

MUSKRAT MINERALS INCORPORATED

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

AND

MANAGEMENT INFORMATION CIRCULAR

Place: 380 Bedford Highway
Halifax, Nova Scotia
B3M 2L4

Time: 10:00 a.m. (Halifax Time)

Date: November 30, 2012

No person is authorized to give any information or to make any representation not contained in this information circular, and, if given or made, such information should not be relied upon as having been authorized by MUSKRAT MINERALS INCORPORATED (“MMI”) or the directors and officers of MMI. This information circular does not constitute an offer to sell, or a solicitation to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or proxy solicitation.

Neither the Canadian National Stock Exchange nor any securities regulatory authority has passed on the merits of the information described in this information circular.

Dated: October 25, 2012

MUSKRAT MINERALS INCORPORATED

CORPORATE DATA

Head Office

1470 -141 Adelaide Street West Toronto,
ON M5H 3L5
Attn: K. Barry Sparks 902 496-7594(P) 902 484-7599 (F)

Directors

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

Officers

David J. Hennigar, Chairman of the Board
Francis MacKenzie, Chief Executive officer
C.H. (Bert) Loveless, Chief Operating Officer
Lorne S. MacFarlane, Chief Financial Officer

Auditor

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West, Suite 700
Toronto, Ontario
M5H 4C

Legal Counsel

RBC Law Inc.
1549 Birmingham Street Halifax,
Nova Scotia, B3J 2J6
902-431-3001

Registrar and Transfer Agent

CIBC Mellon Trust Company
PO Box 721 Agincourt
ON, M1S 0A1, Canada
Attn: Proxy Department 416-257-2502 (F)
1-866-781-3111 (F – Toll Free US & Canada)

Stock Exchange Listing

Canadian National Stock Exchange
Symbol – YYR

MUSKRAT MINERALS INCORPORATED (MMI”)

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the “**Meeting**”) of holders of common shares of MUSKRAT MINERALS INCORPORATED (the “**Corporation**” or **MMI**”) will be held at 380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4 on November 30, 2012 at 10:00a.m. (Halifax-Time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the fifteen (15) months ended June 30, 2012 and the report of the auditors thereon;
2. to appoint Collins Barrow Toronto LLP, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration.
3. to elect directors for the ensuing year;
4. to approve the increase in stock options available for issuance under the Corporation stock option plan;
5. to approve, ratify and confirm all acts, contracts, proceedings, appointments and payments of money by the directors and officers of Corporation; and
6. to transact any such other business as may properly come before the Meeting or any adjournment(s) thereof.

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

Shareholders are invited to attend the Meeting. Registered shareholders who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and send it to the attention of Proxy Dept., Canadian Stock Transfer Company Inc. PO Box 721, Agincourt, Ontario, Canada, M1S 0A1 or by facsimile to 416-368-2502 (Toll Free:1-866-781-3111 Canada & US Only), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof. A proxy is valid only at the meeting in respect of which it is given or any adjournment(s) of that meeting. Canadian Stock Transfer Company Inc. acts as the Administration Agent for CIBC Mellon Trust Company. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received for verification by 10:00 a.m. (Halifax time) on November 28, 2012, or in the case of any adjournment of the meeting, not less than 48 hours prior to the time of such meeting. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

DATED at Halifax, in the Province of Nova Scotia, this 25th day of October, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

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

By: (Original signed by Lorne S. MacFarlane)
Name: Lorne S. MacFarlane
Title: Secretary

MUSKRAT MINERALS INCORPORATED

ANNUAL MEETING OF SHAREHOLDERS

INFORMATION CIRCULAR

PERSONS MAKING THE SOLICITATION

This information circular (“Circular” or “Information Circular”) is furnished in connection with the solicitation by the management of MUSKRAT MINERALS INCORPORATED (the “Corporation” or “MMI”) of proxies to be used at the annual general and special meeting (the “Meeting”) of holders of common shares (“Common Shares”) of the Corporation, to be held on November 30, 2012, at 10:00 a.m. (Halifax time) at 380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4 or at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”).

The costs incurred in the preparation and mailing of both the form of proxy and this Circular will be borne by the Corporation. In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The record date to determine the registered shareholders entitled to receive the notice of Meeting is October 29, 2012 (the “Record Date”).

