entitled to receive compensation of \$350 per meeting for their services, and participate in the Corporation's stock option program.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers. Reference is made to "Compensation of Executive Officers".

The Corporation's stock option plan is for the granting of incentive stock options to the directors, officers, employees and consultants of the Corporation and its affiliates. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating such persons and to closely align the personal interests of such persons to that of the shareholders.

During the most recently completed financial year, directors of the Corporation did **not** receive any share-based awards, non-equity incentive plan compensation, or any pension benefits, but were compensated for attendance at meetings and granted option-based awards as detailed below:

Name	Fees earned (\$)¹	Option-based awards (\$)²	Total compensation (\$)
Paul Allingham	3,150	54,000	57,150
David Hennigar	1,750	54,000	55,750
Jean-Marc MacKenzie	1,400	54,000	55,400
Paul Snelgrove	1,750	54,000	55,750
E. Christopher Stait-Gardner	2,800	54,000	56,800
K. Barry Sparks	2,800	54,000	56,800

Notes:

- (1) Compensation for the directors of the Company who are also the Named Executive Officers is not provided in the summary compensation table above.
- (2) Figures represent the fair value of the options. The Company used the Black-Scholes option pricing model for calculating such fair value, as such model is commonly used by junior public companies

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column (a))
Equity compensation plans approved by security holders	594,000	\$0.65	2,856,203
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	1,579,000	\$0.77	1,871,203

STATEMENT OF CORPORATE GOVERNANCE

NI 58-101 and National Policy 58-201 – Corporate Governance Guidelines (“NP 58-201”) set out a series of guidelines for effective corporate governance. Each reporting issuer, including the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The Corporation's disclosure with respect to its corporate governance practices is attached to this Information Circular as Schedule “A”.

AUDIT COMMITTEE INFORMATION

AUDIT COMMITTEE CHARTER

The Corporation must, pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“NI 52-110”), have a written charter which sets out the duties and responsibilities of its audit committee. The audit committee is responsible for overseeing the accounting and financial reporting process of the Corporation and annual external audits of the consolidated financial statements. The audit committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out in the Corporation's audit committee mandate, attached to this Information Circular as Schedule “B”. The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is currently comprised of J. Paul Allingham (Chairman), E. Christopher Stait-Gardner and K. Barry Sparks, each of whom is financially literate and considered independent pursuant to National Instrument 52-110 – Audit Committees (“NI 52-110”).

RELEVANT EDUCATION AND EXPERIENCE

The relevant education and experience of each current and proposed Audit Committee member is disclosed above under “Election of Directors – Biographies of Proposed Directors”.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation’s most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

RELIANCE ON CERTAIN EXEMPTIONS

The Corporation has not relied on the exemption in Section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, which relates to the Audit Committee’s pre-approval of non-audit services.

The Corporation has not relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110, which permits a securities regulatory authority or regulator to grant an exemption from the requirements of NI 52-110.

The Corporation is exempt from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Auditors”.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The approximate aggregate fees billed by the Corporation’s external auditors during the in each of the last three financial years are described below:

Financial Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2014	\$80,000	Nil	Nil	Nil
2013	\$100,000	Nil	Nil	Nil
2012	\$35,000	Nil	Nil	Nil

OTHER

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Information Circular, no director, proposed nominee for election as a director, senior officer, or any of their respective associates or affiliates, is or has been indebted to the Corporation or its subsidiaries, other than as disclosed in this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, no informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

To the knowledge of the Board of the Corporation, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

APPROVAL AND RATIFICATION OF ACTS OF DIRECTORS AND OFFICERS

Management of the Corporation proposes that the shareholders ratify, approve and confirm the actions, deeds and conduct of the directors and officers taken on behalf of the Corporation since the last annual meeting. Accordingly, shareholders will be asked to consider and approve the following resolutions, with or without modification:

“RESOLVED, as an Ordinary Resolution, that:

- (a) notwithstanding (i) any failure to properly convene, proceed with, or record any meeting of the Board of the Corporation for any reason whatsoever, including, without limitation, the failure to properly waive or give notice of a meeting, hold a meeting in accordance with a notice of a meeting, have a quorum present at a meeting, sign the minutes of a meeting or sign a ballot electing a slate of directors; or (ii) any failure to pass any resolution of the directors or shareholders of the Corporation or any by-laws of the Corporation for any reason whatsoever, all approvals, appointments, elections, resolutions, contracts, acts and proceedings enacted, passed, made done or taken since the last annual general meeting as set forth in the minutes of the meetings, or resolutions of the Board of Directors or shareholders of the Corporation or other documents contained in the minutes book and record book of the Corporation, or in the financial statements of the Corporation, and all action heretofore taken in reliance upon the validity of such minutes, documents and financial statements, are hereby sanctioned, ratified, confirmed and approved; and
- (b) without limiting the generality of the foregoing, all resolutions, contracts, acts and proceedings of the Board of Directors of the Corporation enacted, made, done or taken since the last annual general meeting as set forth or referred to in the minutes and record books of the Corporation or in the financial statements of the Corporation, are hereby approved, ratified and confirmed.”

OTHER BUSINESS

Management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

GENERAL

All matters, other than those described as special resolutions, to be brought before the Meeting require, for the passing of same, a simple majority of the votes cast at the Meeting by the holders of common shares.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com and on the CSE at www.cnsx.ca. The Corporation will provide to any person or company, upon request to the Corporation, one copy of the Corporation's most recently filed annual financial statements and MD&A and any interim financial statements and associated MD&A of the Corporation that have been filed for any period after the end of its most recently completed financial year. The Corporation may require the payment of a reasonable charge when a request is made by someone who is not a holder of common shares. Requests should be made in writing to the Corporation's at 311-380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4.

BOARD APPROVAL

The contents and sending of this Information Circular have been approved by the Board of Directors of the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS

By: *(Original signed)*
Name: David J. Hennigar
Title: Chairman

By: *(Original signed)*
Name: Lina Tannous
Title: Corporate Secretary

SCHEDULE “A” - CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Board of Directors of the Corporation (the “**Board**”) are responsible for overseeing the management of the Corporation and the conduct of the Corporation’s affairs. The Board consisted of eight members - J. Paul Allingham, David Hennigar, C.H. (Bert) Loveless, Francis Mackenzie, Jean-Marc MacKenzie, Paul Snelgrove, K. Barry Sparks, and E. Christopher Stait-Gardner, five (5) of whom are independent. Directors are expected to attend board meetings and meetings of the committees on which they serve and to spend the time needed to properly discharge their responsibilities.

The attendance record of each director for all Board and Committee meetings held during the Corporation’s most recently completed financial year is set out below:

Director	Total No. of Board Meetings	Total No. of Committee Meetings	Attendance %
J. Paul Allingham	5 out of 5	8 out of 8	100%
David Hennigar	5 out of 5	5 out of 5	100%
C.H. (Bert) Loveless	5 out of 5	5 out of 5	100%
Francis Mackenzie	5 out of 5	5 out of 5	100%
Jean-Marc MacKenzie	3 out of 5	2 out of 3	63%
Paul Snelgrove	4 out of 5	3 out of 3	88%
K. Barry Sparks	5 out of 5	5 out of 5	100%
E. Christopher Stait-Gardner	5 out of 5	5 out of 5	100%

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is comprised of a majority of independent directors.

During the year ended June 30, 2014, in addition to being directors of the Corporation, David J. Hennigar was chairman or director of Assisted Living Concepts, Inc., Landmark Global Financial Corporation, MedX Health Corp., High Liner Foods Inc., Aquarius Coatings Inc., and SolutionInc Technologies; Mr. K. Barry Sparks was a director of Cencotech Inc. (TSXV:CTZ), Dundee Corporation (TSX:DC.A) and E. Christopher Stait-Gardner was a director of Cencotech Inc. Information regarding other directorships held by nominees for election or re-election to the Board is set out under “Election of Directors”.

Orientation and Continuing Education

The Corporation does not have a formal orientation or continuing education program for directors. All of the current directors are intimately familiar with the Corporation’s business and activities. New directors are provided with access to

recent, publicly filed documents of the Corporation and given copies of all Board minutes and corporate governance materials. New directors are encouraged to ask questions and communicate with management and employees to keep themselves current with industry trends and changes in corporate legislation.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements. Mr. Bert Loveless has been appointed the Ethics Officer of the Corporation as the key contact person for any ethics related matters pursuant to the Corporation's Code of Business Conduct and Ethics. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board does not have a nominating committee. Instead, the Board, the Corporate Governance and Compensation Committee and management work together to identify new candidates for nomination, taking into account the qualifications of the proposed directors and the specific needs, expertise or vacancies required to be filled among the Board.

