MUSKRAT MINERALS INCORPORATED

(formerly VR INTERACTIVE CORPORATION)

Condensed Consolidated Financial Statements

For the Quarter Ended March 31, 2012

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the quarter ended March 31, 2012.

Muskrat Minerals Incorporated
(formerly VR Interactive Corporatoin)
Financial Information

March 31, 2012

Contents

Muskrat Minerals Incorporated

(formerly VR Interactive Corporation)

Condensed Consolidated Balance Sheets

(Amounts Presented in Canadian Dollars)

	31-Mar 2012 (Unaudited)	31-Mar 2011 (Audited)	1-Apr 2010 (Unaudited)
	$	$	$
Assets			
Current assets:			
Cash	**2,059,792**	486	524
	2,059,792	486	524
Investment accounted for using the equity method (Note 14)	**5,382,000**	-	-
Equipment (Note 4)	**3,952**	5,239	6,961
	7,445,744	5,725	7,485
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities:			
Trade and other payables	**191,681**	43,591	46,951
Loans from directors and shareholders (Note 5)	**-**	1,395,453	1,169,891
Current portion long-term debt	**-**	-	81,168
	191,681	1,439,044	1,298,010
Long-term debt:			
ACOA (Note 7)	**-**	-	378,566
Shareholders' equity (deficiency):			
Share capital (Note 8)	**11,454,835**	2,638,509	2,638,509
Contributed surplus (Note 9)	**108,300**	108,300	108,300
Deficit	**(4,309,072)**	(4,180,128)	(4,415,900)
	7,254,063	(1,433,319)	(1,669,091)
	7,445,744	5,725	7,485

See accompanying notes to consolidated financial statements

On behalf of the Board:

David J. Hennigar

Francis H. MacKenzie

Muskrat Minerals Incorporated

(formerly VR Interactive Corporation)

Condensed Consolidated Statements of Operations (Unaudited)

For the three months and twelve months ended March 31

(Amounts Presented in Canadian Dollars)

	Three months ended		Twelve months ended	
	31-Mar-12	**31-Mar-11**	**31-Mar-12**	**31-Mar-11**
	$	$	**$**	$
Revenues	**-**	435,155	**-**	435,155
	-	435,155	**-**	435,155
Operating expenses:				
General and administrative	**90,114**	6,956	**120,285**	37,185
Research	**-**	-	**-**	295
Depreciation	**288**	385	**1,287**	1,723
	90,402	7,341	**121,573**	39,203
Income (loss) before under noted:	**(90,402)**	427,814	**(121,573)**	395,952
Other expenses:				
Interest	**1,846**	40,183	**7,371**	160,180
Net income (loss)	**(92,248)**	387,631	**(128,944)**	235,772
Net income (loss) per share	**($0.024)**	$0.115	**($0.037)**	$0.070
Weighted average number of shares outstanding - basic and dilutive	**3,830,437**	3,372,917	**3,486,672**	3,372,917

See accompanying notes to consolidated financial statements

Muskrat Minerals Incorporated

(formerly VR Interactive Corporation)

Condensed Consolidated Statemente of Changes in Equity (Unaudited)
For the twelve months ended March 31, 2012
(Amounts Presented in Canadian Dollars)

	Number of Shares Issued	Share Capital	Contributed Surplus	Deficit	Total
Balance April 1, 2010	26,983,333	$ 2,638,509	$ 108,300	$ (4,415,900)	$ (1,669,091)
Net income for the period				235,772	235,772
Balance March 31, 2011	26,983,333	$ 2,638,509	$ 108,300	$ (4,180,128)	$ (1,433,319)
Net loss for the period				(36,696)	(36,696)
Balance December 31, 2011	26,983,333	$ 2,638,509	$ 108,300	$ (4,216,824)	$ (1,470,015)
Reduction 1 for 8 Consolidation (Note 14)	(23,610,416)	-			-
Shares issued for debt (Note 14)	2,578,098	1,320,450			1,320,450
Private placement (Note 14)	4,400,000	2,024,000			2,024,000
Issued on asset acquisition (Note 14)	6,900,000	5,679,857			5,679,857
Costs related to private placement (Note 14)	-	(207,981)			(207,981)
Net loss for the period				(92,248)	(92,248)
Balance March 31, 2012	17,251,015	$ 11,454,835	$ 108,300	$ (4,309,072)	$ 7,254,063

See accompanying notes to consolidated financial statements

Muskrat Minerals Incorporated

(formerly VR Interactive Corporation)