APPOINTMENT, VOTING AND REVOCATION OF PROXIES

Appointment

The person named in the accompanying instrument of proxy (the “**Management Designee**”) has been selected by the directors of the Corporation and has indicated his willingness to represent as proxy the shareholder who appoints him. **Each shareholder has the right to appoint a person or company (who need not be a shareholder) other than the Management Designee to attend and to vote and act for and on behalf of such person at the Meeting.** In order to do so the shareholder may insert the name of such person in the blank space provided in the instrument of proxy, or may use another appropriate form of proxy. Shareholders are invited to attend the Meeting. Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and send it to the Canadian Stock Transfer Company Inc., PO Box 721, Agincourt, Ontario, Canada M1S 0A1, Attention: Proxy Department or by fax to 416-368-2502 not less than forty eight (48) hours, (excluding Saturdays and holidays) before the time of the Meeting, or any adjournment thereof. Canadian Stock Transfer Company Inc. acts as the Administration Agent for CIBC Mellon Trust Company. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

Voting

Common shares represented by any properly executed proxy in the accompanying form will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the shareholder. **In the absence of such direction, the common shares will be voted in favour of the matters set forth herein. The accompanying instrument of proxy confers discretionary authority on the Management Designee with respect to amendments or variations to matters identified in the accompanying Notice of Meeting or other matters that may properly come before the Meeting or any adjournment(s) thereof. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment(s) thereof, then the Management Designee intends to vote in accordance with the judgment of management of the Corporation.**

Revocation

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing to or at the registered office of the Corporation 380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) thereof.

Advice to Beneficial Holders

Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those common shares will, in all likelihood, *not* be registered in the shareholder's name. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS Limited (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his broker (or the agent of the broker) is substantially similar to the proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker. All references to shareholders in this Circular and the accompanying form of proxy and the accompanying Notice of Meeting are to registered shareholders unless specifically stated otherwise.

Registered Shareholders

Registered holders of common shares as shown on the shareholders' list prepared as of the Record Date will be entitled to vote such shares at the Meeting on the basis of one vote for each common share held, except to the extent that the person has transferred the ownership of any of his or her common shares after the Record Date, and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the common

shares, and demands, not later than ten days before the Meeting, or such shorter period before the Meeting that the by-laws of the Corporation may provide, that his or her name be included in the list before the Meeting, in which case the transferee will be entitled to vote his or her common shares at the Meeting.

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Corporation has issued and outstanding 17,251,015 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. Any shareholder of record at the close of business on October 29, 2012 who either personally attends the Meeting or who has completed and delivered a proxy in the appropriate manner, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

The by-laws of the Corporation provide that the two holders present in person or represented by proxy, being shareholders entitled to vote thereat or a duly appointed proxy holder or representative for a shareholder so entitled and holding or represented by proxy not less than 5% of the outstanding common shares of the Corporation entitled to vote at the Meeting, constitutes a quorum for the Meeting in respect of holders of common shares.

Common Shares of the Corporation:

Subject to the provisions of the *Business Corporations Act* (Alberta), the holders of the Corporation's common shares are entitled to: (i) one vote for each share held of record on all matters submitted to a vote of the shareholders of the Company; (ii) subject to any preference in favour of the holders of preferred shares ranking in priority to the common shares for payment of dividends, participate equally and to receive any and all such dividends as may be declared by the directors of the Company out of funds legally available; and (iii) subject to any preference in favour of the holders of preferred shares ranking in priority to the common shares for distribution of amounts, participate pro rata in any distribution of assets available for distribution upon liquidation of the Company. Shareholders of the Company have no pre-emptive rights to acquire additional common shares or any other securities. The common shares of the Company are not subject to redemption and carry no subscription or conversion rights. All outstanding common shares of the Company are fully paid and non-assessable.

Preferred Shares of the Corporation:

The Corporation is not currently authorized to issue any preferred shares of the Corporation.

Warrants:

The Corporation does not have any issued and outstanding warrants to purchase common shares in the capital stock of the Corporation.

Options to Purchase Common Shares of the Company:

Pursuant to the Corporation's existing stock option plan, the Corporation has issued an aggregate of 144,000 options to officers and directors of the Corporation that were still outstanding on the record date. Further information regarding the Corporation's existing and proposed stock option plan is discussed below

Principal Holders of Voting Securities:

As a group, the officers and directors of the Corporation own 6,230,452 common shares (36.12%) of the Corporation and own and have rights to acquire an additional 144,000 common shares (36.95%) on a diluted basis as of the record date.

Principal Shareholders

To the knowledge of the Directors and executive officers of the Company, the beneficial owners or persons exercising control or direction over Company shares carrying more than 10% of the outstanding voting rights are:

Name	Number of Shares Held(1)	Approximate % total issued
David J. Hennigar	3,042,138	17.63%

