MUSKRAT MINERALS INCORPORATED

(Formerly VR Interactive Corporation)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2012

The following is a discussion of the consolidated financial condition and results of operations of Muskrat Minerals Incorporated (ñMMIò or ñthe Corporationò) for the fourth quarter ended March 31, 2012. This discussion and analysis should be read in conjunction with the Corporationôs annual audited consolidated financial statements and the related notes thereto for the year ended March 31, 2011. The Corporation is changing its year end to June 30 to coincide with the fiscal year end of Grand River Ironsands Incorporated where the Corporation has an indirect 29.9% interest as discussed elsewhere in this document. This investment has been recorded as a ñPooling of Interestò and will be accounted for on an equity basis, the change in the yearend will simplify the accounting and consolidation of the Corporationôs financial statements. The new reporting schedule became effective with MMIôs 2012 fiscal year which began April 1, 2011, and will cover the fifteen month period ending June 30, 2012.

The unaudited consolidated financial statements for the quarter ended March 31, 2012, have been prepared by management in accordance with International Financial Reporting Standards (ñIFRSò). All references to dollars are in Canadian funds unless otherwise indicated.

Additional information about MMI can be found on SEDAR at www.sedar.com .

This MD&A is dated as of May 24, 2012, and contains discussion of material events up to and including that date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The following discussion and analysis contains forward-looking statements which reflects managementôs expectations regarding the Corporationôs future growth, results of operations, performance, and business prospects and opportunities. Although the forward-looking statements reflects managementôs current assumptions based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Corporation cannot be certain that actual results will be consistent with these forward looking statements. Forward-looking statements involve significant known and unknown risks, assumptions and uncertainties that may cause the Corporationôs actual results, performance, prospects, and opportunities in future periods to differ materially from those expressed or implied by such forward looking statements. These risks and uncertainties include, among other things, market demand; commodity pricing; regulatory matters; currency risks; liability claims; integration of new operations; financing risks; and interest rate risks. Although the Corporation has attempted to identify important risks and factors that could cause actual results to differ materially from those described in the forward-looking statements, there may be other factors and risks that may cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results may differ materially form those anticipated in such statements. Certain factors that may impact operations are also discussed. Such comments will be affected by, and may involve, known and unknown risks and uncertainties that may cause the actual results of the Corporation to be materially different from those expressed or implied. Accordingly, readers should not place undue reliance on forward-looking statements. These forward looking statements are made as of the date of this MD&A and, except as required by law, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

