MONETA PORCUPINE MINES INC.

NOTICE OF THE 2009 ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2009 Annual Meeting (the "Meeting") of shareholders of **MONETA PORCUPINE MINES INC.** (the "Corporation") will be held in the Casson Room, Hilton Toronto, 145 Richmond Street West, Toronto, Ontario, on Thursday, June 11, 2009, at 4:30 p.m., Ontario time, for the following purposes:

I. to receive and consider the financial statements of the Corporation for the year ended December 31, 2008, and the report of the auditors thereon;

II. to elect directors for the ensuing fiscal year or until their successors are appointed;

III. to appoint auditors for the year ending December 31, 2009, and to authorize the directors to fix their remuneration;

IV. to transact such other business as may properly come before the Meeting, or any adjournment thereof.

Specific details of the matters to be addressed at the Meeting are contained in the Management Information Circular addressed to the shareholders of the Corporation, which, together with a form of proxy, accompanies this Notice, and is a part hereof, and should be read in conjunction with this Notice.

A shareholder who does not expect to be able to attend the Meeting in person and who wishes to ensure that his common shares will be voted at the Meeting, is requested to complete, sign and date the enclosed form of proxy, which is solicited by management of the Corporation in accordance with the instructions set out therein. All proxies must be deposited at the office of the Corporation, Moneta Porcupine Mines Inc., 65 Third Avenue, Timmins, Ontario, P4N 1C2, not later than 4:30 p.m. Ontario time, on Tuesday June 9, 2009. The Corporation may refuse to recognize any proxy received after said time.

DATED at Timmins, Ontario, this 1st day of May, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

Ian C. Peres
Director, and CEO

MONETA PORCUPINE MINES INC.

PROXY

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

ON JUNE 11, 2009

THIS PROXY IS SOLICITED BY THE MANAGEMENT OF THE COMPANY

The undersigned Shareholder of **MONETA PORCUPINE MINES INC.** (the "Company") hereby appoints **IAN C. PERES**, CEO, or failing him, **ROD WHYTE**, President, or instead of any of the foregoing, ___________________________________ , as proxyholder, with full power of substitution, to attend the Annual Meeting of Shareholders to be held on June 11, 2009, (the "Meeting"), and any adjournment thereof, and thereat to act for and on behalf of the undersigned and to cast the number of votes the undersigned would be entitled to cast if personally present. The undersigned hereby ratifies and confirms all that the said proxyholder may do by virtue of the authority granted herein, and hereby revokes any proxy previously given. The undersigned instructs the person hereby appointed as proxyholder to vote the shares represented by this instrument in accordance with the directions given below.

I. **FOR** ________ or **WITHHOLD FROM VOTING** ________ on the election of Directors those nominees referred to in the Management Information Circular issued in connection with the 2009 Meeting.

II. **FOR** ________ or **AGAINST** ___________ on the appointment of Sievert & Sawrantschuk LLP as auditors of the Company for the year ending December 31, 2009, and authorizing the Directors to fix their remuneration.

III. In the discretion of the proxyholder, upon amendments or variations to matters identified in the Notice of the Meeting, and upon such other business as may properly come before the Meeting, or any adjournments thereof.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED OR WITHHELD FROM VOTING IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THIS PROXY. IF NO CHOICE IS SPECIFIED WITH RESPECT TO A MATTER IDENTIFIED HEREIN AND ONE OF THE PERSONS NAMED HEREIN IS APPOINTED AS PROXYHOLDER, THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN FAVOR OF THE MATTER.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM/HER AT THE MEETING OTHER THAN THE PERSONS SPECIFIED ABOVE. SUCH RIGHT MAY BE EXERCISED EITHER BY WRITING THE NAME OF THE PERSON TO BE APPOINTED IN THE BLANK SPACE PROVIDED IN THE OPENING PARAGRAPH OF THIS PROXY, IN WHICH CASE ONLY THE PERSON SO NAMED MAY VOTE THE SAID SHARES AT THE MEETING, OR BY MAKING USE OF ANOTHER FORM OF PROXY.

Dated this __________ day of _______________ , 2009.

_________________________________	_________________________________
Signature (If Signature is on behalf of a body corporate, please indicate signatory's capacity)	Name of Shareholder (Please Print)

This proxy must be executed by the Shareholder or his/her attorney authorized in writing, or if the Shareholder is a corporation, by an officer or attorney thereof duly authorized, and ceases to be valid one year from its date. If this proxy is signed under power of attorney or other authority, the power of attorney or other authority, or a notarially certified copy of the same, must be deposited at the place and within the time limit fixed for deposit of proxies in the Management Information Circular which accompanies the Notice calling the Meeting.

Please verify the Shareholder's name and address as indicated on this Proxy and notify the Transfer Agent of any change.

To receive 2009 Interim (unaudited) Financial Statements, please return this form to:

MONETA PORCUPINE MINES INC.
65 Third Avenue **Fax: (705) 267-7490**
TIMMINS, ON
CANADA P4N 1C2

______________________________ ______________________
Name (please print) Signature of shareholder

______________________________ ______________________
Address Postal Code/Zip Code

______________________________ ______________________
Number of shares

E-MAIL:* ______________________________
* If you wish to receive all regulatory company materials electronically, please provide your e-mail address above.

MONETA PORCUPINE MINES INC.

2009 ANNUAL GENERAL MEETING OF SHAREHOLDERS

JUNE 11, 2009

TO BE HELD IN THE *CASSON ROOM*, HILTON TORONTO, 145 RICHMOND STREET WEST, TORONTO, ONTARIO, M5H 2L2

MANAGEMENT INFORMATION CIRCULAR

as of May 1, 2009

GENERAL INFORMATION

This Management Information Circular (the "Circular") is furnished in connection with the solicitation by and on behalf of the management of **MONETA PORCUPINE MINES INC.** ("Moneta" or the "Corporation") of proxies to be used at the 2009 Annual General Meeting of the holders of common shares ("Common Shares") of the Corporation (the "Meeting") to be held on Thursday, June 11, 2009 at 4:30 p.m. in the *Casson Room*, Hilton Toronto, 145 Richmond Street West, Toronto, Ontario, M5H 2L2, or at any adjournment thereof, for the purposes set forth in the attached notice of meeting (the "Notice").

PROXIES

Solicitation

It is expected that the solicitation of proxies will be primarily by mail. However, proxies may also be solicited by telephone, telefax or other electronic means of communication, or in person by directors, officers, agents or employees of the Corporation. The costs of solicitation 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.

Appointment of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Corporation and have indicated their willingness to represent as proxy, the shareholder who appoints them. A shareholder submitting a proxy has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons designated in the form of proxy furnished herewith to represent the shareholder at the Meeting. To exercise this right, the shareholder should insert the name of the desired representative in the blank space provided in the form of proxy furnished herewith and strike out the names therein, or submit another valid proxy. Such proxy shall be in writing and under the hand of the shareholder or his attorney, or, if such shareholder is a Corporation, under its corporate seal or signed by an officer or attorney thereof duly authorized.

