FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Muskrat Minerals Incorporated (the "Issuer").

Trading Symbol: YYR

Number of Outstanding Listed Securities: 17,251,015

Date: November 6, 2014

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's on-going business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

(a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.

(b) The term "Issuer" includes the Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

During September and October 2014, Muskrat Minerals Incorporated (MMI) management attended several major industry events which continue in November - the messages are consistent with previous reporting's and presentations:

1. **MMI's primary investment is in Grand River Ironsands (GRI) and its related pig iron manufacturing project**
    a. **This project has consistently proven it can take a lower grade iron ore (including iron ores with little or no commercial value) and blend with a low grade thermal coal to make a high purity pig iron.**
    b. **Pig iron is used by steel mills (electric arc furnaces) to make a higher purity steel when recycling scrap metal**
    c. **Recent reports from China and Russia have focused on those countries exporting less scrap and this will put pressure globally on the need for more virgin iron units such as pig iron.**
2. **GRI and its North Atlantic Iron Corporation (NAIC) JV partner, Petmin Ltd. (South Africa's largest anthracite coal producer), have made their intentions to build a merchant pig iron plant in North America widely known. Their site selection process has taken longer than anticipated as rapidly adjusting market prices have caused adjustments to the final decision. The first plant will be built North of the Ohio River (on Lake Erie) or on the St. Lawrence Seaway. Final negotiations are close and a decision is expected shortly. This is clearly their top priority.**
3. **As the price of iron ore declines (has declined in 2014 from $130/tonne Cost and Freight (CFR) China to November 4, 2014 of $78/tonne CFR) the margins for making pig iron for NAIC remain near $415/tonne (as of November 3, 2014). Typical shipping costs from Eastern Canada are $25-35/tonne for iron ore – meaning the Eastern Canada Free on Board (FOB) Prices on September 29 would be approximately $43-53/tonne.**
4. **As a result, the Project is firmly focused on manufacturing pig iron and not mining. The mining asset within the project in Labrador is a hedge for any major increases in iron ore pricing. As infrastructure becomes more mature in central Labrador a reassessment of the economics of mining and locating a pig iron plant there is expected to be established.**

    Current efforts for the Labrador asset are focused on evaluation of other valuable minerals that may be an economic contributor to the project such as garnet, zircons, feldspars, silica sands, etc.

MMI Management will be exhibiting, presenting and/or available at the following events:

- **CANADA – Newfoundland & Labrador Mineral Resources Review**
  St. John's, NL. November 6-8, 2014.
  http://www.nr.gov.nl.ca/nr/mines/ConferenceFlyer2014.pdf
- **CANADA – Canadian Securities Exchange** (Brokers Only Event)
  Montreal, QC, November 13, 2014
- **SOUTH AFRICA – Open House/Private Meetings for Investors/Partners**
  Johannesburg. November 14, 2014.
- **CHINA – Open House/Private Meetings for Investors/Partners**
  Beijing. December 2, 2014. (revised)
- **HONG KONG – Open House/Private Meetings for Investors Partners**
  Kowloon. December 5, 2014. (revised)

Contact for all is Liz@muskratminerals.ca

Ongoing Activities

Project partners have been engaged with three quality engineering firms to undertake the independent work for the Pre-Feasibility Study (PFS). This process has concluded with Hatch Limited selected – work has immediately begun. It is expected that the PFS work will take less than 6 months. Concurrently, efforts on permitting will begin once a site is selected from two potential host communities. The business case for the two sites remain compelling and negotiations are focused on areas that would yield a definitive benefit for deciding on the best location. Hatch Engineering are undertaking a Site Specific Comparative Assessment for NAIC and that is expected to be concluded before the end of November. Management will recommend a specific site upon conclusion of this final and independent review.

Given that the Issuer will be acquiring iron ore concentrate from the merchant market, discussions with potential providers and testing of their respective iron ore for the pig iron manufacturing plant is also underway. Iron ores from two producers have been tested along with steel mill reverts (waste material containing iron ore) and those results will soon be received.

GRI is undertaking a detailed work program in Labrador until November 2014, with a view of broadening the size and scope of the mineral resource near Happy Valley-Goose Bay, NL. This work and three-week drill campaign was concluded at the end of October and now awaiting results from the Minerals Engineering centre at Dalhousie University. As well, efforts are focused on the opportunity to economically separate additional minerals in the sands such as garnets, zircons, feldspars, silica sands, etc. Two separate contracts have been awarded for validation and

recommended processing circuit; one has been awarded to SGS Laboratories and one has been awarded to a minerals sands processing firm in China – they will assess other streams of potential revenue within the mineral suite. The results are expected early in the New Year.