CORPORATE OVERVIEW

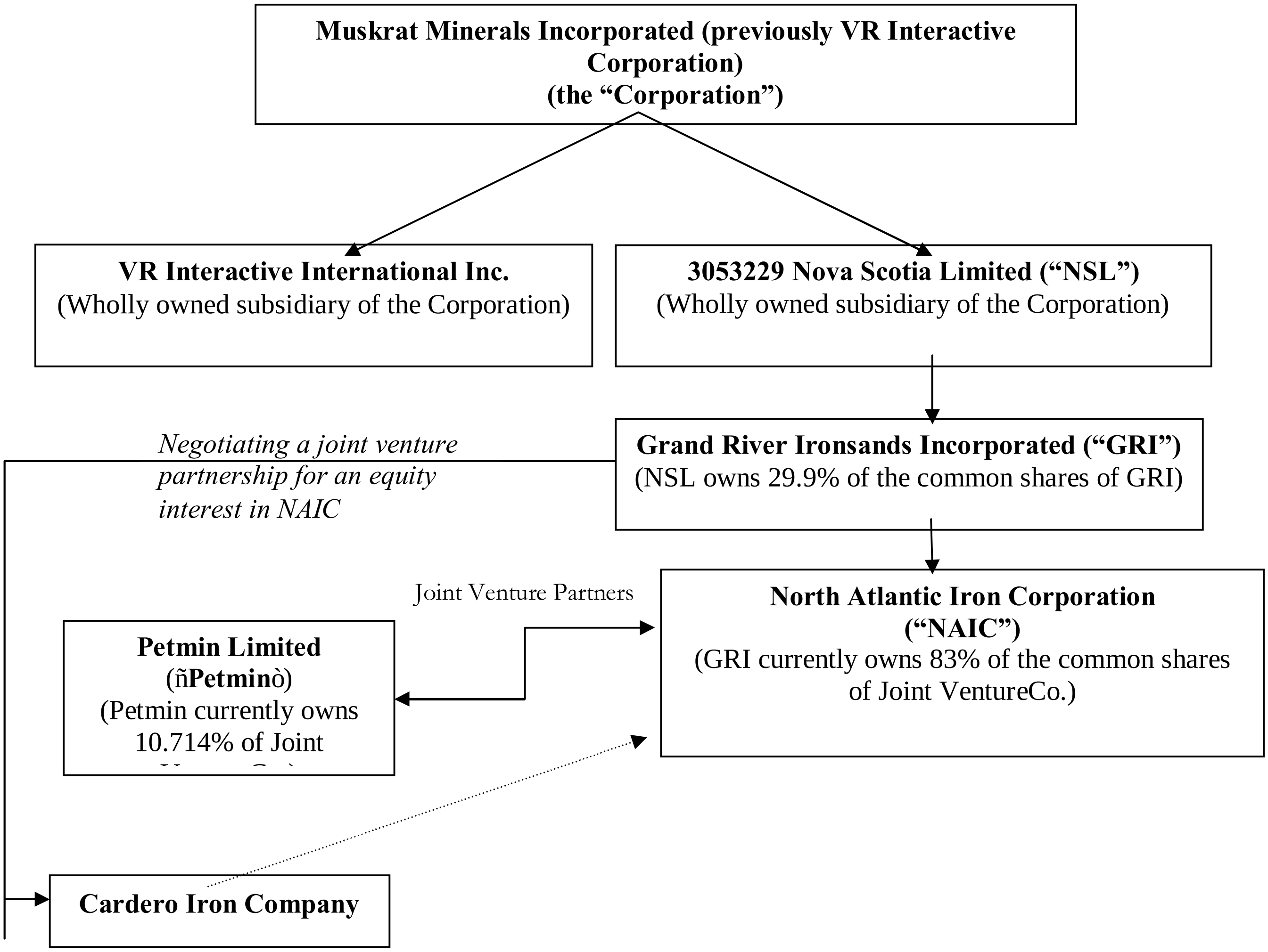
MUSKRAT MINERALS INCORPORATED (the ñCorporationò) is a publicly listed Corporation, trading on the Canadian National Stock Exchange (the ñCNSXò), with a ticker symbol ñYYRò. Headquartered in Toronto, Canada, the Corporation wholly-owns VR Interactive Incorporated (ñVRIò), and 3053229 Nova Scotia Inc. (ñNSLò) which in turn owns 29.9% of Grand River Ironsands Incorporated (ñGRIò). GRI in turn owns 83% of North Atlantic Iron Corporation (ñNAICò), which is a significant joint venture iron sands project in Labrador and Newfoundland. The Corporation is classified as a resource based company with a principal focus on industrial minerals and investment in mineral projects of interest. The Corporation shall continue to maintain its 100% ownership in VRI and its subsidiary and shall continue to seek potential joint ventures and partnerships to enhance the value of its existing intellectual properties. However, the Corporationôs principal objective shall be on maximizing the value of its investment in GRI and its project in Newfoundland and Labrador

On March 28, 2012, Muskrat Minerals Incorporated (previously VR Interactive Corporation) completed the restructuring of the corporation and completed all transactions outlined in the Information Circular distributed to shareholders and subsequently approved at the Annual and Special meeting of Shareholders held on February 10, 2012, (for additional details please refer to the Corporationôs information circular filed on SEDAR at www.SEDAR.com).

Summary of the most significant transactions that were completed in the first quarter to restructure the Corporation and form the new Muskrat Minerals Incorporated are as follows;

- Elected a new board of directors;
- Changed the name of the Corporation from VR Interactive Corporation to Muskrat Minerals Incorporated;
- Consolidated the Corporationôs common shares on the basis of one current common share for eight existing common shares
- Listed the Corporationôs common shares on the CNSX and Delisting the Corporationôs common shares from TSXV contemporaneously;
- Issued 2,578,098 post-consolidation common shares to certain directors and shareholders of the Corporation in settlement of all outstanding Shareholders and Directors loans and debts in the aggregate amount of $1,320,453;
- Closed of the acquisition of the NS Subsidiary with the issuance of 6,900,000 post-consolidation shares of the Corporation to the NS Subsidiary shareholders as consideration paid for the acquisition;
- Capitalized the Corporation by the issuance of 4,400,000 Common Shares at $0.46 per common share and gross proceeds of $2,024,000.