A proxy should be mailed so as to reach or be deposited at the office of the Corporation not later than 4:30 p.m., Ontario time, on Tuesday, June 9, 2009 as follows:

> Moneta Porcupine Mines Inc.
> 65 Third Avenue
> Timmins, Ontario, P4N 1C2

The Chairman of the Meeting may refuse to recognize any proxy received after said time.

Voting of Proxies
The persons named in the enclosed form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. If said instructions are certain, the common shares represented will be voted on any ballot, and where a choice with respect to any matter to be acted upon is specified, the common shares will be voted on any ballot in accordance with such specifications. In the absence of such direction, such common shares will be voted for the approval of each matter for which no specification has been made.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. 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 other matters come before the Meeting, management designees intend to vote in accordance with the judgment of management of the Corporation.

Revocation of Proxies
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 and deposited either at the registered office of the Corporation, 65 Third Avenue, Timmins, Ontario, at any time up to and including the second last business day preceding the day of the Meeting, or any adjournment 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 thereof.

VOTING SHARES & PRINCIPAL HOLDERS THEREOF

Beneficial Holders
The information set forth in this section is of importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold 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 & Co. (the registration name for The Canadian Depositary 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 their 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. 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 its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (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 Investor Communications Solutions (“Broadridge”) in Canada and the U.S.A. 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 a 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 instrument of proxy and Notice are to registered shareholders unless specifically stated otherwise.

Registered Shareholders

The Notice is being sent to all shareholders of record at the close of business on Friday, May 1, 2009. Before mailing of the Notice, Computershare Investor Services Inc., the Corporation's registrar and transfer agent, prepared a list of holders of Common Shares based on its records, as at the close of business on May 1, 2009. Only shareholders of record at the close of business on May 1, 2009, will be entitled to vote at the Meeting except to the extent that a person has transferred any Common Shares after that date and a new holder of such Common Shares establishes proper ownership and demands not later than five days before the Meeting to be included in the list of shareholders eligible to vote at the Meeting. Persons whose names are shown on said list, or who have demanded the inclusion of their names on said list, as set forth above, or to whom Common Shares are issued after preparation of said list but before the Meeting is held, may vote at the Meeting the Common Shares which are listed in their names, or in respect of which they have demanded their inclusion on said list, or which are issued to them after preparation of said list, as the case may be.

As of the date hereof, there are (i) 101,879,792 Common Shares issued and outstanding, each entitled to one vote at meetings of shareholders of the Corporation, and (ii) 8,015,644 Common Shares issuable upon exercise of previously granted stock options at prices from $0.04 to $0.23 per common share under the Corporation's Incentive Stock Option Plan.

The By-laws of the Corporation provide that at least two persons present in person or by proxy, being shareholders entitled to vote thereat or a duly appointed proxy holder or representative for a shareholder so entitled to vote at the Meeting, constitute a quorum for the Meeting in respect of holders of Common Shares.

Based on the Shareholders Register and to the best of the knowledge of the directors and officers of the Corporation, there is no person or company who beneficially owns, directly or indirectly, or exercises control or direction over, securities of the Corporation carrying more than 10% of the outstanding voting rights attached to voting securities of the Corporation as of the date hereof.

PARTICULARS OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2008, the auditors' report thereon and management's discussion and analysis will be tabled at the Meeting. A copy of the audited financial statements, the auditor's report thereon and management's discussion and analysis for the year ended December 31, 2008 are enclosed with this Management Information Circular.

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the Board may consist of not less than three and not more than ten Directors to be elected annually. For this forthcoming year, it is proposed that the Board of Directors shall consist of up to (7) members. The persons named below are five nominees of management for election as directors. Each Director will hold office until the next Annual Meeting or until a successor is duly elected, unless his office is earlier vacated in accordance with the bylaws.

Unless specifically instructed in the proxy to vote against or to withhold such vote, the persons designated in the accompanying form of proxy intend to vote for the election of the nominees whose names are set forth below. If any nominee is for any reason unable to serve (which management has no reason to believe to be the case) the persons named in the accompanying form of proxy reserve the right to vote for any other nominee in their discretion.

The following table and notes thereto disclose the name of each person proposed to be nominated by management for election as a director, all other positions and offices which the Corporation and any significant affiliate thereof now held by him, his principal occupation or employment, the period or periods of service as a director of the Corporation, and the approximate number of shares of the Corporation beneficially owned by him or over which he exercises control or direction.

Proxies in favour of management of the Corporation will be voted FOR the election of proposed nominees in the absence of directions to the contrary from the shareholders appointing them.

Name, Place of Residence and Position with Corporation	Principal Occupation	Period Served as a Director	Common Shares Beneficially Owned or Controlled
MICHAEL COULSON (1)(2)(3) London, England Director	Mining analyst and author	Since 6/24/2005	850,000
ALEX D. HENRY, C.A. (1)(2)(3) Toronto, Ontario Director	Chartered Accountant and a Principal of Hampton Equity Management Inc., a real estate finance company	Since 6/24/2005	1,920,000
CHARLES PARSONS, ACA, FCA (1)(2)(3) Brinkworth, Wiltshire, England Director	Chartered Accountant and Chief Executive Officer of EastWest Timber AS, an Estonian company with timber manufacturing capacity in Estonia and forest concessions in northwest Russia	Since 6/14/2004	305,000
IAN C. PERES, CA Toronto, Ontario CEO, acting CFO, and Director	Chief Executive Officer and Chief Financial Officer	Since 8/7/2008	3,357,222
ROD WHYTE, BA, B.ECON MSI (DIP) London, England President and Director	Natural resources financier	Since 7/6/1994	3,500,000

(1) Member of the Audit Committee
(2) Independent Director
(3) Member of Compensation Committee

All directors, executive officers and insiders of the Corporation, as a group as at the date hereof, beneficially own, directly or indirectly, 9,932,222 Common Shares of the Corporation representing 9.7% of the total outstanding.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions
No director, officer or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or has been within the past ten years, a director or officer of

any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days or became a 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.

Penalties or Sanctions
No director, officer or shareholder holding a sufficient number of securities of the corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian Securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies
No director, officer or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person has, within the past ten years, become 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 the assets of such person.

APPOINTMENT OF AUDITORS

An ordinary resolution will be proposed at the Meeting to appoint Sievert & Sawrantschuk LLP Chartered Accountants ("Sievert"), Toronto, as auditors of the Corporation for the fiscal year ending December 31, 2009, at remuneration to be fixed by the Board. Sievert were appointed as auditors of the Corporation in February, 2005.

OTHER MATTERS COMING BEFORE THE MEETING

If any other matters properly come before the Meeting, proxies in favour of management of the Corporation will be voted in accordance with the best judgment of the persons voting them. Management knows of no other matters to come before the Meeting other than as set forth herein.

DIRECTORS' AND OFFICERS' REMUNERATION

Directors' Compensation
During the fiscal year ended December 31, 2008, the Corporation paid no cash compensation to the directors in their capacity as directors except that the Corporation reimburses the out-of-pocket expenses of its directors incurred in connection with attendance at or participation in meetings of the Board of Directors. In lieu of cash compensation, the non-executive directors have received an annual grant of stock options, including a total of 980,000 stock options issued during the recent fiscal year ended December 31, 2008.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for acting as directors, other than as paid by the Corporation to such Executive Officers in their capacity as Executive Officers (See "Executive Compensation").