Condensed Consolidated Statements of Cash Flows (Unaudited)

For the three months and twelve months ended March 31

(Amounts Presented in Canadian Dollars)

	Three months ended		Twelve months ended	
	31-Mar-12	**31-Mar-11**	**31-Mar-12**	**31-Mar-11**
	$	$	$	$
Cash flows from operating activities:				
Net income (loss)	**(92,248)**	387,631	**(128,944)**	235,772
Items not involving cash:				
Depreciation	**288**	385	**1,287**	1,723
Interest accretion on discounted loans	**-**	-	**-**	39,852
Changes in non-cash operating working capital				
Decrease (increase) in trade and other payables	**145,825**	1,461	**148,090**	(3,359)
	53,865	389,477	**20,433**	273,988
Cash flows from financing activities:				
Increase (decrease) in long-term debt	**-**	(498,279)	**-**	(499,588)
Increase (decrease) in loans from shareholders	**(1,429,033)**	108,800	**(1,395,453)**	225,562
Proceeds shares issued on debt conversion	**1,320,450**	-	**1,320,450**	-
Proceeds private placement (net of costs)	**1,816,019**	-	**1,816,019**	-
Proceed shares issued for acquisition of assets	**297,857**	-	**297,857**	-
	2,005,293	(389,479)	**2,038,873**	(274,026)
Increase (decrease) in cash during the period	**2,059,158**	(2)	**2,059,306**	(38)
Cash and deposite, beginning of period	**634**	488	**486**	524
Cash and deposits, end of period	**2,059,792**	486	**2,059,792**	486

See accompanying notes to consolidated financial statements

(Amounts Presented in Canadian Dollars)

1. Corporate Overview

(a) Incorporation and Corporate History

Muskrat Minerals Incorporated ("the Corporation") was incorporated under the laws of the Province of Alberta pursuant to the provisions of the *Business Corporations Act* and is listed on the Canadian National Stock Exchange ("CNSX") under the symbol "YYR". The Corporation, as a result of the recent acquisition and reorganization, has now transitioned into the mining and exploration sector through a wholly owned subsidiary, 3053229 Nova Scotia Limited. The Corporation's Head Office is located at 1470 – 141 Adelaide Street West, Toronto, ON M5H 3L5, Attn: K. Barry Sparks

(b) Basis of Preparation

The Corporation is changing its fiscal year-end from March 31 to June 30 to coincide with the year-end of Grand River Iron Sands Incorporated, a company in which the Corporation has a major investment as discussed in Note 14. The Corporation will be filing audited financial statements for the 15 month period from April 1, 2011 to June 30, 2012 and the next fiscal year will be from July 1, 2012 to June 30, 2013.

The Corporation's interim unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using accounting policies consistent with those used for the preparation of its audited consolidated financial statements for the year ended March 31, 2011 except as described in Note 3 "Change in Accounting Policy - Transition to IFRS". These interim financial statements have, in management's opinion, been properly prepared using judgement within reasonable limits of materiality and are in conformity with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

(c) Principles of Consolidation

The accompanying financial statements consolidate the accounts of the Corporation and its wholly-owned subsidiaries, VR Interactive International Inc. ("VRI") and 3053229 Nova Scotia Limited ("NSL"). All inter-corporation transactions and balances have been eliminated on consolidation.

The acquisition of NSL has been consolidated on the basis of a "Pooling of Interests" whereby the value attributed to the acquisition represents the net asset value of NSL on March 28, 2012, the date of transfer of ownership to the Corporation .

2. Significant Accounting Policies

(a) Revenue Recognition

For web site development, revenue is recognized upon completion and acceptance of the web site, unless the fee is not fixed or determined or collection is not probable.

Revenues related to equipment sales are recognized when delivery and acceptance have occurred, provided the amounts due from customers are fixed or determinable and deemed collectible by management.

(b) Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using the declining balance method at the following annual rates:

Assets	*Rates*
Computer hardware	30%
Computer software	100%
Office furniture and equipment	20%

(c) **Research and Development**
Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet specific criteria for capitalization, including reasonable assurance regarding future benefits. To date no such expenditure has qualified for capitalization.

(d) Income Taxes
The Corporation uses the liability method of tax allocation. Under this method, future tax assets and liabilities are recognized for the estimated tax recoverable or payable, which would arise if assets and liabilities were recovered and settled at the financial statement carrying amounts. Future tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. Changes to these balances are recognized in income in the period in which they occur. No recognition of future income tax assets has been reflected in these financial statements as the Corporation has yet to achieve profitable operations.