2. Provide a general overview and discussion of the activities of management.

The Issuer continues to monitor the progress of Grand River Ironsands Incorporated (GRI), and through GRI, the Issuer's indirect shareholding in North Atlantic Iron Corporation (NAIC). The emphasis of NAIC is to be a pig iron producer, having access to its own supply of raw material (iron ore concentrate) only using its captive supply of iron ore concentrate when appropriate. Currently the price of iron ore is $78 per tonne CFR China (shipping costs from eastern Canada to China $25-35/tonne).

The difference in being a pig iron manufacturer rather than solely a mining project is substantial.

Currently, without any additional changes, the Issuer has sufficient cash on hand to meet its requirements for the next 12 months. The Issuer will continue to explore new opportunities and will remain open to raising additional investment as required.

NAIC has notably met the goal of consistently demonstrating an ability to produce high purity pig iron using a lower grade iron ore concentrate (lower cost), along with a lower grade thermal coal (lower cost). This is a significant achievement. This allows the corporate focus of NAIC to target becoming a low cost manufacturer of pig iron.

The Preliminary Economic Assessment (PEA), recently awarded, will focus on further defining the ability to be a low cost pig iron producer and will commence when a site for the first plant has been selected. It is important to note that the primary focus of the project will be on the production of pig iron. Given the depressed prices of iron ore concentrate, securing raw material products (iron ore) directly from the merchant market, will be a primary consideration.

Of interest, while prices of iron ore decrease, merchant pig iron prices remain stable, reflecting that pig iron prices track closer to scrap metal pricing rather than raw materials.

Project update

The Key Highlights

I. **Petmin Limited (partner in NAIC) of South Africa announced their commitment to fund an additional $6 million which will fulfil their $25 million commitment for a 40% interest in NAIC. Petmin invested $1 million of this amount prior to the end of October.**

II. **With 5 melt campaigns completed – the last 3 independently witnessed by Hatch Engineering – the project has been able to confirm that low grade iron ore concentrate, along with lower grade coal, can be melted to make a high purity, marketable pig iron. The results of this effort will be released when finalized.**

III. **A second melting technology for making pig iron was also confirmed as being viable using the ironsands of Labrador to make high quality pig iron.**

IV. **The release of the PEA by Worley Parsons and the Iron Making Validation Report by Hatch Engineering will occur once a site has been selected.**

V. **The first planned pig iron plant will be located outside of Labrador with a future plant still planned for Labrador. Continued work in Labrador will focus on other valuable minerals contained within NAIC's defined resource which includes garnet, zircon, feldspars, silica sands, etc. Efforts will continue to broaden the resource. To date, these additional revenues have not been factored into the PEA. Mining and separation approaches have been assessed and future work will refine the approaches and economics when other minerals are included. Additionally, work will continue on key infrastructure requirements, such as port, power, and access roads. Permitting efforts will not be contemplated until these items are favourably resolved.**

VI. **NAIC's site selection process has been considerably narrowed down and additional information is required from only one location. Locations actively under review are North of the Ohio River (on Lake Erie) or on the St. Lawrence Seaway.**

VII. **The 2014 efforts on the Labrador mineral sands resource, will be primarily two fold – as stated, to establish the potential economics of other valuable minerals other than the iron products; secondly, to better understand the economic and operational issues related to the port infrastructure, locating a plant and transport solutions.**

The partners in NAIC are GRI, as a majority shareholder with 65.88% (the Issuer's 40.2% ownership of GRI equates to its current indirect interest in NAIC of 26.49%) and Petmin at 34.12%. Petmin's stake could increase to 40% when the remaining $5 million of their investment announced on March 3, 2014 is completed.

NAIC continue to meet with a number of steel mills (electric arc furnace operators) and pig iron traders to assess their interest in working with NAIC towards advancing its pig iron project. Additionally, discussions have commenced with off-takers and traders as well as potential capital markets partners. It is expected an additional $20-30 million will be required to finalize the Bankable Feasibility Study and permitting on the first pig iron plant. It is expected the project will initially source iron ore

concentrates from the open market due to the lower prices currently projected into the foreseeable future. NAIC believes this strategy provides the shortest timeline to production and cash flow. Efforts will continue on evaluating the Labrador sands to be used as feedstock for a future plant.