Audit Committee

The Corporation's Audit Committee is currently comprised of three (3) directors, Paul Allingham (Chairman), K. Barry Sparks and Chris Strait- Gardner. All members are independent and all of the Audit Committee members are financially literate.

Corporate Governance and Compensation Committee

The Corporation has a Corporate Governance and Compensation Committee which reviews the compensation of directors and officers, including the granting of stock options and makes recommendations to the full Board of Directors. The Corporate Governance and Compensation committee consists of three (3) independent directors: Jean-Marc MacKenzie (Chairman), J. Paul Allingham and Paul Snelgrove. The Corporate Governance and Compensation Committee determines compensation of directors and officers with reference, in part, to compensation of officers and directors in similar industries performing similar functions.

Assessments

The Board does not make regular formal assessments of the Board, its committees or its members. The Board satisfies itself on an informal basis, from time to time, that its members and its committees are performing effectively.

SCHEDULE "B" - AUDIT COMMITTEE MANDATE

1. Establishment of Committee

1.1 *Establishment of the Audit Committee Confirmed*

The establishment of the audit committee of the board of directors of Muskrat Minerals Incorporated is hereby confirmed with the purpose, constitutions and responsibilities herein set forth.

1.2 *Certain Definitions*

In this mandate:

- (a) **"Board"** means the board of directors of Muskrat Minerals Incorporated;
- (b) **"Chair"** means the chair of the Committee;
- (c) **"Committee"** means the audit committee of the Board;
- (d) **"Director"** means a member of the Board;
- (e) **"External Auditor"** means the person occupying the office of auditor of the Corporation in accordance with the Alberta *Business Corporations Act*;
- (f) **"Internal Auditor"** means the person responsible for the internal audit function with respect to Muskrat Minerals Incorporated;
- (g) **"Mandate"** means this written mandate of the Committee and any such mandate for the Committee which the Board resolves from time to time shall be the mandate of the Committee; and
- (h) **"Muskrat Minerals", "Corporation" or "MMI"** means Muskrat Minerals Incorporated.

2. Purpose and Objective

2.1 *Purpose*

The Committee's purpose is to assist the Board in the discharge of its obligations in connection with:

- (a) the integrity of the company's financial statements;
- (b) the company's compliance with legal and regulatory requirements;
- (c) the independent auditor's qualifications and independence; and
- (d) the integrity of the company's internal control and management information systems.

2.2 *Discharge of Responsibilities*

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Sections 8 and 9 of this Mandate.

3. **Authority and Outside Advisors**

The Board authorizes the Committee, within the scope of its responsibilities, to seek information it requires from any employee. The Board further authorizes the Committee to communicate directly with internal and external auditors in fulfillment of this mandate.

The Committee shall also have the authority to retain (and terminate) such outside legal, accounting or other advisors as it may consider appropriate and shall not be required to obtain the approval of the Board in order to retain or compensate such advisors. The Committee shall have sole authority to approve related fees and retention terms.

4. **Committee Membership**

4.1 *Number of Members*

The Committee shall consist of not fewer than three Directors, at least twenty-five percent of whom shall be Canadian residents. For greater certainty, every member of the Committee must be a Director.

4.2 *Independence of Members*

Unless otherwise determined by the Board and permitted by ML 52-110, the Committee shall be composed solely of Directors who a) Have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of such Director's independent judgment; and b) Are otherwise independent as determined in accordance with ML 52-110.

4.3 *Financial Literacy*

(a) Requirement - Each member of the Committee shall be financially literate.

(b) Definition - "Financially literate" shall mean that the member is capable of understanding and interpreting financial statements and competent in the analysis of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues reasonably expected to be raised in the preparation and presentation of MMI's financial statements.

4.4 *Accounting or Related Financial Experience*

Members should have education and experience that is relevant to his or her responsibilities as an audit committee member including:

(a) an understanding of generally accepted accounting principles and financial statements;

(b) ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;

(d) an understanding of internal controls and procedures for financial reporting; and

(e) an understanding of audit committee functions.