(e) Stock-based Compensation
The Corporation has a stock option plan, which is described in Note 9. Compensation cost of options granted under the stock option plan are measured at the grant date based upon a fair value of the award and are recognized over the related service period.

(f) Foreign Currency
Foreign currency transactions are translated into Canadian dollars at the rates prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the year-end rates of exchange. Translation gains and losses are recorded in the statement of operations.

(g) **Financial Assets and Liabilities**
Under the new standards all financial assets and liabilities are classified into one of the following five categories: held-for-trading, held to maturity, loans and receivables, available-for-sale financial assets and other financial liabilities. All financial instruments, including derivatives, are included in the consolidated balance sheet and are measured at fair value except for held to maturity investments, loans and receivables and other financial liabilities, which are measured at amortized cost. Held-for–trading financial instruments are recorded at cost and are subsequently measured at fair value with all revaluation gains and losses included in the statements of operations in the period in which they arise. Available-for-sale financial instruments are also recorded at cost and are subsequently measured at fair value with all revaluation gains and losses included in other comprehensive income. The corporation's financial assets and liabilities were classified as follows:

Asset/Liability	Classification	Measurement
Cash and deposits	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost using Effective Interest Method
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost using Effective Interest Method
Loans from Shareholders	Held for trading	Fair Value
Long Term Debt	Loans and receivables	Amortized cost using Effective Interest Method

In connection with the adoption of the new standards, the Corporation changed its accounting policy relating to the accounting for interest free loans. Previously these loans were carried at face value. Under the new policy adopted with an effective date of April 1, 2007, interest free loans are carried at their fair values with the offsetting benefit applied to the retained earnings/deficit account.

(h) Financial instruments

On April 1, 2008 the Corporation adopted the CICA Handbook Section 3862, Financial Instruments – Disclosure, and Section 3863, Financial Instruments –Presentation. These new standards revise and enhance the disclosure requirements and carry forward, substantially unchanged the presentation requirements. These new standards emphasize the significance of financial instruments to the entity's financial position and performance, the nature and extent of risks arising from financial instruments, and how these risks are managed. The adoption of the new standards had no impact on the financial statements presentation and disclosure for fiscal 2012 or 2011.

(i) Derivatives and hedge accounting

At March 31, 2012 and March 31, 2011 the Corporation had no derivatives or hedge positions.

(j) Comprehensive loss

Comprehensive income (loss) is comprised of the Corporation's net income (loss) and unrealized foreign translation gains and losses. Section 1530 establishes standards for reporting and display of comprehensive income (loss). Unrealized gains or losses on available-for-sale investments, and the effective portion of gains or losses on derivatives designated as cash flow hedges and hedges of a net investment in self-sustaining foreign operations are included in other comprehensive income ("OCI"). Accumulated other comprehensive income ("AOCI") is included as a separate component of equity. The Corporation had no such OCI or income (loss) transactions for the three months ended March 31, 2012 and March 31, 2011 and there were no opening or closing balances for AOCI.

(k) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(l) Earnings Per Share

Basic earnings per share is calculated using the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated in accordance with the treasury stock method using the weighted average number of shares that would have been outstanding had all outstanding stock options with a dilutive effect been exercised during the year.

The weighted average number of common shares (adjusted for share consolidation) used in the calculation of basic and diluted earnings per share for the three months ended March 31, 2012 is 3,830,437 (March 31, 2011– 3,372,917).

(m) Impact of changes in accounting policies

The Corporation secured $600,656 in interest free loans from the government, consisting of $488,674 term loan and $111,982 conditional repayable loan. The change in policy associated with the accounting for interest free debt facilities at fair value using the effective interest method for the term loan had the effect of requiring a transition adjustment to the 2008 opening deficit and the debt facilities in the amount of $230,574. The fair value of the debt facilities was calculated by discounting the future cash repayments over the term of the debt facilities, using a discount rate of 15% which management considers reasonable and approximates the Corporation's cost of borrowings for similar debt. The resulting reduction in carrying value has been amortized using the effective interest rate method over the term of the debt facilities. The interest accretion for the three months ended March 31, 2012 was $ nil (2010 - $13,069). During the 2010 fiscal year the Corporation renegotiated the repayment terms of the ACOA loans resulting in a change in the interest accretion which required an adjustment of $48,160 to the opening deficit.