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

ELECTION OF DIRECTORS

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

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

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

Nominee Name, Province of residence and Office held in the Corporation	Director Since	Principal occupation during past 5 years and other Directorships	Committee Membership	Number and % of Outstanding Common Shares beneficially owned
J. Paul Allingham Burlington, ON Director (Independent)	November 2000	Executive Vice President dmg world media from 2000 to 2006; Chief Financial Officer & Secretary, dmg world media from 1996 to Dec. 2006; Chief Financial Officer, Bruncor Inc. and New Brunswick Telephone Company Ltd. from 1993 to 1996. Mr. Allingham is currently a consultant.	Audit Committee	79,264 0.46%
David J. Hennigar Bedford, Nova Scotia Director and Chairman of the Board	October 2001	Chairman of High Liner Foods Inc., a major North American marketer of seafood products (listed TSX); Chairman of Thornridge Holdings Limited; Chairman of Annapolis Group Inc., a major real estate developer and parent of Envirosystems Inc., a leading environmental company; Chairman of Assisted Living Concepts Inc. (listed NYSE) assisted living resident company; Chairman of Landmark Global Financial Corporation (listed TSXV NEX); Chairman and Acting CEO of Aquarius Coatings Inc. (Listed TSXV). Also an investment advisor with Altus Securities Inc. Also a director of a number of other companies, including, SolutionInc Technologies Limited (listed TSXV), and MedX Health Corp. (listed TSXV)		3,042,138 17.63%

C.H. (Bert) Loveless Waverly, NS Director and Vice President	February 2012	Business consultant from 2000-Present; CFO PharmEng International Inc. 2006-08; CEO P2P Health Systems Inc. from 2000-06; CFO VR Interactive Corporation 2003-10; Deputy Minister, Province of NS from 1994-2000		110,000 0.64%
Francis MacKenzie Bedford, NS Director and President	February 2012	President and director, GRI from 2007-present; an employee of public companies and operated several businesses; was a senior official in municipal and provincial governments; an officer and director of two publicly traded companies including P2P Health Systems Inc. and the Corporation; and was Leader of a provincial political party.		1,712,490 9.93%
Jean Marc MacKenzie Toronto, ON Director (Independent)	February 2012	A member of the Bar in Ontario. He has 16 years of executive experience with international healthcare companies extensively involved in the mining industry with respect to health and safety regulatory compliance and health management governance director of GRI.		400,000 2.32%
Paul Snelgrove Happy Valley-Goose Bay, NL Director (Independent)	February 2012	Businessman in Happy Valley-Goose Bay, NL as well as Chairman of the HVGB Airport Authority and a Director of GRI		350,000 2.03%
K. Barry Sparks Toronto, ON Director (Independent)	February 2012	Director, Dundee Corporation (listed TSX); CEO and Director Cencotech Inc. (TSX.V); President, Torvan Capital Group, a division of Ashley Park Enterprises Inc., corporate finance, advisory and management company.	Audit Committee	259,796 1.51%
E. Christopher Stait-Gardner Thornhill, ON Director (Independent)	November 2000	Corporate director Cencotech Inc. (TSXV:CTZ)	Audit Committee	110,514 0.64%

Notes:

The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees

The Board does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

No Director or executive officer is, as at the date of this Management Information Circular, or was within 10 years before the date of this Management Information Circular, a Director, chief executive officer or chief financial officer of any company (including a personal holding company), that:

- (a) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – Continuous Disclosure Obligations) that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer other than:

Mr. Hennigar who (1) was a director of Landmark Global Financial Corporation Limited at the time Landmark Global Financial Corporation Limited had a temporary cease trade order in place from May 7, 2012 for failing to file annual financial statements on time, (2) was a director of Aquarius Coatings Inc. at the time Aquarius Coatings Inc. had a management cease trade order in place from December 12, 2008 to January 14, 2009 for failing to address TSX Venture Exchange requirements with respect to failing to hold shareholder meetings for the financial years ended March 31, 2007 and March 31, 2008. (3) was a director of MedX Health Corp. at the time MedX Health Corp. had a

cease trade order in place from May 19, 2006 to July 6, 2006 for failing to file financial statements, certification of filings under Multilateral Instrument 52-109, and its Management Discussion and Analysis for the year ending December 31, 2005 on or before the prescribed deadline of April 30, 2006; had a management cease trade order in place from January 21, 2010 to February 26, 2010 for failing to hold its fiscal 2008 annual general meeting within the timeframes required by applicable corporate law and Exchange policy and a management cease trade order in place from May 6, 2010 to June 30, 2010 for failing to file its annual financial statements, Certification of filings under Multilateral Instrument 52-109 and its Management, Discussion and Analysis for the year ending December 31, 2009 on or before the prescribed deadline of April 30, 2010. (4) was a director of SolutionInc Technologies Limited at the time SolutionInc Technologies Limited had a temporary cease trade order, issued by the British Columbia Securities Commission, in place from August 9, 2011 to August 24, 2011 for failing to file annual financial statements on time; had a cease trading order in place issued by the British Columbia Securities Commission on October 6, 2011 for failing to file June 30, 2011 quarterly financial statements on time and had a cease trading order in place issued by the Alberta Securities Commission on January 4, 2012 for failure to file September 30, 2011 quarterly financial statements on time.

