

# MUSKRAT MINERALS INCORPORATED

## INTERIM MD&A-QUARTERLY HIGHLIGHTS

### FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

The following is a discussion of the unaudited interim consolidated financial statements and results of operations of Muskrat Minerals Incorporated (“MMI” or “the Corporation”) for the first quarter ended September 30, 2015. This interim discussion and analysis should be read in conjunction with the Corporation’s annual audited consolidated financial statements and the annual MD&A for the year ended June 30, 2015.

The interim consolidated financial statements are presented in Canadian dollars and have been prepared in compliance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These accounting policies are based on the IFRS standards and IFRIC interpretations that are applicable at September 30, 2015.

Additional information about MMI can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Canadian Securities Exchange at [www.cnsx.ca](http://www.cnsx.ca)

This Interim MD&A is dated as of November 27, 2015 and contains discussion of material events up to and including that date.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on the Corporation’s expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Corporation are set out below under “Risk Factors”. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

#### OVERVIEW

MUSKRAT MINERALS INCORPORATED is a publicly listed Corporation, trading on the Canadian Securities Exchange (the “CSE”), with a ticker symbol “YYR”, headquartered in Toronto, Canada.

The Corporation’s principal business is the investment in metals manufacturing to create pig iron for sale to steel mills and foundries, as well as to invest in mining projects of interest. It is currently a shareholder of Grand River Ironsands Incorporated (“**GRI**”) with 44.3% of GRI’s issued and outstanding common shares (41.3% at June 30, 2015 and 40.2% at June 30, 2014). GRI owns 62.2% (64.6% at June 30, 2015 and 67.2% at June 30, 2014) of North Atlantic Iron Corporation (“**NAIC**”). NAIC’s business emphasis is the manufacturing of pig iron, as well as owning mineral claims for an iron ore resource Happy Valley-Goose Bay, Newfoundland and Labrador. GRI also owns 100% of Forks Specialities Metal Inc. (“**FSM**”), which owns and operates two electric arc smelting furnaces in Easton, PA, USA. FSM is actively pursuing other opportunities to maximize the economic performance of its assets. The Corporation continues to seek potential joint ventures and partnerships to enhance the value of its existing properties

GRI and its JV partner, Petmin Limited (South Africa’s largest anthracite coal producer), have announced their intentions to build a merchant pig iron plant in North America. The site selection process has been shortened to two potential locations; either north of the Ohio River (on Lake Erie) or on or near the St. Lawrence Seaway.

## OPERATIONAL HIGHLIGHTS

- The work to complete the Preliminary Feasibility Study (PFS) for NAIC's first pig iron production facility continues. NAIC recently received positive indications from Pre-Feasibility engineering which outlined plant design and costed equipment. Based on the initial results of the Pre-Feasibility Study, the project partners have determined to proceed with the Bankable Feasibility Study (BFS). The BFS will use the plant design and equipment costing from the Pre-Feasibility work to develop a detailed installed plant capital cost, production costs, logistics cost and potential return on invested capital. The BFS will primarily focus on the Quebec site, however, feasibility studies will also continue on the site in Ohio. Final site location decision will come after the feasibility studies are finalized and negotiations with authorities and financial institutions relative to both locations have been concluded. Management anticipates the final site selection should be completed on or before June 30, 2016 and the BFS released soon thereafter.
- NAIC will commence the permitting measures on at least one site before December 31, 2015. An engineering firm, widely experienced in these matters, has won a competitive bid for the permitting work and will be awarded the contract. The full permitting process is estimated to take 15-18 months, however, the initial permitting work estimates and effort relative to the site selection will form an important aspect of the feasibility work. Indications to date from the pre-engineering and design reveal emissions from the plant will meet or exceed all present environmental standards, and is expected to be an industry leader in emission reductions relating to air and water. Positive environmental outputs will positively impact the permitting effort.
- GRI has undertaken a review of its wholly owned subsidiary Forks Specialty Metals (FSM), which owned and operates two electric arc furnaces in Pennsylvania. These furnaces were essential for testing various iron ore composition and coals and will continue to be required as a laboratory for refining the pig iron process going forward. However, they are underutilized and GRI management is currently evaluating partnering opportunities or a joint venture operation to more fully utilize this major asset. GRI are in advanced discussions with potential partners interested in a joint venture for a standalone, self-sustaining, commercial operation utilizing the FSM assets. The most promising opportunity is focused on smelting electronic waste to capture and recycle the copper, gold and other valuable metals found in end of life electronic units. The joint venture, if concluded, will be one of the few such smelting operations in the United States focused on electronic waste. Access to equipment for testing at FSM will be retained for any further advanced testing required on various materials to make pig iron. The target is to achieve a commercial use for the furnaces in 2016.
- Petmin have committed to advance their final US\$2 million investment by the end of 2015. This will fulfil their financial investment of US\$25 million earning a 40% equity position in NAIC.
- NAIC are currently in the process of raising an additional US\$10 million in financing. These funds will be used to ensure the project is funded through all remaining required permitting and engineering phases.
- The Canadian Securities Exchange has approved MMI moving from a "Mining" designation to "Diversified Industries". This change more accurately reflects the nature of MMI's investment focus. It is on manufacturing rather than mining.
- At the December 8, 2015, AGM, MMI Directors and Management will be advancing, for Shareholder approval, a proposal that the corporation change its' name to Metalo Manufacturing Inc. with a ticker symbol "MMI". The proposed name change will more accurately reflect the nature of MMI's present operation.