Below is a chart of the corporate structure of the Corporation and its wholly and partially owned subsidiaries, along with the current and potential joint venture partners hereinafter explained:



CURRENT BUSINESS ACTIVITIES

As a result of the acquisition of NSL, the fourth quarter ended March 31, 2012, has been a quarter of significant transition for the Corporation shifting from a technology company to an industrial mineral company. The purchase by the Corporation of all of the common shares of the NS Subsidiary results in an indirect ownership position in GRI and an indirect ownership position in the ironsands project. GRI, through NAIC, with its main focus to produce a low cost iron ore concentrate that can be used as a feedstock to make a high purity iron product (cast iron, iron ingots, pig iron, etc.). The mining operation will be in Happy Valley-Goose Bay, Newfoundland and Labrador, Canada, while the location of the pig iron production is under review.

North Atlantic Iron Corporation aims to develop the ironsands resource and the melting in a furnace using electricity to make a ñgreenò and low cost pig iron product. The ironsands in Labrador can easily be delivered to the nearby port for global export of either ironsands or eventually pig iron. The port of Happy Valley-Goose Bay, Newfoundland and Labrador, Canada can access Europe in less than 7 days; the Great Lakes in 5 days and China in less than 40 days (and perhaps less time if the Northwest Passage becomes useable).

Over the past four years, GRI assembled and secured 1,800 mineral claims covering 450 square kilometres (100% of claims under their previous control) in the area of Happy Valley-Goose Bay, Newfoundland and Labrador, Canada. GRI and its new subsidiary, NAIC, entered into a joint venture (the ñ**Joint Venture**ò) by a share purchase agreement dated September 15, 2010, and amended on August 22, 2011 with Petmin Limited (ñ**Petmin**ò) (JSE: PET and AIM: PTMN), a publicly traded mining company in South Africa. A Memorandum of Understanding with Cardero was signed on August 5, 2011. The summary details of the Joint Venture were publicly announced on November 18, 2011. The 1,800 mineral claims were transferred by GRI to NAIC with the benefit of nearly $5 million in exploration work already completed from 2001 to September 2010. NAIC controls the rights to the following licenses that comprise the 1,800 mineral claims registered with the Province of Newfoundland and Labrador.

NEAR TERM OUTLOOK

The Corporationôs principal objective is maximizing the value of its investment in GRI and its ironsands project in Newfoundland and Labrador. The indirect acquisition of a portion of GRI through the NSL Subsidiary is a significant investment in industrial minerals mining exploration and development. This investment through the combined efforts of the NAIC partners has the potential to be a commercially viable iron project in Newfoundland and Labrador.

The NSL Subsidiary has a 29.9% shareholding in Grand River Ironsands Incorporated (ñ**GRI**ò) (previously Markland Resource Development Incorporated), a private company which was incorporated on March 24, 2001, in the Province of Nova Scotia, pursuant to the *Companies Act* (Nova Scotia).

As of November 25, 2011, GRI has an 89.286% shareholding (undiluted and potentially 50.1% (fully diluted) in North Atlantic Iron Corporation (**"NAIC"**) (Previously 63275 Newfoundland and Labrador Inc.), which is involved in the exploration and development of an ironsands project near Happy Valley-Goose Bay, NL, Canada. GRI transferred all of its 1,800 mineral claims to NAIC.

The NS Subsidiary owns 6,900,000 common shares in the capital stock of GRI, representing 29.9% of the current issued and outstanding shares of GRI. This percentage ownership could be reduced to 27.18% if all GRI options are exercised.

Over the next several months the Corporation will closely monitor the progress of GRI against 2012 milestones that must be achieved to advance the project to commercial and economic viability, including;

- Resource Estimate 20 Year Indicated as per NI 43-101;
- Collection of Bulk Sample for Separation and Processing;
- Iron making tests from the Bulk Sample;
- Pre-Feasibility and Engineering of Iron Making;

- Initiate Environmental Permitting Process;
- Resource Estimate 20 Years Measured as per NI 43-101;and
- Definitive Plan to Construction and Mining lease.