(b) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – Continuous Disclosure Obligations) that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer

No Director, executive officer, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company thereof,

(a) is, as at the date of this Management Information Circular, or was within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including a personal holding company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. Hennigar who was a director of KLJ Field Services Inc., a private Nova Scotia Company, which made an assignment in bankruptcy on February 25, 2009;

(b) has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder; or

(c) has been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

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

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

The Corporation has a stock option plan (the "Plan") for the granting of incentive stock options to the officers,

employees and directors of the Corporation. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

Name	Fees earned \$(1)	Share-based awards (\$)	Option-based awards (\$) (2)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Jean Marc MacKenzie	700	NIL	7,778	NIL	NIL	NIL	8,478
David Hennigar	1,400	NIL	7,778	NIL	NIL	NIL	9,178
Paul Allingham	1,400	NIL	7,778	NIL	NIL	NIL	9,178
E. Christopher Stait-Gardner	1,050	NIL	7,778	NIL	NIL	NIL	8,828
Paul Snelgrove	1,400	NIL	7,778	NIL	NIL	NIL	9,178
K Barry Sparks	1,400	NIL	7,778	NIL	NIL	NIL	9,178

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

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

Compensation Objectives and Principles

The Corporation is a mineral exploration company with property interests located in the province of Newfoundland and Labrador. The Corporation has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Compensation Committee has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

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

Compensation Processes and Goals

The deliberations of the Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation’s Named Executive Officers. At the request of the Compensation Committee, the Named Executive Officers may, from time to time, provide advice to the Compensation Committee with respect to the compensation program for the Corporation’s Named Executive Officers. The Committee makes recommendations regarding the compensation to be awarded to the Named Executive Officers to the full Board of Directors.

The Corporation relies on its Compensation Committee and its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including, without limitation, to the Corporation’s directors, and for reviewing the Compensation Committee’s recommendations regarding the compensation to be awarded to any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer’s position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Corporation’s

Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

Executive Compensation Disclosure

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation, despite the amount of compensation of that individual, (ii) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation. During the Corporation's most recently completed financial year, the Corporation had four Named Executive Officers: Don Sheehan, Chief Executive Officer (resigned February 10, 2012), Francis MacKenzie, Chief Executive Officer, Lorne S. MacFarlane, Chief Financial Officer, and C H (Bert) Loveless Chief Operating Officer, of the Corporation. The aggregate cash compensation (including salaries, fees, directors fees, commissions, bonuses paid for services rendered during the most recently completed financial year, bonuses paid for services rendered in the previous year, and any compensation other than bonuses earned during the most recently completed financial year, the payment of which was deferred) paid to the Named Executive Officers (or corporations controlled by Named Executive Officers), in the capacity of Named Executive Officers, for the most recently completed financial year are set out in the summary compensation table below.

The Corporation has no plans to make any significant changes to its compensation levels, policies and practices for the next financial year.

Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the Corporation's last three completed financial years:

Name and Principal Position	Annual Compensation				Long Term Compensation ⁽¹⁾		Total Compensation
	Year	Salary \$	Bonus	Other Annual Compensation	Awards Securities Under Option ⁽²⁾	Payouts All Other Compensation	
Francis MacKenzie Chief Executive Officer	2012	12,500	Nil	Nil	7,778	n/a	20,278
	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2010	n/a	n/a	n/a	n/a	n/a	n/a
Lorne S. MacFarlane Chief Financial Officer	2012	12,500	Nil	Nil	7,778	n/a	20,278
	2011	Nil	Nil	Nil	Nil	Nil	n/a
	2010	n/a	n/a	n/a	n/a	n/a	n/a
C.H. (Bert) Loveless Chief Operating Officer	2012	7,500	Nil	Nil	7,778	n/a	15,278
	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2010	n/a	n/a	n/a	n/a	n/a	n/a
Don Sheenan Chief Executive Officer	2012	n/a	n/a	n/a	n/a	n/a	n/a
	2011	Nil	Nil	Nil	Nil	Nil	n/a
	2010	Nil	Nil	Nil	Nil	Nil	n/a

(1) "SAR" or "stock appreciation right" means a right granted by the Corporation, as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Corporation.

- (2) "LTIP" or "long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one financial year, but does not include option or stock appreciation right plans or plans to compensation through restricted shares or restricted share units.
- (3) Don Sheenan resigned as Chief Executive Officer on February 10, 2012

LONG-TERM INCENTIVE PLANS - AWARDS IN MOST RECENTLY COMPLETED FINANCIAL YEAR

The Corporation has no long-term incentive plans in place and therefore there were no awards made under any long term incentive plan to the Named Executive Officers during the Corporation's most recently completed financial year. A "Long-Term Incentive Plan" is a plan under which awards are made based on performance over a period longer than one financial year, other than a plan for options, SARs or restricted share compensation.

OPTIONS / SARs GRANTED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

During the most recently completed financial year, the following incentive stock options were granted to the Named Executive Officers.