## **FINANCIAL SUMMARY**

The following discussion addresses the operating results and financial condition of the Corporation for the first quarter ended September 30, 2015. All results in this report are presented in Canadian dollars, unless otherwise indicated.

## **HIGHLIGHTS**

Following is a summary of the major financial highlights for the first quarter ended September 30, 2015, and to the date of this MD&A

- On April 14, 2015 GRI received a settlement for \$610,000 from the Province of Newfoundland and Labrador pursuant to an agreement dated March 24, 2015 between GRI and the Government of Newfoundland and Labrador from Parks Canada. This amount represents a recovery of the costs associated with the forfeiture of the Porcupine Strand licenses which became a part of the Mealy Mountain National Park. The funds were held in trust by GRI pending the finalization of a land transfer agreement between the Government of Canada (“Canada”) and the Government of Newfoundland and Labrador (“the Province”) and the reimbursement by Canada for costs incurred by the Province with respect to the termination of these claims. On September 14, 2015 GRI received a letter from the Province confirming that all conditions of the transfer had been met and the funds were released.
- On July 8, 2015, Petmin purchased 30 additional common shares in NAIC for a consideration of US\$2,000,000 increasing their holding to 37.8%.
- Subsequent to year end MMI acquired an additional 700,000 common shares of GRI for consideration of \$350,000 increasing their holdings to 44.3%.

## **Financial and operational results**

The following tables summarize selected yearly and quarterly financial results from operation for the last three fiscal years.

<b>Selected Consolidated Operating Results</b>		
	<b>First Quarter</b>	
	<b>30-Sep-15</b>	<b>30-Sep-14</b>
	<b>\$'s</b>	<b>\$'s</b>
Revenue	-	-
Expenses		
General & Admin	324,632	205,438
Operating	218,614	667,085
<b>Operating loss before under noted</b>	<b>(543,246)</b>	<b>(872,523)</b>
Depreciation	(2,820)	(9,009)
Interest	(53,261)	(4,482)
<b>Consolidated income (loss)</b>	<b>(599,327)</b>	<b>(886,014)</b>
Expense recovery Porcupine Strand	167,370	-
Gain (loss) on investments	20,763	(91,895)
Income tax recovery	115,190	303,151
Comprehensive income	143,546	-
Non-controlling interest	(24,359)	437,438
<b>Income (loss) attributable to MMI</b>	<b>(176,817)</b>	<b>(237,320)</b>
Income (Loss) per share	(0.010)	(0.014)
<b>Avg. Weighted Shares O/S</b>	<b>17,251,018</b>	<b>17,251,018</b>

### Overall performance for the first quarter ended September 30, 2015

Losses attributable to the MMI shareholders for the three month period ended September 30, 2015, was (\$176,817) compared to a loss of (\$237,320) for the prior year. The recovery of exploration expenses related to Porcupine Strand in the amount of \$167,370 (refer to note 5 of the interim financial statement) together with a foreign exchange gain of \$216,311 and positive foreign exchange translation related to the carrying value of GRI's United States operations (FSM) in the amount of \$143,546 had a significant impact on the quarterly results.

The unrealized gain on investments represents the market value of those shares at September 30, 2015 and an adjustment in previous unrealized loss on the shares sold.

### Revenue

The Corporation had no revenue in the first quarter. The Corporation does not expect any significant revenues in the immediate future from its principle line of business, the production of pig iron.