4.5 *Annual Appointment of Members*

The members of the Committee shall be appointed by the Board. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

4.6 *Vacancy*

The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. When such vacancy is the result of the death, disability or resignation of a member of the Committee and where the Board is required to fill such vacancy, the Committee member so appointed shall be exempt from the independence and financial literacy requirements in Sections 4.2 and 4.3 respectively until the later of (i) the next annual general meeting of the Corporation or (ii) the date that is six months from the day of vacancy was created.

5. **Committee Chair**

5.1 *Board to Appoint Chair*

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair from among its members). If, at any meeting, the Chair is not in attendance, then the Vice-Chair, if any, shall be responsible for chairing the meeting and for delivering a casting vote, as necessary.

5.2 *Chair to be Appointed Annually*

The designation of its Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5.3 *Casting Vote*

In case of an equality of votes, the Chair in addition to his original vote shall have a second or casting vote.

6. **Committee Meetings**

6.1 *Quorum*

A quorum of the Committee shall be a majority of its members (present in person or by telephone). No business shall be transacted by the Committee except at a meeting at which a quorum of the Committee is present.

6.2 *Secretary*

The Secretary of the Committee will be the Secretary of the Board, unless otherwise appointed by the Chair. The Secretary may, but need not, be a member of the Committee.

6.3 *Time and Place of Meetings*

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least quarterly. In addition, meetings may be called by any member of the Committee or by the External Auditor on not less than 72 hours' notice unless such notice is waived by all members of the Committee and by the External Auditor.

6.4 *Right to Vote*

Each member of the Committee shall have the right to vote on matters that come before the Committee.

6.5 *Invitees*

The External Auditor, the Chief Executive Officer and the Chief Financial Officer of Muskrat Minerals shall be entitled to receive notice of and to be heard at each meeting of the Committee, as non-voting observers. The Committee may additionally invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

6.6 *Non-Management Sessions*

As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee reviews the interim financial statements, the Committee shall meet separately with each of:

- (a) management; and
- (b) the External Auditor, for the annual audited financial statements.

In addition, at the conclusion of all other meetings of the Committee, the non-management directors shall meet without any member of management being present (including any Director who is a member of management). No minutes of the non-management sessions will be taken unless the Chair of the meeting requests in writing that the discussion be added to the meeting minutes.

7. **Remuneration of Committee Members**

7.1 *Director Fees Only*

No member of the Committee may accept, directly or indirectly, any fees from the Corporation or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares options or other in-kind consideration ordinarily available to Directors, as well as all of the regular benefits that other Directors receive).

7.2 *Other Payments*

For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Corporation and its affiliates.

8. **Duties and Responsibilities of the Committee**

8.1 *Financial and Related Information*

(a) **Financial Reporting** - The Committee shall only review annual and interim financial reports and related financial documents for release to the public after the Chief Financial Officer has certified that the financial statements provide full and complete disclosure and that no material undisclosed liabilities or contingencies exist.

(b) **Annual Financial Statements** - The Committee shall review and discuss with management and the External Auditor, the Corporation's annual financial statements and related MD&A and report thereon to the Board before the Board approves those statements for release to the public.

(c) **Interim Financial Statements** - The Committee shall review and discuss with management, the Corporation's interim financial statements and related MD&A before they are submitted to the Board of Directors for approval and release to the public.

- (d) Annual and Interim Earnings – The Committee shall review and discuss with management the press releases relating to the Corporation’s annual and interim earnings before such press releases are publicly disclosed.
- (e) Accounting Treatment - The Committee shall review and discuss with management [and the External Auditor] on a timely basis:
- (i) major issues regarding accounting policies, principles and financial statement presentations, including any significant changes in the Corporation’s selection or application of accounting principles and major issues as to the adequacy of the Corporation’s internal controls and any special audit steps adopted in light of material control deficiencies;
 - (ii) analyses prepared by management [and the External Auditor] setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of IFRS methods on the financial statements;
 - (iii) the effect on the financial statements of the Corporation of regulatory and accounting initiatives and issues, as well as off-balance sheet transactions, structures, obligations(including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
 - (iv) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
 - (v) any financial information or financial statements in prospectuses and other offering documents;
 - (vi) the management certifications of the financial statements as may be required by applicable securities laws in Canada or otherwise, and all certifications and reports of any disclosure committee established by management from time to time;
 - (vii) any other relevant reports or financial information submitted by the Corporation to any governmental body or to the public.
- (f) Discussion of Accounting Treatments - The Committee shall have direct communication channels with the External Auditor to discuss and review specific issues as appropriate.
- (g) Disclosure of Other Financial Information - The Committee shall discuss with management and the External Auditor, if deemed necessary:
- (i) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases paying particular attention to any use of “pro forma” or “adjusted” non-IFRS, information; and
 - (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies; and
 - (iii) the public disclosure of any other financial information extracted from financial statements other than the public disclosure referred to in (a), (b) and (c).
- (h) Review of Communications - The Committee shall review with the External Auditor all material written communication between the External Auditor and management including, but not limited to, the management letter and any schedule of unadjusted differences.