Executive Compensation

During the Corporation's three most recently completed fiscal years, the Corporation had no executive officers who received in excess of $150,000 in compensation as set out in the following table:

Summary Compensation Table

		Annual Compensation		Long Term Compensation
		Fees	Other Annual Compensation	Securities Under Options Granted
Name	Year	($)	($)	(#)
ROD WHYTE President & Director, former Chairman (1)	2008 2007 2006	50,000 41,853 25,000	N/A N/A N/A	170,000 - 670,000
KEVIN SNOOK (2) former President & CEO	2008 2007 2006	30,000 60,000 60,000	N/A N/A N/A	170,000 (2) 428,323 (2) 964,500 (2)
IAN C. PERES (3) CEO, acting CFO, & Director	2008	80,000	N/A	1,000,000

(1) Chairman until August 7, 2008

(2) President and CEO until August 7, 2008; all Securities Under Options Granted expired unexercised

(3) CEO and Director as of August 7, 2008

Options Grants During The Most Recently Completed Fiscal Year

	Securities, Under Options Granted		Securities Acquired On Exercise	Aggregate Value Realized	Options at Fiscal Year End Exercisable / Unexercisable	Value of Unexercised In-the-Money Options at Fiscal Year End (2) Exercisable /
Name	(#)	(Exercise Price)	(#)	($)	(#)	($)
ROD WHYTE President & Director former Chairman (1)	170,000	$ 0.23	-	-	1,819,054	-
IAN C. PERES CEO, acting CFO, & Director	1,000,000	$ 0.04	-	-	1,000,000	20,000

(1) Chairman until August 7, 2008

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness in the ordinary course of business, no director, proposed director, officer, nor any of their respective associates or affiliates is or has been indebted to the Corporation at any time during the last completed fiscal year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein or as previously disclosed by the Corporation, the Corporation is not aware of any material transaction involving any informed person, proposed director, Executive Officer or any shareholder holding more than ten (10%) percent of the voting rights attached to the Common Shares of the Corporation or any associate or affiliates of any of the foregoing.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations, and situations may arise where such directors and officers may be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

For the purposes of the above, “informed person” means: (a) a director or Executive Officer of the Corporation; (b) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

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

Other than as set forth in this Circular, no person who has been a director or Executive Officer of the Corporation at any time since the beginning of the last fiscal 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.

BOARD COMMITTEES

The Board has two formal committees: the Audit Committee and the Compensation Committee.

Audit Committee

The Audit Committee is composed of three Board members: Alex D. Henry, Charles Parsons and Michael Coulson. Mr. Henry is the Chairman of the Audit Committee. The Audit Committee meets at least four times per year.

Each of the members of the Audit Committee is independent and financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that is generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Mr. Henry is a Chartered Accountant who was in public practice for eight years and has been a financial advisor for over 25 years. He has served on the audit committees of three public companies in the past.

Mr. Parsons is a Chartered Accountant and is presently Chief Executive Officer of Eastwest Timber AS and as such is responsible for the presentation of that company's financial statements.

Mr. Coulson has been engaged in equity research for the mining industry for over 30 years, in a variety of senior positions in London, England and was Chairman of the (U.K.) Association of Mining Analysts from 2001 to 2004. He is currently a director of one other publicly listed company and is a member of its Audit Committee.

The Constitution of the Audit Committee has been adopted by the Board and is attached hereto as Schedule "A".

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed fiscal 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 fiscal 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

Pursuant to requirements under the Committee's charter, the Corporation has adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The aggregate fees paid to the external auditors by the Corporation in each of the last two fiscal years are described below:

Audit Fees. The aggregate fees paid to the external auditor in each of the last two fiscal years for audit fees were $20,500 in 2008 and $23,500 in 2007.

Audit-Related Fees. The aggregate fees paid to the external auditor in each of the last two fiscal years for assurance and related services were $1,500 in 2008 and Nil in 2007.

Tax Fees. The aggregate fees paid to the external auditor in each of the last two fiscal years for professional services rendered for tax compliance, tax advice and tax planning were $3,000 in 2008 and $4,500 in 2007.

Other

This disclosure regarding the Committee is being provided in reliance on the exemption provided in Section 6.1 of MI 52-110.

Compensation Committee

The Compensation Committee is composed of three members at present: Alex Henry, Michael Coulson and Charles Parsons. The Compensation Committee meets at least once annually and as required during the year.

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 *Corporate Governance Guidelines and National Instrument* 58-101 *Disclosure of Corporate Governance Practices*, which came into force on June 30, 2005, set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The foregoing and the following is the Corporation's required annual disclosure of its corporate governance practices in accordance with Form 58-101F2, Corporate Governance Disclosure.

Board of Directors

The Articles of the Corporation provide that the Board must consist of not less than three and not more than ten directors to be elected annually. Each director will hold office until the next Annual Meeting or until a successor is duly elected, unless his office is earlier vacated in accordance with the bylaws.

As of the last annual meeting in May 2008, the Board of Directors consisted of six directors. It is proposed that the Board be fixed at no more than seven directors for the ensuing year. Five Directors have been nominated herein. Three of the five are deemed to be independent (Mr. Parsons, Mr. Henry and Mr. Coulson) according to the definition of "independence" set out in MI 52-110 as it applies to the Board.

Board members communicate periodically with each other and with management and receive periodic updates on the Corporation's activities and progress. Accordingly, the Board believes there is sufficient on-going oversight of management.

Directorships

The following proposed directors of the Corporation are presently directors of the following issuers, or the equivalent, in a Canadian jurisdiction or a foreign jurisdiction:

Ian C. Peres	Abitex Resources Inc. (TSX-V)
Michael Coulson	City Natural Resources High Yield Investment Trust PLC. (U.K.)

Orientation and Continuing Education
The Corporation does not currently have any formal orientation and education programs for new directors due to the size of the board and the fact that changes in board membership have been infrequent.

Ethical Business Conduct
The Board is developing a policy and code of ethics designed to reinforce the Corporation's commitment to the integrity of its financial information and which establishes procedures to assist employees help achieve that objective. The policy will confirm, among other things, that the Board is responsible under Canadian securities laws for the integrity of the financial reporting of the Corporation.

Board Nominating Committee and Assessing Member Effectiveness
Given the small size of the Board and the Corporation, the Board does not have a formal Nominating Committee. That function is addressed annually by the Board as a whole, prior to approval of the Management Information Circular. For similar reasons, the Board does not have a formal structure for assessing Board member effectiveness. This is done informally by the Compensation Committee. As all Board members have backgrounds and experience in the natural resources and mining exploration industries, the Board does not consider that a formal board orientation and education process is necessary at the present time. If it becomes necessary, a nomination committee will be created which in turn will confirm relevant criteria for suitable candidates including the independence of the individual, financial acumen and availability to devote sufficient time to the duties of the Board.

Compensation
Compensation of Management and the Board is determined by the Compensation Committee of the Board of Directors which is chaired by Michael Coulson, an independent director. Compensation is determined by reference to the market and the personal contribution of each individual to the Corporation. Additional information pertaining to compensation can be found under the heading "Compensation Committee".