Please refer to Note 7 for a discussion on the settlement of these loans.

(n) Cash

Cash consists of bank balances and deposits.

3. Changes in accounting policies

Transition to IFRS

The Corporation's first consolidated financial statements prepared in accordance with IFRS are for the fiscal year commencing April 1, 2011. The accounting policies set out in this note have been applied in preparing the financial statements for the three months and twelve months ended March 31, 2012, the comparative information presented for the three months and twelve months ended March 31, 2011, and in the preparation of an opening IFRS balance sheet at April 1, 2010.

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Corporation's first-time adoption did not have an impact on the total equity, comprehensive income and cash flows and there are therefore no reconciling adjustments from Canadian GAAP to IFRS in preparing its opening IFRS balance sheet as at April 1, 2010.

IFRS 1 First-time Adoption of International Financial Reporting Standards sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the date of the transitional statement of financial position with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Corporation has applied the following exemptions to its opening statement of financial position dated April 1, 2010:

(i) Exemption for business combinations

IFRS 1 provides the option to apply IFRS 3, *Business Combinations,* prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Corporation has elected to apply IFRS 3 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(ii) Exemption for cumulative translation differences

IFRS 1 permits cumulative translation gains and losses to be reset at zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with IAS 21, *The effects of changes in foreign exchange rates*, from the date a subsidiary or equity method investee was formed or acquired. The Corporation does not have cumulative translation differences related to subsidiary or equity method investees and this election is therefore not required.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Corporation has applied the following guidelines to its opening statement of financial position dated April 1, 2010:

(iii) Assets and liabilities of subsidiaries

In accordance with IFRS 1, if a parent company adopts IFRS subsequent to its subsidiary adopting IFRS, the assets and the liabilities of the subsidiary or associate are to be included in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary or associate. The Corporation's wholly-owned operating subsidiary, VR Interactive International Inc, has adopted IFRS at the same time as its parent company, April 1, 2010.

(iv) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Corporation's IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

(Amounts Presented in Canadian Dollars)

4. Property and Equipment

March 31, 2011

Description	Cost			Accumulated Depreciation			Net Book Value
	Balance Mar 31, 2010	Additons	Balance Mar 31, 2011	Balance Mar 31, 2010	Depreciation for period	Balance Mar 31, 2011	Mar 31, 2011
Computer hardware and software	$ 87,696	-	$ 87,696	$ 82,466	$ 1,401	$ 83,867	$ 3,829
Office furniture and equipment	10,419	-	10,419	8,687	322	9,009	1,410
	$ 98,115	$ -	$ 98,115	$ 91,153	$ 1,723	$ 92,876	$ 5,239

March 31, 2012

Description	Cost			Accumulated Depreciation			Net Book Value
	Balance Mar 31, 2011	Additons	Balance Mar 31, 2012	Balance Mar 31, 2011	Depreciation for period	Balance Mar 31, 2012	Mar 31, 2012
Computer hardware and software	$ 87,696	-	$ 87,696	$ 83,867	$ 1,026	$ 84,892	$ 2,804
Office furniture and equipment	10,419	-	10,419	9,009	262	9,271	1,148
	$ 98,115	$ -	$ 98,115	$ 92,876	$ 1,287	$ 94,163	$ 3,952

5. Loans from Directors and Shareholders

To facilitate the settlement with ACOA discussed in Note 7, a shareholder advanced $75,000 with interest at 9%, repayable upon the closing of any re-organization of the Corporation's operations. The shareholder also agreed to provide interim funding without interest to finance operating expenses, these advances are also to be repaid upon any re-organization of the Corporation's operations.

Other loans from directors and shareholders were due on demand and had no specific terms of repayment. Management determined that March 31, 2011 was the appropriate date to fix the balances to be converted and discontinued accruing interest on those loans. Up to March 31, 2011 interest on these advances was being accrued at 8.75%.

The conversion of the directors and shareholders loans to equity was approved at the annual meeting of shareholders held on February 10, 2012. The conversions were completed on March 28, 2012 and other loans and advances were repaid on March 30, 2012.

	31-Mar-12	31-Mar-11
Directors - no fixed terms of repayment	$ -	$ 16,944
Shareholders - no fixed terms of repayment	-	1,303,509
Shareholder - repayable as noted above	-	-
Shareholder - 9%, repayable as noted above	-	75,000
Total	$ -	$ 1,395,453

(Amounts Presented in Canadian Dollars)

7. Long-Term Debt

The Corporation had interest-free repayable loans outstanding from the Atlantic Canada Opportunities Agency ("ACOA").