In addition, the Corporation will seek growth opportunities, for Shareholders, by investment in related projects, or by increasing its ownership of GRI.

FINANCIAL SUMMARY FOR THE QUARTER

The major emphasis in the fourth quarter was on the restructuring of the Corporation and securing share equity to provide much needed liquidity. Management is thankful that the majority of shareholders supported this restructuring, without which, the survival of the Corporation was in jeopardy. Management will continue to review emerging opportunities to preserve and enhance shareholder value.

Financial Summary

The following tables summarize selected quarterly financial data. This information should be read in conjunction with the consolidated annual audited and quarterly unaudited financial statements and related notes. The operating results for any past period are not indicative of results for any future period.

	31-Mar 2012	31-Dec 2011	30-Sep 2011	30-Jun 2011	31-Mar 2011	31-Dec 2010	30-Sep 2010	30-Jun 2010
Revenue	-		-	-	435,155	-	-	-
COGS	-		-	-	-	-	-	-
Gross Profit	-		-	-	435,155	-	-	-
Expenses								
Gen & Admin	90,114	11,280	11,290	7,602	6,956	10,850	11,286	8,093
R&D	-	-	-	-	-	-	-	295
Depreciation	288	309	333	358	385	414	445	479
Interest	1,846	1,851	1,836	1,837	40,183	40,524	40,385	39,088
Total Expenses	92,248	13,440	13,459	9,797	47,524	51,788	52,116	47,955
Net income (Loss)	(92,248)	(13,440)	(13,459)	(9,797)	387,631	(51,788)	(52,116)	(47,955)
Income (Loss) per share	($0.024)	($0.004)	($0.004)	($0.003)	$0.115	($0.015)	($0.015)	($0.014)

Overall performance for the three months ended March 31, 2011

The following discussion addresses the operating results and financial condition of the Corporation for the three months ended March 31, 2012. This discussion and analysis is qualified in its entirety by reference to and read in conjunction with the Corporationôs audited consolidated financial statements for the year ended March 31, 2011, and the related notes thereto, as well as reference to the forward looking statements within this report. All results in this report are presented in Canadian dollars, unless otherwise indicated.

Results of continuing operations for the three months ended March 31, 2011

Net loss for the three months ended March 31, 2012, was $92,248 ($0.024/share) compared to a net income of $ 387,631($0.115/share) for the same period in the prior year. The results for 2011 reflect a one- time windfall from the settlement of long term debt, without which the loss would have been $47,524 ($0.0014/share).

Revenue

The Corporation had no operational revenue for the quarter ended March 31, 3012, and does expect any significant revenues in the immediate future.

General and Administration

For the three months ended March 31, 2012 the Corporation had General and Administrative Expenses of $90,114 compared to $6,956 in the three months ended March 31, 2011. The results for the current period reflect the costs associated with restructuring, the acquisition and fund raising activities.

Amortization

For the three months March 31, 2012, the Corporation had amortization expenses of $288, and for the three months March 31, 2011, the Corporation had amortization expenses of $385.

Research and Development

For the three months ended March 31, 2012, the Corporation had net Research and Development expenses of $nil compared to $nil for the three months March 31, 2011. VRI has expended in excess of $1.5 million in Research and Development costs since inception, all of which has been expensed as incurred.

Interest Expense

Interest expense for the quarter ended March 31, 2012, was $1,846 as compared to $40,183 in the fourth quarter of 2011. This decrease is attributable to the settlement of both long term debt and shareholders advances.

Provision for 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 quarters 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.

Selected Consolidated Financial Information

Selected items from the Consolidated Balance Sheets as at March 31, 2012, March 31, 2011, and March 31, 2010.

Balance Sheet Item	31-Mar-12 $'s	31-Mar-11 $'s	31-Mar-10 $'s
Cash	2,059,792	486	524
Investment accounted for using equity method	5,382,000	-	-
Accounts Payable	191,681	43,591	46,951
Directors and Shareholder advances	-	1,395,453	1,169,891
Long term debt due within one year	-	-	81,168
Long term debt due	-	-	378,566
Shareholders Equity (Deficiency)	7,254,063	(1,433,319)	(1,669,091)

All cash assets are located in Nova Scotia. NAICós assets are primarily located in Newfoundland and Labrador.