Other Board Committees and Board Size
The only standing committees of the Board are the Audit Committee and the Compensation Committee. Given the size and state of development of the Corporation, a board of up to seven members is considered to be adequate, appropriate and functional.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of circumstances in which it was made.

DATED: May 1, 2009

BY ORDER OF THE BOARD OF DIRECTORS

Ian C. Peres
Director and Chief Executive Officer

Rod Whyte,
Director and President

Schedule “A”

Charter of the Audit Committee

I: Audit Committee Mandate

The Audit Committee (“**Committee**”) is appointed by the Board to assist the Board in fulfilling its oversight responsibilities of the Company. In so doing, the Committee provides an avenue of communication among the external auditors, management and the Board. The Committee will primarily fulfill this role by carrying out the activities enumerated in this Charter. The Committee is, however, independent of Board, and in carrying out its role of assisting the Board in fulfilling their oversight responsibilities the Committee shall have the ability to determine its own agenda and any additional activities that the Committee shall carry out. The Audit Committee’s primary duties and responsibilities are to:

- Monitor the integrity of Corporation’s financial reporting process and the audit process
- Monitor risk management and systems of internal controls
- Monitor the independence, qualifications and performance of the Corporation’s independent auditors
- Monitor the Corporation’s compliance with legal and regulatory requirements

While the Audit Committee has the duties and responsibilities set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

II: Reliance on Information and Standard of Care

Members of the Committee, absent actual or suspected knowledge to the contrary (which shall be reported to the Committee), shall be entitled to rely on the integrity and accuracy of all information provided and all representations and reports made to the Committee. In addition, Members of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

III: Responsibilities

The Committee’s primary duties and responsibilities are as follows:

A. Financial Disclosure

1. Review and recommend to the Board for approval the Corporation’s annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related Management’s Discussion & Analysis (“MD&A”), as well as such other financial information of the Corporation provided to the public or any governmental body as the Committee or the Board requires.
2. Review and recommend to the Board for approval any press releases of the Corporation that contain financial information.
3. Satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements and the related MD&A and periodically assess the adequacy of those procedures.

B. Relationship with the External Auditor

1. Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
2. Have the authority to communicate directly with the external auditor.
3. Advise the external auditor that it is required to report to the Committee and not to management of the Corporation.

4. Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management.
5. Review and discuss on an annual basis with the external auditor all significant relationships they have with the Corporation, its management or employees that might interfere with the independence of the external auditor.
6. Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.
7. Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
8. Periodically consult with the external auditor out of the presence of management about
   (i) any significant risks or exposures facing the Corporation;
   (ii) internal controls and other steps that management has taken to control such risks; and
   (iii) the fullness and accuracy of the financial statements of the Corporation, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
9. Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Corporation.

C. Audit Process

1. Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
2. Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
3. Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
4. Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.
5. Review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
6. Review the system in place to seek to ensure that the financial statements, MD&A and other financial information disseminated to governmental organizations and the public satisfy applicable requirements.

D. Financial Reporting Processes

1. Review the integrity of the Corporation's financial reporting processes, both internal and external, in consultation with the external auditor.
2. Review all material balance sheet issues, material contingent obligations and material related party transactions.
3. Review with management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financing reporting.

E. General

1. The Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.
2. Respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform.
3. Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.
4. Review the public disclosure regarding the Committee required from time to time by applicable Canadian securities laws, including:
   - (i) the Charter of the Committee;
   - (ii) the composition of the Committee;
   - (iii) the relevant education and experience of each member of the Committee;
   - (iv) the external auditor services and fees; and
   - (v) such other matters as the Corporation is required to disclose concerning the Committee.
5. Review in advance and approve, the hiring and appointment of senior financial executives.
6. Perform any other activities as the Committee or the Board deems necessary or appropriate.
7. Overseeing the work of the external auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting.
8. Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors.
9. Review the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases before such documents are publicly disclosed by the Corporation.
10. The Committee must satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in 4 above, and must periodically assess the adequacy of those procedures.
11. Establish procedures for:
    - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
    - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
12. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

IV: Authority of the Committee

The Committee shall have the authority to conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. The Committee shall also have the authority to communicate directly with the external auditors.

A: Composition

The Committee shall be comprised of a minimum three Directors as determined and appointed by the Board, each of whom shall be independent and financially literate within the meaning of applicable Canadian securities laws. The Board shall designate the Chairman of the Committee annually.

B: Meetings & Operating Procedures:

1. The Committee will meet at least four times annually.
2. A quorum shall be a majority of the members.
3. In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
4. Minutes of the Committee shall be recorded. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of the Corporation in a timely fashion.
5. The Chairman of the Committee shall prepare and/or approve an agenda in advance of each meeting.
6. The Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's financial policies and disclosures.
7. The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors in advance of meeting dates.
8. The Committee should meet privately in executive session at least annually with management, the external auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.
9. In addition, the Committee or at least its Chair should communicate with management and the external auditors quarterly to review the Corporation's financial statements and significant findings based upon the auditor's limited review procedures.
10. The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
11. The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

C: Review Procedures

The Committee shall review and reassess the adequacy of this Charter at least annually, submit it to the Board for approval and ensure that it is in compliance with the Toronto Stock Exchange and OSC regulations.

D: Complaint Procedure

1. Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing or other matters. The Chair of the Committee will oversee treatment of such complaints.
2. Complaints are to be directed to the attention of the Chair of the Committee.
3. Complaints may be made in the French or English language and the Chair will deal with a complainant in whatever language they are most comfortable.
4. Complaints may be submitted to the Chair on a confidential basis. The Committee will endeavour to keep the identity of the complainant confidential.
5. The Chair of the Committee shall lead the review and investigation of a complaint. The Committee shall retain a record of all complaints received. Corrective action will be taken when and as warranted.

Moneta Porcupine Mines Inc.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

SIEVERT & SAWRANTSCHUK LLP
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of
Moneta Porcupine Mines Inc.

We have audited the consolidated balance sheets of **Moneta Porcupine Mines Inc.** as at **December 31, 2008 and 2007**, and the consolidated statements of comprehensive loss and deficit and cash flows for each of the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at **December 31, 2008 and 2007** and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

Sievert & Sawrantschuk LLP CA's

March 20, 2009
Toronto, Canada

Chartered Accountants, Licensed Public Accountants

MONETA PORCUPINE MINES INC.

Consolidated Balance Sheets

As at December 31,	**2008** **$**	2007 $
Current assets		
Cash and equivalents	**397,698**	923,713
Cash restricted for flow-through	**289,614**	1,411,356
Other receivables	**57,193**	44,202
Total current assets	**744,505**	2,379,271
Investments held for trading	**32,400**	-
Mineral properties and deferred costs (note 4)	**7,078,564**	5,770,002
	7,855,469	8,149,273
Current liabilities		
Accounts payable and accrued liabilities (note 9)	**135,248**	117,861
Total current liabilities	**135,248**	117,861
Shareholders' equity		
Capital stock (note 5)	**24,425,846**	24,512,349
Advances for shares to be issued	**-**	200,000
Contributed surplus (note 6)	**1,100,706**	715,130
Deficit	**(17,806,331)**	(17,396,067)
Total shareholders' equity	**7,720,221**	8,031,412
	7,855,469	8,149,273

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors:

Ian C. Peres, Director

Alex Henry, Director

MONETA PORCUPINE MINES INC.