### General and Administration

For the three month period ended September 30, 2015 the Corporation had General and Administrative Expenses of \$324,632 compared to \$205,438 in the comparable period in the prior year. The increase is the result of increased activity associated with site selection and feasibility study oversight for the initial pig iron plant.

### Operating

For the three month period ended September 30, 2015 the Corporation had Operating expenses of s of \$218,614 compared to \$667,085 in the comparable period in the prior year, This was the result of decreased exploration costs associated with the Labrador mineral deposits.

## Interest Expense

For the three month period ended September 30, 2015 the Corporation had interest expense of \$53,261 compared to \$4,482 in the comparable period in the prior year. The increase reflects the impact of the 5% convertible debenture issued in May 2015.

## Selected Quarterly Financial Data

The following table reports the operating results for the last eight quarters.

Selected Quarterly Financial Data								
	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
	2015	2015	2015	2014	2014	2014	2014	2013
Revenue	-	(76,224)	2,825	73,399	-	-	-	-
Expenses								
Gen & Admin	324,632	1,312,466	280,032	1,141,710	254,551	538,759	209,305	930,954
Operating Expenses	218,614	1,125,273	905,235	356,742	617,972	1,321,441	116,739	(139,180)
<b>Operating loss before under noted</b>	<b>(543,246)</b>	<b>(2,513,963)</b>	<b>(1,182,442)</b>	<b>(1,425,053)</b>	<b>(872,523)</b>	<b>(1,860,200)</b>	<b>(326,044)</b>	<b>(791,774)</b>
Expense recovery Porcupine Strand	167,370	-	-	-	-	-	-	-
Comprehensive income	143,546	-	-	-	-	-	-	-
Depreciation	(2,820)	(9,706)	(9,009)	(9,008)	(9,009)	10,198	(9,551)	(9,561)
Interest expense	(53,261)	(38,353)	(9,768)	(7,222)	(4,482)	(19,002)	6,234	(12,194)
Gain (loss) on investments	20,763	(16,943)	45,106	(72,946)	(91,895)	358,670	-	-
Income tax recovery	115,190	489,340	347,490	343,631	303,151	812,343	-	-
<b>Consolidated Income (Loss)</b>	<b>(152,458)</b>	<b>(2,089,625)</b>	<b>(808,624)</b>	<b>(1,170,598)</b>	<b>(674,758)</b>	<b>(697,991)</b>	<b>(329,361)</b>	<b>(813,529)</b>
Non-controlling interest	(24,359)	683,518	519,103	416,915	437,438	796,918	11,713	190,246
<b>Net Income (Loss)</b>	<b>(176,817)</b>	<b>(1,406,107)</b>	<b>(289,521)</b>	<b>(753,683)</b>	<b>(237,320)</b>	<b>98,927</b>	<b>(317,648)</b>	<b>(623,283)</b>
Income (Loss) per share	(\$0.010)	(\$0.082)	(\$0.017)	(\$0.044)	(\$0.017)	\$0.006	(\$0.018)	(\$0.036)
<b>Avg. Weighted Shares O/S</b>	<b>17,251,018</b>	<b>17,251,018</b>	<b>17,251,018</b>	<b>17,251,018</b>	<b>17,251,018</b>	<b>17,251,018</b>	<b>17,251,018</b>	<b>17,251,018</b>

## Geographical segments

The above segments are managed on a worldwide basis, but operate in two principal geographical areas, namely, Canada and the United States.

Segment assets are based on the geographical location of the assets.

Non-current assets	30-Sep-15	30-Sep-14
	\$	\$
Canada	58,215,896	57,022,373
United State of America	2,849,415	1,831,413
<b>Total non-current assets</b>	<b>61,065,311</b>	<b>58,853,786</b>

## Selected Consolidated Financial Information

Selected items from the Consolidated Balance Sheet as at September 30, 2015 with comparable numbers for the prior two fiscal years.