Name of Optionee	Securities Under Option/SAR's Granted	% of Total Options /SAR's Granted to Employees In Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiry Date
Francis MacKenzie	16,000	33.33%	\$0.65	\$0.65	May 28, 2022
Lorne S. MacFarlane	16,000	33.33%	\$0.65	\$0.65	May 28, 2022
C. H. (Bert) Loveless	16,000	33.33%	\$0.65	\$0.65	May 28, 2022

AGGREGATED OPTIONS/SARs EXERCISED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

The following table sets out incentive stock options held by the Named Executive Officers during the most recently completed financial year as well as the financial year end value of stock options still outstanding. During this period, no outstanding SARs were held by the Named Executive Officers.

Option-Based Awards				
Name	Number of Securities Underlying Unexercised Options #	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽¹⁾
Francis MacKenzie	16,000	\$0.65	May 28, 2022	6,400
Lorne S. MacFarlane	16,000	\$0.65	May 28, 2022	6,400
C. H. (Bert) Loveless	16,000	\$0.65	May 28, 2022	6,400
	25,000	\$0.80	July 27, 2012	6,250

- (1) "Value of Unexercised in-the-money Options" is calculated by determining the difference in the market value of the securities underlying the options at the date referred to and the exercise price of the options and is not necessarily indicative of the value (i.e. loss or gain) that will actually be realized by the directors.
- (2) "In-the -money options means the excess of the market value of the Corporations shares at June 30, 2012 over

the exercise price of the options. Muskrat Minerals shares closed at \$1.05 on June 29, 2012, the last day of trading for the month.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans(excluding securities reflected in the first column (a))
Equity compensation plans approved by security holders	331,500	\$0.73	343,083
Equity compensation plans not approved by security holders	N/A	N/A	N/A

Summary of Outstanding Stock Options

Optionee Category	Number of Common Shares Reserved Under Option	Date of Grant	Expiry Date	Exercise Price Per Common Share
Executive Officers	64,000	May 28, 2012	May 28, 2022	\$0.65
	87,500	July 27,2007	July 27, 2012	\$0.80
Directors other than Executive Officers	80,000	May 28, 2012	May 28, 2022	\$0.65
	75,000	July 27, 2007	July 27, 2012	\$0.80
Employees	25,000	July 27, 2007	July 27, 2012	\$0.80
Total	331,500			

- (1) On June 29, 2012, the last day the common shares were trading in the fiscal year that ended June 30, 2012, the closing trading price was \$1.05.
- (2) On July 27, 2012, 187,500 options expired and have been canceled.

Pension, Retirement Plans and Payments Made Upon Termination of Employment

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

Employment Contracts

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, the Executive Officers or directors (including personal benefits and securities or properties paid or distributed,

which compensation was not offered on the same terms to all full time employees) during the last completed financial year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Circular, no director, proposed nominee for election as a director, senior officer, nor any of their respective associates or affiliates, is or has been indebted to the Corporation or its subsidiaries, other than as disclosed in this Circular, particularly with respect to the shares for debt transactions detailed herein

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Information Circular, particularly with respect to the Corporation’s acquisition of 3053229 Nova Scotia Limited and it’s indirect interest in Grand River Ironsands Incorporated, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Other than as set forth in this information circular, no person who has been a director or Executive Officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon, other than the election of directors.

APPOINTMENT AND REMUNERATION OF AUDITOR

The persons named in the accompanying proxy intend to vote for the appointment of Collins Barrow Toronto LLP, Chartered Accountants, as auditor of the Corporation and to authorize the directors to fix their remuneration.

AUDIT COMMITTEE

The Corporation must, pursuant to the provisions of Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110"), have a written charter which sets out the duties and responsibilities of its audit committee. National Instrument 52-110 requires the corporation to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following. The Corporation’s Audit Committee is governed by its Audit Committee Mandate , a copy of which is annexed hereto as **Schedule “A”**.

Audit Committee Disclosure

Pursuant to NI 52-110 the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the systems for internal corporate controls which have been established by the Board and management; and (c) overseeing the ties the audit committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Corporation’s Board. The audit committee is also mandated to review and approve all material related party transactions.

Composition of the Audit Committee Members

Committee Member	Independent	Financially Literate	Relevant Education and Experience
J. Paul Allingham Chair	Independent Appointed July, 2007	Yes	Executive Vice-President dmg world media from December 2000 to 2006; Chief Financial Officer & Secretary, dmg world media from 1996 to 2006; Chief Financial Officer, Bruncor Inc. and New Brunswick Telephone Company Ltd. from 1993 to 1996, semi-retired consultant since 2006

E. Christopher Stait-Gardner	Independent Appointed November 2000	Yes	Corporate Consultant; President Giesecke & Devrient Canada Inc. from 1996 to 1999.
K. Barry Sparks	Independent Appointed February 2012	Yes	Director, Dundee Corporation (listed TSX);CEO and Director Cencotech Inc. (TSX.V); President, Torvan Capital Group, a division of Ashley Park Enterprises Inc., corporate finance, advisory and management company.