The acquisition of the Nova Scotia subsidiary (NSL) is carried on the books at fair value which is determined by the equity method of accounting.

Accounts payable of $191,681 at March 31, 2012, represented an increase of $148,000 when compared to $5.5M at December 31, 2007. This increase is directly related to the restructuring of the Corporation, legal and advisory costs associated with the acquisition and costs resulting from the private placement.

The major increase In Shareholdersô Equity is the result of the accounting for the acquisition of NSL on an equity basis and the private placement of 4,400,000 common shares. (See Note 14 to the March 31, 2012, Unaudited Financial Statements).

LIQUIDITY AND CAPITAL RESOURCES

The Company has no revenue generating operations from which it can internally generate funds. To date, the Companyós ongoing operations have been predominantly financed through sale of its equity securities by way of private placements and or shareholders loans and advances. There can no assurances that equity financing or other sources of capital will be available or available on terms acceptable to the Corporation if and when required.

At March 31, 2012, the Corporationós had cash on hand of $2,059,792 compared to $486 at December 31, 2011. This increase is directly associated with the acquisition of NSL and the consolidation of its corresponding cash balance of $297,857 on closing, together with the funds generated from the private placement in the net amount of $1,816,019 .

As at March 31, 2012, the Company had working capital of $1,868,112 compared to a working capital deficiency of $43,106 at March 31, 2011. The Company expects that it will operate at a loss for the foreseeable future, but believes the current cash and cash equivalents will be sufficient for it to complete discretionary activities, and fund its currently anticipated general and administrative costs, through the next 18 to 24 months.

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

The corporation had no long debt outstanding at March 31, 2012; however, the Corporation had interest-free repayable contributions outstanding from the Atlantic Canada Opportunities Agency (ñACOAò) in the amount of $488,674 in 2010. The Corporation entered into settlement negotiations with ACOA which resulted in an agreement as of March 31, 2011, 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.

Shareholders' Equity

A summary of the Corporationôs common shares outstanding as of March31, 2012, and March 31, 2011 and changes during the periods ended on those dates are presented below:

COMMON STOCK OUTSTANDING	**March 31, 2012**		**March 31, 2011**	
	Number of Shares	**$**	**Number of Shares**	**$**
Opening Balance	26,983,333	2,638,509	26,983,333	2,638,509
Reduction resulting from 8:1 share consolidation	(23,610,416)	-	-	-
Shares issued for debt	2,578,098	1,320,453	-	-
Acquisition shares issued	6,900,000	5,679,857	-	-
Share Issuance	4,400,000	1,816,019	-	-
Closing Balance	**17,251,015**	**11,454,838**	**26,983,333**	**2,638,509**

At the Annual General and Special Shareholders (ñAGMò) meeting Shareholders held on February 10, 2012 shareholders:

- Approved a Special Resolution to consolidate the Corporationôs Common Shares on the basis of one (1) new common share for eight (8) existing common shares. At the time of the meeting there were 26,983,333 common share outstanding, resulting in a reduction in the common shares outstanding to 3,372,917 Common Shares outstanding prior to giving effect to the issuance of any Common Shares issued in exchange for debt; prior to giving effect to the issuance of any

Common Shares for project acquisition; and prior to giving effect to the issuance of any Common Shares to recapitalize the Corporation.

- Approved a Special Resolution providing for the issuance of 2,578,098 post consolidation Common Shares at a deemed value of $0.51218 per Common Share in settlement of current Directors and Shareholders loans to the Corporation in the aggregate amount of $1,320,453;

- Approved a Special Resolution approving the acquisition of one hundred percent (100%) of 3053229 Nova Scotia Limited (ñNSLò) incorporated under the Nova Scotia Companies Act, through the issuance of issuance of 6,900,000 post consolidation common shares of the Corporation to NSL common shareholders. NSL holds a 29.90% interest in Grand River Ironsands Incorporated (ñGRIò), incorporated under the Nova Scotia Companies Act an Nova Scotia Incorporated Company. (See Note 14 to the unaudited Financial Statements at March 31, 2012)

On March 26, 2012, the Corporation closed a non-brokered private placement raising gross proceeds of $2,024,000 with the issuance of 4,400,000 post-consolidation common shares of the Corporation at an issuance price of $.46 per common share. Closing and legal cost amounted to $207,981 for net proceeds of $1,816,089.