As of March 31, 2011 the Corporation entered into a settlement agreement with ACOA whereby the Corporation made full and final payment of the loans in the form of a cash payment of $75,000 and the forfeiture of $1,577,129 in unclaimed research and development expenses and tax losses carried forward. The forfeiture represented the tax value attributed to the gain on the settlement of the debt.

8. Share Capital

COMMON STOCK OUTSTANDING	Number of Shares		Amount
Authorized:			
Unlimited number of common shares			
Issued and outstandings March 31, 2011 and April 1, 2010	26,983,333	$	2,638,509
Reduction 1 for 8 Consolidation	(23,610,416)		-
Shares issued for debt	2,578,098		1,320,450
Private placement	4,400,000		2,024,000
Issued on asset acquisition	6,900,000		5,679,857
Issue related costs	-		(207,981)
Issued and outstandings March 31, 2012	17,251,015	$	11,454,835

9. Stock-based Compensation Plan

The Board of Directors has established a stock option plan under which options to purchase common shares are granted to directors, officers, and key employees of the Corporation. This plan when adopted was approved by the shareholders of the Corporation. Options to acquire common shares are granted at exercise prices equal to the market prices of the common shares on the date of the grant and expire between one and five years from the date of the grant. Market prices are the closing price of the shares on the day prior to the notice date of the transaction, unless the weighted average share price for the 10 days prior to the closing date exceeds the closing share price by more than 10%; then the market price used is the weighted average price.

The Corporation has reserved 674,583 common shares pursuant to the stock option plan. There are 187,500 options to acquire common shares outstanding under the plan as at March 31, 2012. Any unexercised options that expire or are forfeited become available again for issuance under the plan.

Compensation costs of options granted under the stock option plan are measured at the grant date, based upon a fair value of the award and are recognized over the related service period.

In July 2007, 237,500 options were granted to Directors, Officers, and employees under the stock purchase plan at an exercise price of $0.80. These options vested immediately. Upon the resignation of two directors of the Corporation in November and December 50,000 of these options have been cancelled. The number of options and exercise price have been adjusted to reflect the 1 for 8 share consolidation effective March 28, 2012

No stock options were issued during the three months ended March 31, 2012 or the year ended March 31, 2011.

The stock option expense for 2011 included in the statement of operations is $ nil (2010 - $ nil).

(Amounts Presented in Canadian Dollars)

The fair value of the option issued in 2007 was estimated at the date of grant using the Black-Scholes pricing model with the following weighted average assumptions; risk free interest rates of 2.97% ; dividend yields of nil ; volatility factor of 185%; and a weighted average expected life of the option of 5 years.

Options issued and outstanding as at March 31, 2012 (adjusted for share consolidation):

Grant Date	Expiry Date	Exercise Price	Issued	Exercisable
July 27, 2007	July 27, 2012	$0 .80	237,500	237,500
Dec 31, 2011	Cancelled		50,000	50,000
Total outstanding			187,500	187,500

Contributed Surplus	2012 $	2011 $
Balances beginning of year, as reported	108,300	108,300
Stock-based compensation	-	-
Balance, end of year	108,300	108,300

10. Income Taxes

A reconciliation of the temporary differences and carry forwards which give rise to future tax assets and liabilities are as follows:

	2011	2010
Future income tax assets		
Property and equipment	$ 50,587	$ 50,587
Scientific research and development credits		64,912
Scientific research and development pools		54,729
Share issuance costs		142,935
Tax loss carry forwards	126,393	1,676,957
	176,980	1,990,120
Tax benefit	56,634	676,641
Valuation allowance	(56,634)	(676,641)
	$ -	$ -

The tax benefits on temporary differences have been calculated using the statutory federal and provincial income tax rate of 32% (2010-34%). Tax loss carry forwards amount to $126,393 and expire in 2030 and 2031.

11. Commitments

The Corporation has no long term lease commitments and has no capitalized lease commitments.

(Amounts Presented in Canadian Dollars)

12. Management of Capital

The Corporation defines capital that it manages as the aggregate of its loans from shareholders, ACOA long-term debt, share capital, contributed surplus and deficit. Its objective when managing capital is to ensure that the Corporation will continue as a going concern, so that it can provide returns to its shareholders.