Consolidated Statements of Comprehensive Loss and Deficit

For the years ended December 31,	2008 $	2007 $
Expenses		
Stock based compensation	**385,576**	-
Travel and promotion	**167,273**	67,445
Consulting fees	**240,038**	148,673
Investor relations	**140,400**	7,500
Unrealized loss on investments held for trading	**167,400**	-
General & administration	**76,915**	101,048
Legal & audit	**42,310**	32,500
Mineral property write-downs	**51,185**	33,274
Interest	**(48,668)**	(14,257)
Management fees & other income	**(42,905)**	(42,165)
Gain on disposal of mineral properties	**(359,967)**	-
	819,557	334,018
Loss before income taxes	**819,557**	334,018
Recovery of future income taxes (note 7)	**(409,293)**	(173,376)
Comprehensive loss	**410,264**	160,642
Deficit - beginning of year	**17,396,067**	17,235,425
Deficit - end of year	**17,806,331**	17,396,067
Loss per share	**$0.00**	$0.00
Weighted average outstanding shares	**99,527,280**	82,961,044

The accompanying notes are an integral part of these financial statements.

MONETA PORCUPINE MINES INC.

Consolidated Statements of Cash Flows

For the years ended December 31,	2008 $	2007 $
Operating activities		
Net loss	**(410,264)**	(160,642)
Add : non-cash items		
Unrealized loss on investments held for trading	**167,400**	-
Writedowns - mineral property and deferred costs	**51,185**	33,274
Stock based compensation	**385,576**	-
Recovery of future income taxes	**(409,293)**	(173,376)
Net change in non-cash working capital balances	**4,395**	14,865
Cash provided by (used in) operating activities	**(211,001)**	(285,879)
Investing activities		
Investments held for trading	**(199,800)**	-
Mineral property option payments	**198,940**	80,108
Mineral properties and deferred costs	**(1,558,686)**	(382,482)
Cash provided by (used in) investing activities	**(1,559,546)**	(302,374)
Financing activities		
Issuance of common shares, net of issue costs	**122,790**	2,161,174
Advances for common shares to be issued	**-**	200,000
Cash provided by (used in) financing activities	**122,790**	2,361,174
Net increase (decrease) in cash and equivalents	**(1,647,757)**	1,772,921
Cash and equivalents, beginning of year	**2,335,069**	562,148
Cash and equivalents, end of year	**687,312**	2,335,069
Interest paid during the year	**56**	51
Income taxes paid during the year	**-**	-
Common shares issued to acquire mineral properties	**-**	569,400

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

Moneta Porcupine Mines Inc. ("Moneta" or the "Company") is a mineral resource exploration and development company. The Company has no properties in current production and no production revenues at the present time. Fees are earned from the rental of its core shack facility, core storage, and from management fees as the operator of joint venture exploration programs. In addition, royalty income is generated by an Idaho perlite operation.

These consolidated financial statements have been prepared on the basis that the Company is a going concern which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the exploration and development of its properties and/or the realization of proceeds from the sale of one or more of its properties. These consolidated financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

2. Adoption of new accounting policies

Effective January 1, 2008, the Company adopted CICA Handbook *Section 1535: Capital Disclosures*, *Section 3861: Financial instruments – Disclosure and Presentation*, and *Section 3862: Financial Instruments – Disclosures*. The adoption of these new pronouncements has enhanced the qualitative disclosure and did not have any effect on the Company's financial position or results of operations. Please refer to note 5: Capital stock, Note 10: Capital Management, and note 11: Financial instruments and risk management for further details.

3. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of consolidated financial statements in conformity with GAAP 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 reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. The significant accounting policies used in the preparation of the consolidated financial statements are as follows:

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Wounded Bull Resources Inc. ("Wounded Bull") and 508825 Ontario Ltd.

Financial Instruments

The Company classifies all financial instruments as held-for-trading, available-for-sale, held-to-maturity, or loans and receivables or other financial liabilities. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the consolidated statement of comprehensive loss and deficit. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Items held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost.

The Company has designated its cash and equivalents as held-for-trading, which are measured at fair value. Other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost. Investments held for trading are recorded at fair value with the difference between fair value and cost being recorded as unrealized appreciation or depreciation in value of investments. In the case of securities listed on stock exchanges, the fair value means the latest bid price. Investments available for sale are measured at fair value with changes in fair value reported in other comprehensive income until the financial asset is disposed of, or becomes impaired. Investments for which reliable quotations are not readily available are valued at their fair value using a valuation model and market inputs. The Company has not classified any financial assets as available-for-sale or held-to-maturity.

3. Significant accounting policies (continued)

Cash and equivalents

Cash and equivalents include money market instruments and short-term investments with maturities of 90 days or less.

Mineral properties and deferred costs

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. Proceeds from the sale of any interest in a property are first credited against the carrying value of the property, with any excess included in the consolidated statement of comprehensive loss and deficit for the period.

The amount at which mineral properties and deferred exploration and development expenditures are recorded do not necessarily reflect present or future values of the resource properties. The recoverability of amounts recorded as mineral properties and deferred exploration and development expenditures is dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the Company's interests in the underlying properties, the ability of the Company to obtain the financing necessary to complete the development, and future profitable production or proceeds from the disposition thereof.

If a project is successful, the related mineral property and deferred exploration costs are amortized on a unit-of-production basis, based on estimated economic reserves, over the estimated economic life of the project. If a project is unsuccessful, or if exploration ceases because continuation is not economically feasible, the mineral properties and the related deferred exploration and development costs are written off to the consolidated statement of comprehensive loss and deficit for the period.

Revenue recognition

Revenues associated with the sales of gold are recognized when title passes from the Company to its customer and when collection is reasonably assured. Revenues associated with other income are realized when all significant acts have been completed and when collection is reasonably assured. The Company had no gold sales in 2008 or 2007.

Foreign currency translation

The functional currency of the Company is the Canadian dollar. The functional currency of the subsidiary Wounded Bull is the US dollar and the temporal method of foreign currency translation is applied as Wounded Bull is considered to be an integrated foreign operation. Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in operations.

3. Significant accounting policies (continued)

Stock-based compensation

Effective January 1, 2003, the Company adopted CICA Handbook *Section 3870: Stock-Based Compensation and Other Stock-Based Payments*, which requires that a fair value based method of accounting be applied to all stock-based payments. The fair value of incentive stock options granted to directors, officers, consultants, employees, and service providers and purchase warrants issued to shareholders on private placements are calculated using the Black-Scholes valuation model. The fair value of stock-based compensation is recorded as a charge to the consolidated statement of comprehensive loss and deficit with a corresponding credit to contributed surplus. The fair value for each instrument is estimated using the following weighted average assumptions:

Risk free rate	3.5% - 4.5%
Expected life	Determined by the terms and conditions of each instrument
Expected volatility	Determined by the closing sale price for the Company for a historical time interval equal to the expected life of the instrument
Expected dividend yield	0%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Asset retirement obligations

Asset retirement obligations are legal obligation associated with the retirement of mineral properties that result from acquisition. The Company records the estimated fair value of a liability, and corresponding increase in the related property, for an asset retirement obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value of a liability for an asset retirement obligation is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the assets retirement cost to expense using a systematic and rational method over the asset's useful life, and records the accretion of the liability as a charge to the consolidated statement of comprehensive loss and deficit.