Stock Options

Under the Corporationôs employee stock option program, the Board of Directors may, at its discretion, grant options to purchase common shares to directors, officers, employees or consultants of the Corporation. At the Annual General and Special Shareholders (ñAGMò) meeting Shareholders held on February 10, 2012, shareholders approved revisions to the Option Plan for the Corporation; which include increasing the maximum number of shares which may be issued under the program from 10% to 20% of the issued and outstanding shares. However, only 10% can be issued to insiders of the Corporation. Vesting periods are determined by the Board of Directors at the time of the grant and can range from the date of the grant to up to three years. In addition, the Consolidation of the common shares on an 8:1 ratio impacted the number of options outstanding and the exercise price by the same ratio.

A summary of the Corporationôs stock option plan as of March, 31, 2012, and December 31, 2011, and changes during the periods ended on those dates are presented below:

	March 31, 2012		**December 31, 2011**	
	Number of Stock Options	**Weighted Average Exercise Price**	**Number of Stock Options**	**Weighted Average Exercise Price**
Balance, beginning of period	**1,500,000**	**$ 0.10**	**1,900,000**	**$ 0.10**
Share consolidation adjustment	(1,312,500)	$ 0.70		
Granted	-	-	-	-
Expired	-	-	400,000	-
Balance, end of period	**187,500**	**$ 0.80**	**1,500,000**	**$ 0.10**

Options outstanding at March 31, 2012, are as follows:

Grant Date	Expiry Date	Exercise Price	Issued March 31	Exercisable March 31
July 27, 2007	July 27, 2012	$ 0.80	187.500	187,500
Total			**187,500**	**187,500**

Contributed surplus

Contributed Surplus (in thousands of dollars)	March 31, 2012 $	March 31, 2011 $
Balance beginning and end of period	**108,300**	**108,300**

CRITICAL ACCOUNTING POLICIES

General

The accounting policies have been reviewed with the Corporationốs Audit Committee and are as described in Note 2 and Note 3 to the unaudited consolidated financial statements.

Basis of Presentation and Consolidation

The Corporationốs interim unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (ñIFRSò) 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 to the interim financial statements ñChange in Accounting Policy - Transition to IFRSò .

The acquisition of ñ3053229 Nova Scotia Limitedò (NSL) has been consolidated on the basis of a ñPooling of Interestsò 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 MMI .

The interim financial statements have, in managementốs opinion, been properly prepared using judgement within reasonable limits of materiality and are in conformity with International Accounting Standard 34, *Interim Financial Reporting* (ñIAS 34ò).

Changes in Accounting Policy

The Company is changing its fiscal year end from March 31 to June 30. This change was made to align the Companyốs financial reporting with its joint venture to facilitate consolidated financial reporting and disclosure and valuation of joint venture interests. As a result of the Company changing its fiscal year end to June 30 these condensed consolidated financial statements are for the twelve month period ending

March 31, 2012, and the annual financial statements will cover the fifteen month period ending June 30, 2012.

International Financing Reporting Standards (IFRS)

The Corporation has completed the conversion to IFRS and there were no changes required to the opening balance sheet as at April 1, 2010.

The conversion to IFRS is discussed in detail in Note 3 to the interim financial statements for the three months ended March 31, 2012.

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 quarters 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.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the consolidated financial statements; and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates and assumptions used in preparing its consolidated financial statements are reasonable and prudent; however, actual results could differ from those estimates. Following is a list of critical accounting estimates and assumptions that the Corporation believes could impact its reported financial position, results of operations and cash flows.

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 objectives when managing capital are to ensure that the Corporation will continue as a going concern, so that it can provide returns to its shareholders.

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.

Stock-based compensation and other stock-based payments

The Corporation has a stock option plan for directors, officers, consultants and employees. The Corporation recognizes the value of stock options over their vesting periods as compensation expense.