<b>Selected Consolidated Balance Sheet Items</b>			
	<b>Quarter Ended</b>	<b>Year End</b>	<b>Year End</b>
	<b>September 30, 2015</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
	<b>\$'s</b>	<b>\$'s</b>	<b>\$'s</b>
Cash	2,287,532	1,375,031	1,977,562
Restricted cash	-	610,000	-
Other receivables	218,377	179,796	62,598
Prepaid and other deposits	756,215	532,240	431,837
Investments	34,889	92,266	474,487
Iron interests	60,928,667	60,396,574	58,107,967
Mineral claim deposits	-	-	334,045
Property and equipment	136,644	141,808	173,225
Accounts Payable	(408,570)	(2,952,818)	(1,390,611)
Current portion long term debt	(208,345)	(1,184,923)	-
Long term debt	(2,711,198)	(1,661,511)	(1,453,032)
Deferred Taxes	(8,690,530)	(8,805,720)	(10,289,326)
Shareholders' Equity (Deficiency)	22,302,836	19,718,228	18,947,830
Shareholders' Equity associated with Non controlling interests	30,040,845	29,002,515	29,480,922

Details of significant balance sheet items are detailed below.

### **Restricted Cash**

On March 24, 2015 by contractual agreement with Parks Canada managed by the Government of Newfoundland and Labrador the licenses of Porcupine Strand were terminated in exchange for compensation in the amount of \$610,000. On September 14, 2015 it was confirmed that all conditions had been met and the funds were released.

### **Account and Other Receivables**

Principally consists of contract receivables' related to Forks Specialty Metals of \$44,200 and HST' receivable of \$137,496.

### **Prepaid and Other Deposits**

The prepaid and other deposits in the amount of \$756,215 at September 30, 2015 consists principally of a rent security deposit for the smelting facility in Forks, PA, prepaid liability and environmental insurance, various utilities prepaid and advances related to the site selection and feasibility assessment processes.

## Iron interests

Iron Interests				
	Balance(Restated)			Balance
	30-Jun-15	Additions	Deletions	30-Sep-15
	\$	\$	\$	\$
Labrador Mineral Sands	60,281,553	647,114	-	60,928,667
Porcupine Strand	115,021	-	115,021	-
	60,396,574	647,114	115,021	60,928,667

At the date of the MD&A the property comprises 758 claims in 7 claim blocks with a total area of approximately 170 square kilometres.

## Property and Equipment

Description	Cost			Accumulated Depreciation			Net Book	Net Book
	Balance	Net	Balance	Balance		Balance	Value	Value
	30-Jun-15	Additions	30-Sep-15	30-Jun-15	Depreciation	30-Sep-15	30-Jun-15	30-Sep-15
Computer hardware	15,138	-	15,138	8,497	498	8,995	6,641	6,143
Automotive equipment	6,295	-	6,295	3,210	231	3,441	3,085	2,854
Other Equipment	196,430	-	196,430	95,855	5,028	100,883	100,575	95,547
Office furniture and equipment	49,986	3,607	53,593	18,479	3,014	21,493	31,507	32,101
	267,849	3,607	271,456	126,041	8,771	134,812	141,808	136,644

## Accounts Payable

The accounts payable balance at September 30, 2015 was \$408,570 compared to \$2,952,818 at June 30, 2015. The significant reduction is mainly the result of the payment and settlement of management fees, travel expenses and financing commissions in the amount of approximately \$1,971,000 during the quarter.

## LIQUIDITY AND CAPITAL RESOURCES

The Corporation has no revenue generating operations from which it can internally generate funds. To date, the Corporation's ongoing operations have been predominantly financed through sale of its equity securities by way of private placements and or shareholders loans and advances.

Presently the Corporation had approximate cash on hand of \$1.6 million CDN equivalent. The Corporation expects that it will operate at a loss for the foreseeable future, but believes the current cash will be sufficient for it to complete discretionary activities, and fund its currently anticipated general and administrative costs, through the next 6 -12 months. Petmin have committed to advance their final US\$2 million investment by the end of 2015. This will fulfil their financial investment of US\$25 million earning a 40% equity position in NAIC. In addition, NAIC are currently in the process of raising an additional US\$10 million to fund the project through all remaining required permitting and engineering phases.

The Corporation believes that outside sources for debt and additional equity capital, if needed, will be available to finance ongoing operations and expansion. The form of any financing will vary depending upon prevailing market

and other conditions, and may include short or long-term borrowings from financial institutions, or the issuance of additional equity or debt securities. However, there can be no assurance that funds will be available on terms acceptable to the Corporation and its actions with respect to these activities will be guided accordingly.

### Long-Term Debt

NAIC received an interest-free repayable loan from ACOA, a government agency, in the amount of \$500,000. The loan is repayable in five annual equal and consecutive installments commencing nine months after the end of the fiscal year in which project success is achieved. It is anticipated that project success will be achieved in the fiscal year ending June 30, 2019 and repayments will commence in December 2019. The carrying value of the loan has been discounted using an effective interest rate of 9%.