The key goals imminent will be to (i) publish the Preliminary Economic Assessment; (ii) finalize the site selection and initiate the permitting process for the first pig iron making facility; (iii) review the economics in the PEA and make the decision to initiate a pre-feasibility/bankable feasibility study at the chosen site (*PFS awarded October 2014);* (iv) assess the interest of strategic partners for partnering, off-take and other possible business arrangements; (v) initiate a capital raise campaign and other corporate related requirements with all partners to the project.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

   There have been no acquisitions. The Issuer is awaiting the results from the NAIC PEA and is working with all external and independent consultants to organize the key aspects into a single report with future recommendations. The Issuer continues to encourage and receive proposals for review on additional opportunities for investment. NAIC and its partners are assessing both a 2014 work program and potential offtake solutions on iron ore fines from iron ore producers.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

   Not applicable

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

   The Issuer continues to encourage and assess new investment opportunities. The focus remains on project located near a port and required infrastructure. Any new investments would likely require raising additional capital.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

   NAIC will assess a new capital structure over the coming months as it relates to the intellectual properties or "know-how" for iron making given

the improvements made and paid for by NAIC, as well, as the technical changes and improvements since the initial, and now expired, Memorandum of Understanding with the patents developers and assignees. Additionally, the Issuer remains in discussions with project partners of NAIC on a potential corporate restructuring that would create a solution to best reflect the fullest valuation and liquidity for the project and its shareholders.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

   The Issuer's wholly owned subsidiaries, VR Interactive International Inc. (VRII) and 3053229 Nova Scotia Limited (NSL), were both wound up into the Issuer effective as of August 11, 2014. VRII had no assets or liabilities. NSL's only asset was its 40.2% shareholding in GRI, which was transferred to the Issuer on a tax deferred basis. NSL had no liabilities.

8. Describe the acquisition of new customers or loss of customers

   Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

   See answer to 6.

10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

    No changes occurred during period.

11. Report on any labour disputes and resolutions of those disputes if applicable.

    Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

    No changes.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds[(1)]

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

While the price of iron ore remains at levels not seen since 2012 at $78/tonne Cost and Freight (CFR) China, the Issuer remains focused on the value add. It is important to note that prices for pig iron have not reduced. According to Steel First the prices of pig iron have actually have held at $415/tonne NOLA (down from $430/tonne in late September). This is a significant point in the pig iron business model.

The Issuer benefits from lower cost merchant iron ore prices as prices of pig iron are not directly linked to iron ore. Pig iron prices typically follow premium scrap metal (bushlings).

The primary aspect of the investment in GRI, and thus NAIC, is a focus on manufacturing, and value-add, within the steel supply chain. While this project requires iron ore concentrate, and controls the rights to its own resource; the resource itself is currently a hedge against future and significant increases in the prices of iron ore. That forecast for iron ore prices remains uncertain and futures markets suggesting <$90/tonne until late 2017 being possible. As a result, the projects business strategy is fully based upon the manufacturing of pig iron required by the steel mills, in particular, the electric arc furnaces or mini-mills.

The number of new Electric Arc Furnace steel mills continue to increase and will each require pig iron. Further, supply of merchant pig iron (as this project will produce) has become tighter in supply. Additionally, China

have made it known that they will not allow the export of scrap metal which will drive the construction of more Electric Arc Furnaces – this should put a further strain on global supply of pig iron.

In summary, the goal for NAIC is to add value to minerals resources (iron ore concentrate, coal, and limestone) and become a low cost producer of a product required by steel mills that utilize an electric arc furnace ("EAF") to make steel. EAF's melt scrap metal and generally add pig iron, hot briquetted iron and/or direct reduced iron to improve the quantity and quality of the steel produced.

The Issuer owns 40.2% of GRI. GRI will own 60% of NAIC when Petmin Limited has fully invested its $25 million (for 40% of NAIC). This means that the Issuer will indirectly own approximately 24% of the NAIC project.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: November 6, 2014.

Lorne S. MacFarlane
Name of Director or Senior Officer

Signed "*Lorne S. MacFarlane*"
Signature
CFO
Official Capacity

Issuer Details Name of Issuer **Muskrat Minerals Incorporated**	For Month End October 2014	Date of Report YY/MM/D 14/11/6
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