This accounting policy is applied prospectively to all stock options awarded to employees and directors that call for settlement by issuance of equity instruments. The fair value of stock options and other stock-based compensation is determined using the Black-Scholes option pricing model. Once fair value is measured, the value is expensed over the period the options vest and contributed surplus is increased by the corresponding amount. Any consideration paid on the exercise of stock options is credited to capital stock and the related fair value amount of stock-based compensation is transferred from contributed surplus to capital stock.

Non employees

The Corporation recognizes stock-based compensation issued to non-employees as an asset or expense based on the fair value of the equity instrument issued.

Government financing

The Corporation makes periodic applications for financial assistance under available government assistance programs in the jurisdictions in which the Corporation operated. Grants related to capital expenditures are reflected as a reduction of the cost of the related assets. Grants related to current operating expenditures are generally recorded as a reduction of expenditures at the time the eligible expenditures are incurred. Repayable interest free loans are carried at discounted present value with the offsetting benefit credited against the property, plant and equipment for capital programs and grants for current operating programs.

RISK FACTORS

Limited Business History

The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Corporation has limited financial resources and there is no assurance that additional funding shall be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation can generate revenues, operate profitably, or provide a return on investment, or that it shall successfully implement its plans.

Additional Funding Requirements

The Joint Venture shall require additional financing to continue its operations. There can be no assurance that GRI, Joint VentureCo. or its joint venture partner 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.

Property Commitments

The property of Joint VentureCo.ô in which the Corporation has an indirect interest is subject to work commitments and may be subject to other land payments, royalties and/or work commitments to the land claim holder, the Innu First Nation. Failure by GRI and NAIC. to meet their payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests and dilution.

Potential Joint Ventures

Due to the cost of establishing and operating mining operations, the Corporation may enter into joint ventures in respect of certain mineral exploration properties that may be acquired by the Corporation. Any failure of such joint venture partners to meet their obligations to the Corporation or to third parties could have a material adverse effect on the joint ventures and the Corporation as a result. In addition, the Corporation may be unable to exert influence over strategic decisions made in respect of such properties as a result of its indirect interests.

Resources and Reserves

The property of NAIC and others in which the Corporation shall have an indirect interest does not contain identified mineral resources at the date of this listing application. Ultimately, even if the Corporation has success in identifying mineral resources on any properties it may acquire, the economics of potential projects may be affected by many factors beyond the capacity of it to anticipate and control, such as the marketability of the mineral products under profitable conditions, government regulations relating to health, safety and the environment, the scale and scope of royalties and taxes on production. One or more of these risk elements could have an adverse impact on costs of an operation which, if significant enough, could reduce or eliminate the profitability of a particular project.

Properties Remote

The property of NAIC is located in a remote area with limited infrastructure. Exploration activities on such projects are particularly vulnerable to delays and additional costs due to weather conditions, labour shortages and other unforeseeable issues.

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 lack of insurance coverage could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Competition for Mineral Acquisition Opportunities

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with larger, better established mining companies with substantial capabilities and greater financial and technical resources, the Corporation may be unable to acquire rights to exploit additional attractive mining properties on terms that the Corporation considers acceptable. If the Corporation is not able to acquire such interests, this could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Exploration and Development Activities May Not be Successful

Exploration for and development of mineral properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. The Corporation cannot ensure that its future exploration and development programs shall result in profitable commercial mining operations.

Properties May be Subject to Defects in Title

Although the Corporation is not aware of any existing title uncertainties with respect to the property, there is no assurance that such uncertainties shall not result in future losses or additional expenditures, which could have an adverse impact on the Corporationģs future cash flows, earnings, results of operations and financial condition.

Environmental, Health and Safety Risks

Mining and exploration companies such as the Corporation must comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements (for the purpose of this paragraph, ñlawsò) drawn from a number of jurisdictions.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the costs of decommissioning and reclaiming sites are borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators.

Governmental Regulation and Policy Risks

Mining operations and exploration activities, refining, conversion and transport in Canada 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 Corporationģs results of operations and the ability of the Corporation to execute it business plan.

Currency Fluctuations

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

Key Personnel

The senior officers of the Corporation are critical to its success. In the event of the departure of a senior officer, the Corporation believes that it shall be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Corporation grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Corporationôs business activity grows, it shall require additional key financial, administrative and mining personnel as well as additional operations staff. If the Corporation is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on the Corporationôs future cash flows, earnings, results of operations and financial condition.