- (1) A member of an audit committee is independent if the member has no director or indirect material relationship with the independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised in the Corporation 's financial statements.
- (3) Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and the accounting principles that are relevant in assessing the Corporation's financial disclosures and internal control systems.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

The approximate aggregate fees paid by the Corporation to the external auditors of the Corporation in each of the last three financial years are described below:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2012	\$35,000	Nil	Nil	Nil
2011	\$8,500	Nil	Nil	Nil
2010	\$8,000	Nil	Nil	Nil

Other

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

CORPORATE GOVERNANCE

On June 30, 2005, the Canadian Securities Administrators enacted National Policy 58-201 *Corporate Governance Guidelines* (the "Policy") and National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"). The Policy provides guidelines on corporate governance practices while NI 58-101 requires Canadian venture issuers to disclose

their corporate governance practices in accordance with the disclosure items set out in Form 58-101F2.

The Corporation's practices comply generally with the guidelines, however, the current directors of the Corporation consider that some of the guidelines are not suitable for the Corporation at its current state of development and therefore the Corporation's governance practices do not reflect these particular guidelines. Given that the Corporation is a relatively small venture issuer in terms of both activities and market capitalization, the directors of the Corporation believe that the current governance structure is cost-effective and appropriate for the needs of the Corporation's shareholders.

Set out below is a description of the Corporation's corporate governance practices as required to be disclosed by NI 58-101.

Board of Directors

The Board of Directors of the Corporation (the "**Board**") is responsible for overseeing the management of the Corporation and the conduct of the Corporation's affairs generally. The Board consisted of eight members, David Hennigar, Paul Allingham, Francis MacKenzie, C.H. (Bert) Loveless, Jean Marc MacKenzie, Paul Snelgrove, K. Barry Sparks, and E. Christopher Stait-Gardner], five (5) of whom are independent. Directors are expected to attend board meetings and meetings of the committees on which they serve and to spend the time needed to properly discharge their responsibilities. During the fiscal year ended June 30, 2012 the Board held a total of nine (9) formal meetings. The Board facilitates its exercise of independent supervision over management by ensuring that the Board is comprised of a majority of independent directors.

During the year ended June 30, 2012, in addition to being directors of the Corporation, David J. Hennigar was chairman or director of Assisted Living Concepts, Inc., Landmark Global Financial Corporation, MedX Health Corp., High Liner Foods Inc., Aquarius Coatings Inc., and SolutionInc Technologies Limited and was lead trustee of Crombie REIT; Mr. K Barry Sparks was a director of Cencotech Inc. (TSXV:CTZ), Dundee Corporation (TSX:DC.A; and E. Christopher Stait-Gardner was a director of Cencotech Inc. Information regarding other directorships held by nominees for election or re-election to the Board is set out under "Election of Directors".

Orientation and Continuing Education

The Corporation does not have a formal orientation or continuing education program for directors. All of the current directors are intimately familiar with the Corporation's business and activities. New directors are provided with access to recent, publicly filed documents of the Corporation and given copies of all Board minutes and corporate governance materials. New directors are encouraged to ask questions and communicate with management and employees to keep themselves current with industry trends and changes in corporate legislation.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

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

Audit Committee

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

Compensation Committee

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

Corporate Governance Committee

The Corporation Governance Committee consists of three (3) directors, J. Paul Allingham, Paul Snelgrove and K. Barry Sparks.

Other Committees

The Board of Directors has no committees other than the Audit Committee, Compensation Committee and Corporate Governance Committee.

Assessments

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

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

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

APPOINTMENT OF AUDITORS

MMI Shareholders will be asked to pass the following resolutions:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, that Collins Barrow Toronto LLP be and is hereby appointed auditors of the Corporation for the ensuing year and the director are authorized to fix its remuneration”.

APPROVAL OF ALLOCATION OF SHARES TO THE CORPORATION STOCK OPTION PLAN

At the 2011 Annual and Special Meeting , the Shareholders approved the Corporation Stock Option Plan(the Plan”), authorizing the issuance of incentive stock options to directors, officers, employees and consultants up to an aggregate of 20% of the issued shares from time to time, however at no time can an the issuance to insiders exceed 10%. There are currently 17,251,015 shares issued and outstanding and therefore the current 20% threshold is 3,450,203 shares under the Plan.

Management is seeking shareholder approval of the number of shares reserved for issuance under the Plan in accordance with and subject to the rules and policies of the Canadian National Stock Exchange.

Terms of the Stock Option Plan

A full copy of the Plan was attached to the Information Circular for the February 10, 2012 Annual and Special General Meeting which is available on SEDAR (www.sedar.com) Shareholders may also obtain copies of the Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of the Plan:

Number of Shares Reserved. The number of common shares which may be issued pursuant to options granted under the Plan may not exceed 20% of the issued and outstanding shares of the Company from time to time at the date of granting of options (including all options granted by the Company under the Plan).