Income taxes

Income taxes are accounted for using the future income tax method. Under this method, income taxes are recognized for the estimated income taxes payable for the current year. Future income taxes are recognized for timing differences between the tax and accounting basis of assets and liabilities, and for the recognition of those accumulated capital and non-capital losses, which in the opinion of management, are more likely than not to be realized before expiry. Future income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of the assets and liabilities and measured using the substantively enacted income tax rates expected to apply when such differences are expected to reverse. Future income taxes are also related to the recognition of flow-though share tax deductions. Flow-through share tax deductions are recognized in the year in which they are renounced.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. In periods when the Company reports a comprehensive loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore, basic and diluted loss per share are the same. The assumed conversion of outstanding common share options and warrants has an anti-dilutive impact in 2008 and 2007.

3. Significant accounting policies (continued)

Environmental expenditures

The operations of the Company may, in the future, be affected from time to time in varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future removal and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Shares issued through flow-through financing are recorded at their selling price. Under the terms of the flow-through share agreements, the tax benefits of the exploration expenses are renounced in favor of the investors. Flow-through share tax deductions are recognized in the year in which they are renounced.

4. Mineral properties and deferred costs

The following is a summary of the mineral properties and deferred costs:

For the years ended December 31,	**2008** **$**	2007 $
Acquisition costs		
Balance, beginning of year	**813,950**	109,223
Acquisition costs [1]	**-**	785,617
Option payments received [2]	**(198,940)**	(80,108)
Properties written off	**(16,047)**	(782)
Balance, end of year	**598,963**	813,950
Deferred exploration and development expenditures		
Balance, beginning of year	**4,956,052**	4,822,278
Exploration expenditures [3]	**1,558,686**	212,522
Properties written off	**(35,138)**	(78,748)
Balance, end of year	**6,479,600**	4,956,052
Balance, end of year	**7,078,564**	5,770,002

(1) On November 6, 2007, the Company entered into an agreement with Newmont Canada Limited to acquire Newmont's controlling interest in a joint venture known as the Windjammer Project. Moneta issued 4,380,000 common shares to Newmont valued at $0.13 for a total of $569,400 as consideration for the acquisition.

(2) On March 13, 2008, the Company optioned its interest in three properties in its base metal portfolio: "Loveland", "Fripp" and "Kamiskotia". Under the agreement, the purchaser will acquire a 100% interest in the three properties by paying the Company $500,000 in cash and issuing 1,350,000 common shares over several years. A total initial payment of $200,000 in cash and 540,000 shares valued at $199,800 was received on closing. Mineral properties and deferred costs were written down $39,833 with the difference of $359,967 recorded as a gain on the consolidated statement of comprehensive loss and deficit.

(3) Exploration expenditures amounted to $1,558,686 of which $1,261,742 was eligible for flow-through for the year ended December 31, 2008. The exploration expenditures relate to the winter drilling on *55 Zone* and summer drilling on the *Windjammer South* property.

5. Capital stock

Authorized share capital

The Company is authorized to issue an unlimited number of Class A Preferred shares, Class B Preferred shares, Common shares, and Non-voting shares. Class A Preferred shares are entitled to preference as to the payment of dividends and distribution of the remaining property of the Company on dissolution over Class B Preferred shares, Common shares and Non-voting shares. Class B Preferred shares are entitled to preference as to the payment of dividends and distribution of the remaining property of the Company on dissolution over Common shares and Non-voting shares. The Non-voting shares shall rank equally with Common shares in all respects except that the holders are not entitled to vote at shareholder meetings.

Issued share capital

The issued and outstanding share capital consists of Common Shares as follows:

For the years ended December 31,	**2008**		2007	
	No. of Shares	**$**	No. of Shares	$
Balance, beginning of year	**98,546,458**	**24,512,349**	80,730,610	21,995,867
Issuance of shares for cash:				
Private placements [(1)]	**2,333,334**	**140,000**	10,340,848	1,786,353
Exercise of stock options [(2)]	**-**	**-**	995,000	133,225
Exercise of warrants [(3)]	**1,000,000**	**200,000**	2,100,000	273,000
Issuances of shares for non-cash consideration:				
Acquisition of mineral properties [(4)]	**-**	**-**	4,380,000	569,400
Fair value – warrants issued on private placements	**-**	**-**		(40,716)
Income tax benefits renounced on flow-through shares [(5)]		**(409,293)**		(173,376)
Share issuance costs	**-**	**(17,210)**		(31,404)
Balance, end of year	**101,879,792**	**24,425,846**	98,546,458	24,512,349

(1) In December 2008, the Company completed a non-brokered private placement of 2,333,333 common shares issued on a flow-through basis at a price of $0.06 for gross proceeds of $140,000. There were no issue costs associated with this financing.

In December 2007, the Company completed a non-brokered private placement for gross proceeds of $1,786,353. The private placement consisted of 2,499,980 Units priced at $0.15 for gross proceeds of $374,997 and 7,840,868 common shares issued on a flow-through basis at a price of $0.18 per share for gross proceeds of $1,411,356. Each Unit consisted of one common share and one-half common share purchase warrant which expired unexercised on December 27, 2008.

(2) During the year ended December 31, 2007, 995,000 stock options were exercised for total proceeds of $133,225.

(3) On January 8, 2008, the Company issued 1,000,000 common shares on the exercise of 1,000,000 warrants for proceeds of $200,000. During the year ended December 31, 2007, the Company issued 2,100,000 common shares on the exercise of 2,100,000 warrants for proceeds of $273,000.

(4) In December 2007, the Company acquired a 50% interest in the Windjammer property from Newmont Canada Limited ("Newmont"), a subsidiary of Newmont Mining Corporation. Moneta paid 4,380,000 common shares valued at $0.13 per share to Newmont as consideration for the acquisition.

(5) In March 2008, the Company renounced $1,411,356 (2007 - $480,000) of expenditures on flow-through common shares issued in 2007, resulting in a $409,293 (2007 – $173,376) reduction in share capital and corresponding decrease to future income assets.