FSM received a loan from the State of Pennsylvania in the amount of US\$1, 600,000 (\$1,682,880) to partially finance the acquisition of industrial equipment in Forks Township, Pennsylvania. The loan bears interest at 1% and is repayable in monthly principal installments of US\$14,017 commencing March 1, 2013, maturing on February 1, 2023. The carrying value of the loan has been discounted using an effective interest rate of 9%.

On May 1, 2015 the Corporation announced that it had completed a non-brokered private placement of an unsecured convertible debenture for proceeds of \$2,000,000 with an officer and director of the Corporation. The debenture will matures on May 1, 2020 and will bears interest at a rate of 5% per annum payable quarterly. The debenture can be convertible, at the option of the holder, into common shares of the Corporation on or prior to the maturity date. The conversion price will be \$0.80 per common share if exercised within 12 months of closing and will increase by \$0.05 per common share on the anniversary date each year thereafter until the maturity date.

### Share Capital

A summary of the Corporation's common shares outstanding as of June 30, 2015 are presented below:

<b>COMMON STOCK ISSUED AND OUTSTANDING</b>		
Authorized: Unlimited number of common shares without par value	Number of Shares	Amount
<b>Issued and outstanding at September 30 2015</b>	<b>17,251,018</b>	<b>\$ 8,948,978</b>

There were no stock issuances during the quarter.

### Stock Options

A summary of the Corporation's outstanding stock option are presented below:

There were no stock options issued during the quarter.

Options outstanding at September 30, 2015 are as follows:

		Exercise	Issued	Exercisable
Grant Date	Expiry Date	Price	September 30, 2015	
May 28, 2012	May 28, 2022	\$0.65	144,000	144,000
Nov. 30, 2012	Nov. 30, 2022	\$0.65	450,000	450,000
Dec. 06, 2013	Dec. 06, 2023	\$0.85	985,000	985,000
Dec. 08, 2014	Dec. 08, 2024	\$0.75	535,000	535,000
<b>Total</b>			<b>2,114,000</b>	<b>2,114,000</b>

### Grand River Ironsands Incorporated Stock Options

There were no stock options issued during the quarter.

Options outstanding at September 30, 2015 are as follows:

		Exercise	Issued	Exercisable
Grant Date	Expiry Date	Price	September 30, 2015	
Dec. 31, 2010	Dec. 31, 2015	\$1.25	390,000	390,000
Sept. 02, 2011	Sept. 02, 2016	\$1.25	415,000	415,000
May 31, 2012	May 31, 2017	\$1.25	495,000	495,000
Nov. 05, 2012	Nov. 05, 2017	\$1.25	87,000	87,000
Dec. 06, 2013	Dec. 06, 2018	\$2.10	475,000	475,000
Dec. 08, 2014	Dec. 08, 2019	\$2.10	494,000	494,000
<b>Total</b>			<b>2,356,000</b>	<b>2,356,000</b>

## CRITICAL ACCOUNTING POLICIES

### General

The accounting policies have been reviewed with the Corporation's Audit Committee and are as described in Note 2 to the consolidated financial statements.

## RISK FACTORS

For a complete list of risk factors please refer to the annual MD&A for June 30, 2015. Following are the most significant risk factors.

### *Additional Funding Requirements*

The Joint Venture shall require additional financing to continue its operations. There can be no assurance that GRI, NAIC or its joint venture partners shall be able to obtain adequate financing in the future, or that the terms of such financing shall be favourable for further evaluation, exploration and development of its projects or investments. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development and the indirect property interests of the Corporation with the possible dilution or loss of such

interests. Further, revenues, financings and profits, if any, shall depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources.

### ***Operational Risks***

The Corporation shall be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental pollution, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins and encountering unusual or unexpected geological conditions and technological failure of exploration methods. This limitation of insurance coverage could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

### ***Governmental Regulation and Policy Risks***

Canadian manufacturing and mining companies are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response, and other matters. Since legal requirements change, are subject to interpretation and may be enforced in varying degrees in practice, the Corporation is unable to predict the ultimate cost of compliance with these requirements or their effect on operations.

### ***Commodity Price Fluctuations***

The price of commodities varies on a daily basis but long term averages are the best method of estimating future prices. However, price volatility could have dramatic effects on the Corporation's results of operations and the ability of the Corporation to execute its business plan.