		31-Mar-12		31-Mar-11
Loans from shareholders	$	-	$	1,395,453
Share Capital		11,454,835		2,638,509
Contributed surplus		108,300		108,300
Deficit		(4,309,072)		(4,180,128)
	$	7,254,063	$	(37,866)

The Corporation manages its capital structure and makes adjustments to it in light of economic conditions. The Corporation, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Corporation is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. The Corporation's overall strategy with respect to management of capital remains unchanged from the year ended March 31, 2011.

13. Financial Instruments

The Corporation is required to disclose information about the nature and the extent of risks arising from financial instruments and how the entity manages those risks. Disclosure is also required about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at March 31, 2012, the Corporation had no financial assets subject to fair value measurement.

Risk Disclosures
The main risks the Corporation's financial instruments could be exposed to are credit risk, foreign exchange risk, liquidity risk and market risk.

Credit Risk
The Corporation's credit risk is primarily attributable to its accounts receivable. The Corporation has no accounts receivable as at March 31, 2012.

Foreign Currency Risk
The Corporation has no revenue in foreign currencies for the period ending March 31, 2012

Liquidity Risk
The Corporation's approach to managing liquidity is to ensure, as far a possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. To the extent that the Corporation does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through debt or equity transactions. The Corporation manages its liquidity risk by continuously monitoring forecast and actual cash flows from operations. In recent years, additional loans from directors/shareholders have provided the necessary liquidity required.
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Market Risk
Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Corporation. The Corporation is not exposed to any fair value fluctuations on bank term loan or finance lease obligation and the Corporation's short-term instruments (accounts payable and accrued liabilities) are not subject to market risk.

Interest Rate Risk
The obligation to shareholders (Note 5) bear interest at a fixed rate, and as such are not subject to interest rate price risk resulting from changes in fair value from market fluctuations in interest rates.

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities, loans from shareholders and long-term debt. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments as discussed above. The fair value of the long-term debt with repayment terms is nil as at March 31, 2012 and March 31, 2011. The fair values of the remaining financial instruments approximate their carrying values due to the short term nature and or repayment terms.

14. Restructuring Transactions

Shareholders of the Corporation, at an Annual and Special Meeting of Shareholders held on February 10, 2012, approved the various Restructuring Transactions contained in a management information circular distributed to Shareholders and available at www.sedar.com.

Below is a summary of the more salient points of the Restructuring Transactions approved by the shareholders:
(a) the consolidation of the common shares of Corporation (the "**Common Shares**") on an 8:1 basis;
(b) the appointment of Collins Barrow Toronto LLP as new auditors of the Corporation replacing the former auditors Millard DesLauriers & Shoemaker LLP who have discontinued auditing public corporations;
(c) the election of new directors for the ensuing year;
(d) the issuance of Common Shares to current directors and shareholders in settlement of loans to the Corporation;
(e) the acquisition of all of the issued and outstanding common shares of 3053229 Nova Scotia Limited (and thereby an indirect interest in Grand River Ironsands Incorporated, a private company);
(f) changing the name of the Corporation to "Muskrat Minerals Incorporated";
(g) the delisting from the NEX and listing on the NSX; and
(h) the adoption of a new stock option plan.

The shares were consolidated on March 28, 2012 and were posted for trading on the Canadian National Stock Exchange (CNSX) under the symbol YYR on March 29, 2012.

(Amounts Presented in Canadian Dollars)

The following share transactions were completed on March 28, 2012:

		Amount	Shares Issued
Shares issued for debt		$ 1,320,450	2,578,098
Private placement	$ 2,024,000		4,400,000
Issue related costs	207,981	1,816,019	
Asset acquisition:			
Cash	$ 297,857		
6,900,000 shares Grand River Iron Sands Incorporated	5,382,000	5,679,857	6,900,000
		$ 8,816,326	13,878,098

The investment in Grand River Iron Sands Incorporated ("GRI") represents approximately 29.9% of the outstanding shares of that Corporation and will be accounted for using the equity method. The shares were acquired by 3053229 Nova Scotia Limited ("Numco") in exchange for the transfer an interest in mineral and exploration rights held by Numco to GRI.

The shares in GRI were valued based upon an investment of $1,500,000 by Petmin Limited, a publicly traded mining company in South Africa, to earn an initial 5% interest in a GRI joint venture project with the right to own up to 40% with additional investments.
Determination of value:

Estimated value of project -	$1,500,000/5%	$30,000,000
Imputed value GRI interest –	$30,000,000 x 60%	$18,000,000
Value attributed to shares -	$18,000,000 x 29.9%	$5,382,000