5. Capital stock (continued)

Stock option plan

The Company has established a stock option plan whereby the Board of Directors may grant options to directors, officers, consultants, employees, and service providers to acquire common shares of the Company. The maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Options granted have a maximum term of five years and vest immediately. The following table summarizes the outstanding stock options:

For the years ended December 31,	2008		2007	
	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options
Outstanding, beginning of year	$0.13	6,865,238	$0.13	7,860,238
Transactions during the year:				
Granted [1], [2]	0.15	4,089,406	-	-
Options exercised	-	-	0.13	(995,000)
Expired [3]	0.15	(3,824,323)	-	-
Outstanding, end of year	$0.12	7,130,321	$0.13	6,865,238
Exercisable, end of year	$0.12	7,130,321	$0.13	6,865,238

[1] In Q3 2008, the Company received regulatory approval and reported 1,955,323 stock options granted on December 5, 2007 and 1,134,083 stock options granted on March 10, 2008 to directors, officers, and consultants. The estimated fair value of these options, which are subject to immediate vesting, is $351,497 using the Black Scholes model and was charged as stock based compensation to the consolidated statement of comprehensive loss and deficit and credited to contributed surplus in shareholders' equity. The weighted average grant date fair value of options approved during the quarter amounted to $0.11 per option. The underlying assumptions used in the estimation of fair value in the Black Scholes model are as follows:

Risk free rate	4.50%
Expected life	5 years (based on option term)
Expected volatility	73% - 75%
Expected dividend yield	0.00%

[2] In Q4 2008, the Company issued 1,000,000 stock options to directors, officers, or consultants. The estimated fair value of these options, which are subject to immediate vesting, was $34,079 using the Black Scholes model and was charged as stock based compensation to the consolidated statement of comprehensive loss and deficit and credited to contributed surplus in shareholders' equity. The weighted average grant date fair value amounted to $0.03 per option. The underlying assumptions used in the estimation of fair value in the Black Scholes model are as follows:

Risk free rate	3.50%
Expected life	5 years (based on option term)
Expected volatility	76%
Expected dividend yield	0.00%

[3] During the year, a total of 3,824,323 options expired unexercised.

Warrants

For the years ended December 31,	Exercise Price	Expiry Date	2008 #
Outstanding, beginning of year	$0.20	December 27, 2008	1,249,990
Transactions during the year:			
Exercised	$0.20	December 27, 2008	(1,000,000)
Expired	$0.20	December 27, 2008	(249,990)
Outstanding, end of year			-

6. Contributed surplus

For the years ended December 31,	**2008** **$**	2007 $
Balance, beginning of year	**715,130**	674,414
Value assigned to:		
Stock-based compensation on options granted	**385,576**	-
Exercise of stock options	**-**	-
Warrants issued on private placements	**-**	40,716
Balance, end of year	**1,100,706**	715,130

7. Income taxes

The Company's effective tax rate, which differs from the combined federal and provincial statutory income tax rate of 33.5% for the year ended December 31, 2008 (2007 – 36.12%), has been reconciled as follows:

For the year ended December 31,	**2008** **$**	2007 $
Income tax (recovery) provision at statutory rates	**(274,552)**	(120,647)
Increase (decrease) related to:		
Realized (gain) loss on disposition of mineral property	**(120,589)**	14,900
Unrealized loss on held for trading investments	**56,079**	-
Stock-based compensation	**129,168**	-
Other	**(8,430)**	(24,473)
	(218,323)	(130,221)
Losses not tax benefited	**218,323**	130,221
Add: Tax benefits renounced on flow-through shares	**(409,293)**	(173,376)
Recovery of future income taxes	**(409,293)**	(173,376)

The Company's future income tax assets are comprised of the following:

As at December 31,	**2008** **$**	2007 $
Future tax assets:		
Net operating loss carry forwards	**739,000**	816,000
Resource deductions	**676,000**	1,407,000
Other	**69,000**	90,000
	1,484,000	2,313,000
Less: Valuation allowance	**(1,484,000)**	(2,313,000)
	-	-

The Company has recorded a valuation allowance as the Company does not consider it more likely than not that the future tax assets will be realized in the foreseeable future. The Company has non-capital losses of $2,550,000 (2007 - $1,953,000) available for deduction against future taxable income, the balances of which will expire as follows:

Year	**$**
2008	152,000
2009	294,000
2010	317,000
2014	325,000
2015	241,000
2026	307,000
2027	317,000
2028	597,000
	2,550,000

The potential tax benefit of the above losses has not been recognized in these consolidated financial statements. The Company has approximately $3,050 (2007 – $3,050) in capital losses available to apply against future capital gains.

7. Income taxes (continued)

In March 2008, the Company renounced $1,411,356 (2007 - $480,000) of expenditures on 7,840,868 flow-through common shares issued in 2007, resulting in a $409,293 (2007 – $173,376) reduction in share capital and corresponding decrease to future income assets. A total of $1,261,742 of flow-through funds were spent on qualifying exploration expenditures during the year ended December 31, 2008, reducing the amount of unspent resource expenditures to $149,614. The Company has not recognized its future income tax assets, and the $409,293 (2007 - $173,376) is recorded as a future income tax recovery on the consolidated statement of comprehensive loss and deficit.

8. Related party transactions

The Company recorded fees of $289,739 (2007 - $101,853) to related companies controlled by officers and consultants for the year ended December 31, 2008. The fees were for management and consulting services provided to the Company under ongoing contracts. Stock options with an aggregate Black Scholes valuation of $385,576 (2007 - $Nil) were issued to directors, officers or consultants during the year. All related party expenditures were in the normal course of business at the exchange amounts.

9. Contingent liabilities

The Ontario Ministry of Mines filed an order in 2001 requiring the Company to file a Closure Plan for the Moneta Mine which closed in 1943. The Company filed an appeal of the order on the basis that no Closure Plan was required. The appeal was heard in November 2007 and January 2008, however no decision has been rendered as of the current year end. In April 2004, the site of an opening to the underground workings of the Moneta Mine subsided. Moneta rehabilitated the property following the occurrence by filling in the subsidence and restoring the surface. The financial statements include a provision of $70,000 (2007 – $70,000) which the Company estimates may be required for certain additional costs such as consulting, fencing and a geotechnical study, if a Closure Plan order is received.

In addition, certain parties, which owned the surface rights and occupied buildings on the site of the former Moneta Mine, filed suit in 2005 against the Company, its directors and other third parties claiming damages related to the subsidence. One of these parties brought a claim for compensation under the Ontario Mining Act which was dismissed by the Mining Commissioner in March 2008. The Company believes the claims have no merit and intends to defend such claims vigorously. Accordingly, no provision has been made in these financial statements for these claims.

10. Capital Management

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the year ended December 31, 2008.

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Company manages capital in proportion to risk and manages the mineral properties and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

11. Financial instruments and risk management

The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's consolidated balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall exploration and development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

The carrying values for primary financial instruments, including Cash and equivalents, Cash restricted for flow-through, Other receivables, and Accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash and equivalents held with a Canadian financial institution.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the mineral property portfolio exploration and development activities remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's exposure to credit risk is concentrated in two specific areas: the credit risk on operating balances including Other receivables primarily comprised of GST recoverable, and Cash and equivalents and Cash restricted for flow-through held with a Canadian financial institution. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at December 31, 2008 was $744,505 (2007 - $2,379,271), and was comprised of $57,193 (2007 - $44,202) in Other receivables, and $397,698 (2007 - $923,713) in Cash and equivalents and $289,614 (2007 - $1,411,356) in Cash restricted for flow-through and, both primarily held with a Canadian financial institution with a "AA" credit rating.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rates, foreign currency exchange rates, and liquidity. A discussion of the Company's primary market risk exposures and how those exposures are currently managed follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States ("US") dollars. The Company has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

11. Financial instruments and risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Company maintains principally all its assets in cash and equivalents.