Maximum Term of Options. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed 10 years. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the Plan is determined by the Board of Directors, provided that it is not less than the discounted market price, as that term is defined in the Exchange policy manual or such other minimum price as is permitted by the Exchange in accordance with the policies from time to time, or, if the shares are no longer listed on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

Reduction of Exercise Price. The exercise price of stock options granted to insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.

Termination. Any options granted pursuant to the Plan will terminate generally within a reasonable date, as determined by the Board, of the option holder ceasing to act as a director, officer, or employee of the Company or any of its affiliates, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the Plan. The Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Corporation's shares.

Administration. The Plan is administered by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board of Directors from time to time.

Board Discretion. The Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board of Directors from time to time and in accordance with Exchange policies. The number of option grants to insiders cannot exceed 10% of issued and outstanding shares, or the number of option grants, in any 12-month period, may not result in the issuance to any one Optionee cannot exceed 5% of the outstanding common shares of the Company unless the requisite disinterested shareholder approval has been obtained, or the issuance to a consultant or an employee engaged in investor relations activities cannot exceed 2% of the outstanding common shares of the Company.

SHAREHOLDER APPROVAL

Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

“RESOLVED AS AN ORDINARY RESOLUTION THAT, subject to Exchange approval, that pursuant to the stock option plan approved at the February 10, 2012 Annual and Special General Meeting , that in connection therewith a maximum of 20% of the issued and outstanding shares, as of the record date, be approved for granting as options; and

BE IT FURTHER RESOLVED THAT any director or any officer of the Issuer be and is hereby authorized for and on behalf of and in the name of the Issuer to execute and deliver under the corporate seal of the Issuer or otherwise all such instruments, documents, directions, undertakings, certificates and writings and to perform and do all such other acts and things as may be considered necessary, desirable or useful in the discretion of the director or officer for the

purpose of giving effect to the foregoing.”

APPROVAL AND RATIFICATION OF ACTS OF DIRECTORS AND OFFICERS

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

“RESOLVED, AS AN ORDINARY RESOLUTION, that:

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

(b) without limiting the generality of the foregoing, all resolutions, contracts, acts and proceedings of the Board of Directors of the Corporation enacted, made, done or taken since the last annual general meeting as set forth or referred to in the minutes and record books of the Corporation or in the financial statements of the Corporation, are hereby approved, ratified and confirmed.

OTHER BUSINESS

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

GENERAL

All matters to be brought before the Meeting require, for the passing of same, a simple majority of the votes cast at the Meeting by the holders of common shares.

ADDITIONAL INFORMATION

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

BOARD APPROVAL

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

BY ORDER OF THE BOARD OF DIRECTORS

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

By: (Original signed by Lorne S. MacFarlane)
Name: Lorne S. MacFarlane
Title: Secretary

SCHEDULE A

AUDIT COMMITTEE MANDATE

1. ESTABLISHMENT OF COMMITTEE

1.1 Establishment of the Audit Committee Confirmed

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

1.2 Certain Definitions

In this mandate:

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

2. PURPOSE AND OBJECTIVE

2.1 Purpose

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

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

2.2 Discharge of Responsibilities

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

3. AUTHORITY AND OUTSIDE ADVISERS

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

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

4. COMMITTEE MEMBERSHIP

4.1 Number of Members

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

4.2 Independence of Members

Unless otherwise determined by the Board and permitted by ML 52-110, the Committee shall be composed solely of Directors who

- a) Have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of such Director's independent judgment; and
- b) Are otherwise independent as determined in accordance with ML 52-110

4.3 Financial Literacy

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

4.4 Accounting or Related Financial Experience

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

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal controls and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

4.5 Annual Appointment of Members

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

4.6 Vacancy

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

5. COMMITTEE CHAIR

5.1 Board to Appoint Chair

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

5.2 Chair to be Appointed Annually

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

5.3 Casting Vote

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

6. COMMITTEE MEETINGS

6.1 Quorum

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

6.2 Secretary

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

6.3 Time and Place of Meetings

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

6.4 Right to Vote

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

6.5 Invitees

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

6.6 Non-Management Sessions

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

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

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

7. REMUNERATION OF COMMITTEE MEMBERS

7.1 Director Fees Only

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

7.2 Other Payments

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

8. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

8.1 Financial and Related Information

- (a) Financial Reporting - The Committee shall only review annual and interim financial reports and related financial documents for release to the public after the Chief Financial Officer has certified that the financial statements provide full and complete disclosure and that no material undisclosed liabilities or contingencies exist.
- (b) Annual Financial Statements - The Committee shall review and discuss with management and the External Auditor, the Corporation's annual financial statements and related MD&A and report thereon to the Board before the Board approves those statements for release to the public.
- (c) Interim Financial Statements - The Committee shall review and discuss with management, the Corporation's interim financial statements and related MD&A before they are submitted to the Board of Directors for approval and release to the public.
- (d) Annual and Interim Earnings – The Committee shall review and discuss with management the press releases relating to the Corporation's annual and interim earnings before such press releases are publicly disclosed.
- (e) Accounting Treatment - The Committee shall review and discuss with management [and the External Auditor] on a timely basis:
 - (i) major issues regarding accounting policies, principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
 - (ii) analyses prepared by management [and the External Auditor] setting forth significant financial reporting issues and judgments made in connection with the preparation of the