Additional Financing Required and Resale of Shares

The continued operation of the Corporation shall be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Corporation is unable to generate such revenues *or obtain such additional financing, any investment in the Corporation may be lost. In such event,* **the** probability of resale of the Corporationôs shares would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price shall not occur. It may be anticipated that any quoted market for the shares of the Corporation shall be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of the Corporationôs shares shall be affected by such volatility. An active public market for the Corporationôs shares might not develop or be sustained after completion of the Proposed Transactions.

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 ñYYRò

Cash Flow Requirements

There are no long-term debt repayments or payments under various operating leases for the next five years.

Transactions with Related Parties

During the three months ended March 31, 2012, the Company incurred the following related party expenditures.

Relationship	Purpose of Transaction	Amount
Directors of the Company	Directors Fees	-
Key Management Personnel	Consulting Fees	$10,000
Directors of the Company	Rent	-

Key management personnel include the Companyõs President, Vice President and the Chief Financial officer.

These transactions with related parties have been valued in the unaudited condensed consolidated interim 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 Company has no off-balance sheet arrangements.

Proposed Transactions

As at the date of this MD&A there are no proposed 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 Multilateral Instrument 52-109 issued by the Canadian Securities Exchange Administrators (ñMI52-109ò), MMIõs Chief Executive Officer (CEO) and MMI Chief Financial Officer (CFO) will be filing annual certificates ñ Certification of Disclosure of Issuersô Annual and Interim Filingsò concurrent with the completion of filing its annual filings. The certifying officers have concluded that disclosure controls and procedures are effective at March 31, 2012. 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 that 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 In Internal Control Over Financial Reporting

The Certifying Officers have indicated that there were no significant changes in the Corporationõs 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 directorsô and officersô remuneration and indebtedness, principal holders of the Corporationøs securities, options to purchase securities and interest of insiders in material transactions, if applicable, is contained in the Corporationøs information circular for its most recent annual meeting of shareholders, and in the Corporationøs comparative financial statements for its most recently completed financial year.

This document may contain forward-looking statements, which may include sales, earnings, and profitability comments. These statements may contain words such as ñanticipatedò, ñexpectedò, ñcouldò, ñshouldò, ñmayò, ñplansò, ñwillò, or similar expressions that are based on and arise out of our experience, our perception of trends, current conditions and expected future developments as well as other factors. These statements are not a guarantee of future performance. By their very nature, forward-looking statements involve uncertainties and risks that the forecasts and targets will not be achieved.

Readers are cautioned not to place undue reliance on forward looking statements as a number of important factors, as disclosed herein and in the Corporationøs other continuous disclosure documents, could cause actual results to differ materially from those expressed in such forward looking statements. The Corporation includes in publicly available documents filed from time to time with securities commissions, and the CNSX Exchange, a thorough discussion of the risk factors that can cause the Corporationøs anticipated outcomes to differ from actual outcomes. The Corporation disclaims any intention or obligation to update or revise forward-looking statements.

Public Securities Filings

Other information about the Corporation, including the annual information form and other disclosure documents, reports, statements or other information that is filed with Canadian securities regulatory authorities can be downloaded in portable document format (PDF) from the SEDAR web site for Canadian regulatory filings at www.sedar.com

CORPORATE PROFILE

Board of Directors

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

Corporate Officers

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

Corporate Head Office

VR Interactive Corporation
Attn: K. Barry Sparks
1470 ï 141 Adelaide Street West
Toronto, ON M5H 3L5
Fax Number: (902) 484-7599
Phone Number: (902) 499-7150

Corporate Information

Bankers	Royal Bank of Canada, Main Branch, Halifax, Nova Scotia
Lawyers	RBC Law, Halifax, Nova Scotia
Auditors	Collins Barrow Toronto LLP
Transfer Agent & Registrar	Canadian Stock Transfer Corporation, Calgary, Alberta

Stock Exchange

Canadian National Stock Exchange (ñCNSXò}
Trading Symbol: YYR

Shareholder Information

Contact Person:	C H (Bert) Loveless
Contact Telephone Number:	(902) 471 -8028
Contact E-Mail Address:	bert@muskratminerals.ca