### ***Currency Fluctuations***

The Corporation presently maintains its accounts in Canadian dollars. The Corporation's future operations may make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results.

### ***Legal Proceedings***

There are no outstanding legal proceedings against the Corporation.

### ***Market for Securities***

The Common Shares of the Corporation are listed and posted for trading on the Canadian National Stock Exchange (CNSX) under the trading symbol "YYR".

### ***Transactions with Related Parties***

The Corporation incurred the following related party expenditures in the first quarter of the current year and in the corresponding period in the prior year.

		Quarter	
		30-Sep-15	30-Sep-14
Relationship	Purpose of Transaction	\$	\$
Key Management Personnel	Management Fees	41,250	41,250
Key operating personnel	Consulting fees	208,753	99,110
Key operating personnel	Salaries and benefits	155,335	126,889
		<b>405,338</b>	<b>267,249</b>
Capitalized		27,897	19,809
<b>Operating expenses</b>		<b>377,441</b>	<b>247,440</b>

The compensation expense associated with key management and directors for services is as follows:

Key management personnel includes the President, Vice President and the Chief Financial Officer of MMI, the President, Chief Executive Officer, Chief Financial Officer and Chief Corporate Affairs Officer, Geologist, and Chief Operating Officer for GRI.

These transactions with related parties have been valued in the consolidated financial statements at the estimated fair value, which is the amount of consideration established and agreed to by the related parties.

#### **Off-Balance Sheet Arrangements**

The Corporation has no off-balance sheet arrangements.

#### **Proposed Transactions**

As at the date of this MD&A there are no transactions that the board of directors or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with and that have not been publicly disclosed.

#### **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING**

As required by National Instrument 52-109 issued by the Canadian Securities Administrators (“NI52-109”), MMI’s Chief Executive Officer (CEO) and MMI’s Chief Financial Officer (CFO) will be filing interim certificates “Certification of Disclosure of Issuers’ Annual and Interim Filings” concurrent with the completion of filing its interim filings. The certifying officers have concluded that disclosure controls and procedures are effective at September 30, 2015. Upon completion of its filings, the signed certificates will be available on SEDAR.

The CEO and CFO are reasonably certain that all information is made known to them and those procedures have been implemented to provide reasonable assurance of the reliability of the financial reporting and preparation of the financial statements for external reporting.

The Board of Directors together with an independent and highly qualified audit committee provide direct oversight responsibilities for the review of the quarterly and annual financial statements.

#### **Changes Internal Control over Financial Reporting**

The Certifying Officers have indicated that there were no significant changes in the Corporation’s internal controls or other factors that could significantly affect such controls subsequent to the date of their evaluation, and there were no corrective actions with regard to significant deficiencies and material weaknesses.

## ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interest of insiders in material transactions, if applicable, is contained in the Corporation's information circular for its most recent annual meeting of shareholders'.

### CORPORATE PROFILE

#### Board of Directors

J. Paul Allingham  
David J. Hennigar  
C.H. (Bert) Loveless  
Francis H. MacKenzie  
Jean-Marc MacKenzie  
Paul R. Snelgrove  
K. Barry Sparks  
E. Christopher Stait-Gardner

#### Corporate Officers

David J. Hennigar, Chairman  
Francis H. MacKenzie, President & Chief Executive Officer  
C.H. (Bert) Loveless, Vice President  
Lorne S MacFarlane, Chief Financial Officer  
Lina Tannous, Secretary

#### Corporate Head Office

Muskrat Minerals Incorporated  
Attn: K. Barry Sparks  
1600 - 141 Adelaide Street West  
Toronto, ON M5H 3L5  
Fax Number: (902) 484-7599  
Phone Number: (902) 877-5272

#### Mailing Address

Muskrat Minerals Incorporated  
Attn: Lorne S. MacFarlane  
380 - 311 Bedford Highway  
Halifax, NS B3M 2L4

#### Corporate Information

Bankers	Bank of Montreal, Main Branch, Halifax, Nova Scotia
Auditors	PricewaterhouseCoopers LLP
Transfer Agent & Registrar	Equity Financial Trust Company, Toronto, Ontario

#### Stock Exchange

Canadian Securities Exchange ("CSE")  
Trading Symbol: YJR

#### Shareholder Information

Contact Person:	C H Bert Loveless
Contact Telephone Number:	(902) 471 -8028
Contact E-Mail Address:	<a href="mailto:bert@muskratminerals.ca">bert@muskratminerals.ca</a>