financial statements, including analysis of the effects of alternative GAAP methods on the financial statements;

- (iii) the effect on the financial statements of the Corporation of regulatory and accounting initiatives and issues, as well as off-balance sheet transactions, structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
 - (iv) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
 - (v) any financial information or financial statements in prospectuses and other offering documents;
 - (vi) the management certifications of the financial statements as may be required by applicable securities laws in Canada or otherwise, and all certifications and reports of any disclosure committee established by management from time to time;
 - (vii) any other relevant reports or financial information submitted by the Corporation to any governmental body or to the public.
- (f) Discussion of Accounting Treatments - The Committee shall have direct communication channels with the External Auditor to discuss and review specific issues as appropriate.
- (g) Disclosure of Other Financial Information - The Committee shall discuss with management and the External Auditor, if deemed necessary:
- (i) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases paying particular attention to any use of "pro forma" or "adjusted" non-GAAP, information; and
 - (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies; and
 - (iii) the public disclosure of any other financial information extracted from financial statements other than the public disclosure referred to in (a), (b) and (c).
- (h) Review of Communications - The Committee shall review with the External Auditor all material written communication between the External Auditor and management including, but not limited to, the management letter and any schedule of unadjusted differences.

8.2 External Auditor

- (a) Authority with Respect to External Auditor - As the representative of Muskrat Minerals shareholders, the Committee shall be directly responsible for overseeing the work of the External Auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The Committee shall require the External Auditor to acknowledge in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) Selection of External Auditor – The committee shall have sole responsibility for recommending to the Board the External Auditor to be nominated to the Corporation's shareholders for appointment and whether at any time the incumbent External Auditor should be removed from office. The Committee shall not recommend an External Auditor who is not a participating audit firm as defined in National Instrument 52-108 – Auditor Oversight.
- (c) Compensation of External Auditor – The Committee shall have sole responsibility for recommending the compensation of the External Auditor to the Board.

- (d) Competency of External Auditor - Once each year (and otherwise as the Chair may consider appropriate) the Committee shall review with the External Auditor its performance and that of the lead audit partner and obtain and review a report by the External Auditor describing:
 - (i) the External Auditor's internal quality-control procedures;
 - (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor's firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor's firm, and any steps taken to deal with any such issues;
 - (iii) all material relationships between the External Auditor and the Corporation (for the purposes of assessing the auditor's independence); and
 - (iv) to review annually with the External Auditor its performance and that of its lead audit partner.
- (e) Review of Audit Problems - The Committee shall review with the External Auditor any audit problems or difficulties and management's response.
- (f) Independence - The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process:
 - (i) The Committee shall require the External Auditor to submit on a periodic basis to the Committee, a formal written statement delineating all relationships between the External Auditor and Muskrat Minerals and that the Committee is responsible for actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for recommending that the Board take appropriate action in response to the External Auditors' report to satisfy itself of the External Auditors' independence; and
 - (ii) The Committee shall pre-approve any non-audit services provided by the External Auditor to Muskrat Minerals or any of its subsidiaries and may delegate such pre-approval authority to one or more of its independent members. The pre-approval of all such non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.
 - (iii) The Committee shall review and approve hiring policies with respect to partners, employees and former employees of present and former External Auditors.

8.3 Management Response

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

8.4 Related Party Transactions

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

8.5 Risk Assessment, Risk Management and Internal Control

The Committee shall gain an understanding of the Corporation business and shall discuss the Corporation major financial risk exposures and the steps management has taken to monitor and control such exposures.

The Committee shall assess and evaluate management's internal control plan.

The Committee shall obtain regular updates from management and legal counsel regarding compliance matters.

8.6 Other Matters

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

9. WHISTLE BLOWING

9.1 Procedure

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

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

10. REPORTING TO THE BOARD

10.1 Regular Reporting

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

11. EVALUATION OF COMMITTEE PERFORMANCE

11.1 Establish Process

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

11.2 Amendments to Mandate

- (a) Review by Audit Committee - The Committee shall recommend to the Board on an annual basis, any amendments it considers desirable to this mandate.
- (b) Review by Board - The Board will review and reassess the adequacy of the Mandate on an annual basis and at such other times as it considers appropriate.