8.2 *External Auditor*

- (a) **Authority with Respect to External Auditor** - As the representative of Muskrat Minerals shareholders, the Committee shall be directly responsible for overseeing the work of the External Auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The Committee shall require the External Auditor to acknowledge in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) **Selection of External Auditor** – The committee shall have sole responsibility for recommending to the Board the External Auditor to be nominated to the Corporation’s shareholders for appointment and whether at any time the incumbent External Auditor should be removed from office. The Committee shall not recommend an External Auditor who is not a participating audit firm as defined in National Instrument 52-108 – Auditor Oversight.
- (c) **Compensation of External Auditor** – The Committee shall have sole responsibility for recommending the compensation of the External Auditor to the Board.
- (d) **Competency of External Auditor** - Once each year (and otherwise as the Chair may consider appropriate) the Committee shall review with the External Auditor its performance and that of the lead audit partner and obtain and review a report by the External Auditor describing:
- (i) the External Auditor's internal quality-control procedures;
 - (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor's firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor's firm, and any steps taken to deal with any such issues;
 - (iii) all material relationships between the External Auditor and the Corporation (for the purposes of assessing the auditor's independence); and
 - (iv) to review annually with the External Auditor its performance and that of its lead audit partner.
- (e) **Review of Audit Problems** - The Committee shall review with the External Auditor any audit problems or difficulties and management's response.
- (f) **Independence** - The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process:
- (i) The Committee shall require the External Auditor to submit on a periodic basis to the Committee, a formal written statement delineating all relationships between the External Auditor and Muskrat Minerals and that the Committee is responsible for actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for recommending that the Board take appropriate action in response to the External Auditors' report to satisfy itself of the External Auditors' independence; and
 - (ii) The Committee shall pre-approve any non-audit services provided by the External Auditor to Muskrat Minerals or any of its subsidiaries and may delegate such preapproval authority to one or more of its independent members. The pre-approval of all such non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such preapproval.
 - (iii) The Committee shall review and approve hiring policies with respect to partners, employees and former employees of present and former External Auditors.

8.3 *Management Response*

The Committee shall obtain management's response to significant remarks or findings of the External Auditor and shall follow-up as required on the status of the implementation of corrective measures.

8.4 *Related Party Transactions*

The Committee shall review and approve all related party transactions in which the Corporation is involved or which the Corporation proposes to enter into.

8.5 *Risk Assessment, Risk Management and Internal Control*

The Committee shall gain an understanding of the Corporation business and shall discuss the Corporation major financial risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall assess and evaluate management's internal control plan. The Committee shall obtain regular updates from management and legal counsel regarding compliance matters.

8.6 *Other Matters*

The Committee shall perform any other activities consistent with this Mandate, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

9. **Whistle Blowing**

9.1 *Procedure*

As soon as practicable following the release of rules implementing requirements with respect the procedures described in this Section 10.1, the Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

10. **Reporting to the Board**

10.1 *Regular Reporting*

The Committee shall report to the Board following each meeting of the Committee and at such other times as the Chair may determine to be appropriate (provided that the Committee shall report to the Board at least four times per year) and shall ensure that the Board is made aware of matters that may significantly affect the financial condition or affairs of Muskrat Minerals.

11. **Evaluation of Committee Performance**

11.1 *Establish Process*

In time, the Board shall establish a process for all committees of the Board for assessing the performance of such committees on a regular basis and, once established, the Committee shall follow such process in assessing its performance.

11.2 *Amendments to Mandate*

(a) Review by Audit Committee - The Committee shall recommend to the Board on an annual basis, any amendments it considers desirable to this mandate.

(b) Review by Board - The Board will review and reassess the adequacy of the Mandate on an annual basis and at such other times as it considers appropriate.