12. Recent accounting pronouncements

In 2006, the Canadian Accounting Standards Board published a new strategic plan that will significantly affect financial reporting requirements for Canadian public companies. The Standards Board plan outlines the convergence of GAAP with International Financial Reporting Standards ("IFRS") over an extended five-year transitional period. In February, 2008, the Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. The Company's management will continue to monitor these developments.

13. Subsequent events

In October 2008, the Company submitted an application for a vesting order to the Ontario Mining and Lands Commissioner to increase its interest to 100% in the *Windjammer Property*, from the 50% interest acquired from Newmont Canada Limited in November 2007. In February 2009, the vesting order was approved and Moneta's interest increased to 100%, with no encumbrances, in the *Windjammer Property*.

In March 2009, the Company renounced $140,000 of expenditures on 2,666,667 flow-through common shares issued in 2008, resulting in a fiscal 2009 reduction of $40,600 in share capital and corresponding decrease to future income assets. The flow-through funds are to be spent on qualifying exploration expenditures during fiscal 2009. The Company has not recognized its future income tax assets, and the $40,600 was recorded as a future income tax recovery on the consolidated statement of comprehensive loss and deficit.

14. Comparatives

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

Moneta Porcupine Mines Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2008

This Management Discussion and Analysis ("MD&A") analyzes the significant changes in the consolidated Statements of Comprehensive Loss and Deficit, Consolidated Balance Sheets and Consolidated Statements of Cash Flows for Moneta Porcupine Mines Inc. ("Moneta" or the "Company"). It should be read in conjunction with the Annual Consolidated Financial Statements and notes thereto for the year ended December 31, 2008. The MD&A is prepared with an effective date of March 31, 2009.

Other continuous disclosure documents, including the Company's press releases and quarterly and annual reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and are also available on the Company's website www.monetaporcupine.com.

The MD&A is presented in the following sections:

FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

This MD&A may contain certain forward looking statements concerning the future performance of Moneta's business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. These forward-looking statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, its ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, and include words to the effect that the Company or management expects a stated condition or result to occur. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Statements relating to estimates of reserves and resources are also forward-looking statements as they involve risks and assumptions, including but not limited to assumptions with respect to future commodity prices and production economics, that the reserves and resources described exist in the quantities and grades estimated and are capable of economic extraction. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". All forward-looking information is inherently uncertain and subject to risks, uncertainties, and a variety of assumptions to address future events and conditions. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

HISTORICAL RESOURCE ESTIMATES

Moneta's projects include properties with historical resource estimates which are not compliant with National Instrument 43-101 ("NI 43-101"). These estimates are sourced from various government and company archives which provide information on the geology and extent of the mineralization. It should be noted that a "qualified person" has not done sufficient work to classify the historical resource estimate as a current mineral resource or mineral reserve. Moneta is not treating the historical resource estimates as current mineral resources or mineral reserves as defined by NI 43-101 and historical resource estimates should not be relied upon.

OUTLOOK

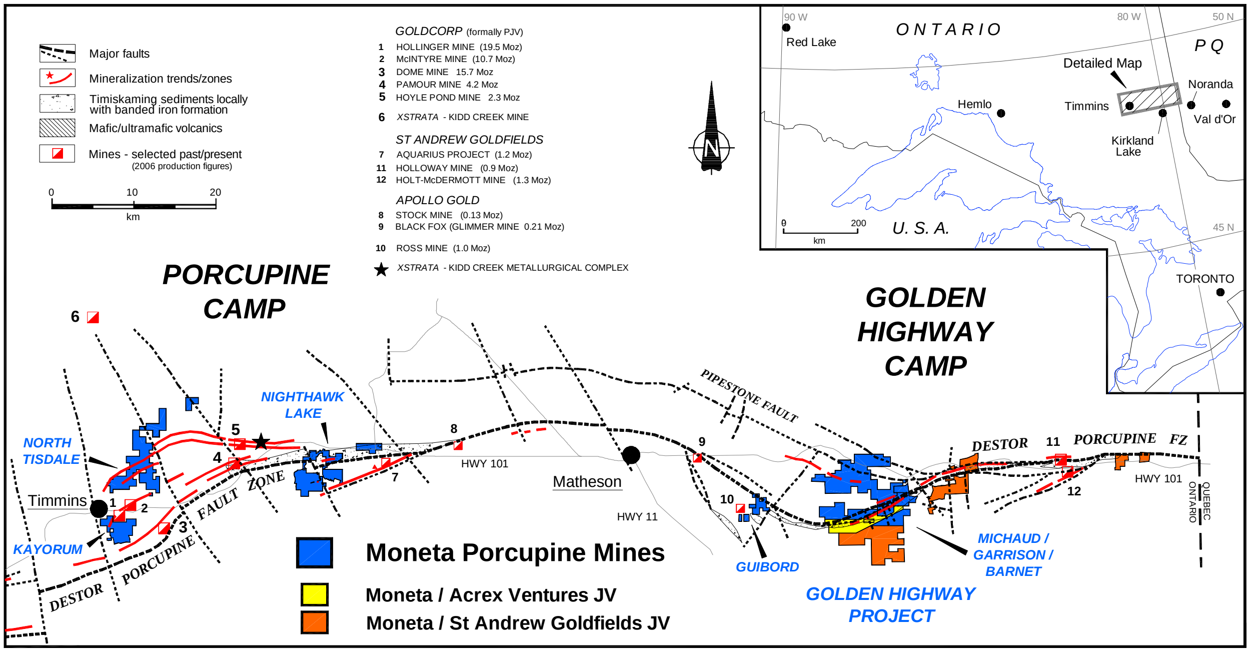
The Company's focus is to utilize cash and restricted flow-through cash resources to strategically advance its *Golden Highway Project* by way of additional exploration programs, to increase and improve the category of NI 43-101 gold resources, to bring the historical resources to NI 43-101 standards, and to continue to develop our internal models to identify and prioritize future drill targets for the *Golden Highway Project.* Subject to unforeseen events or factors, the Company has sufficient working capital to meet its current obligations and currently planned operating costs and expenditures on its mineral properties for the next twelve to eighteen months. Moneta has no material commitments or contractual obligations with respect to the development of any mineral properties beyond those that would be considered as part of normal business.

CORPORATE OVERVIEW

Moneta Porcupine Mines Inc. ("Moneta" or the "Company") is a Canadian mineral resource exploration and development company incorporated pursuant to the laws of the Province of Ontario on October 14, 1910. The Company has no properties in current production and no production revenues at the present time. Fees are earned from the rental of its core shack facility, core storage, and from management fees as the operator of joint venture exploration programs. In addition, royalty income is generated by an Idaho perlite operation. The Company is operated by an experienced geological and management team which maintains a low-cost, efficient Timmins-based exploration operation with its own field office, equipment, and drill core logging and storage facility (core shack).

Moneta is a "reporting issuer" in the Canadian provinces of Ontario, Alberta and Quebec. The Company's common shares trade on the Toronto Stock Exchange ("TSX") and the Berlin Stock Exchange the Xetra and Frankfurt Stock Exchange under the symbol MOP.

The Company holds an extensive, high-quality exploration portfolio with four primary gold projects in the prolific Golden Highway Project and Porcupine Camp near Timmins, Ontario. These camps have collectively produced over 72 million ounces of gold primarily from some 26 mines, each of which generated more than 100,000 ounces.

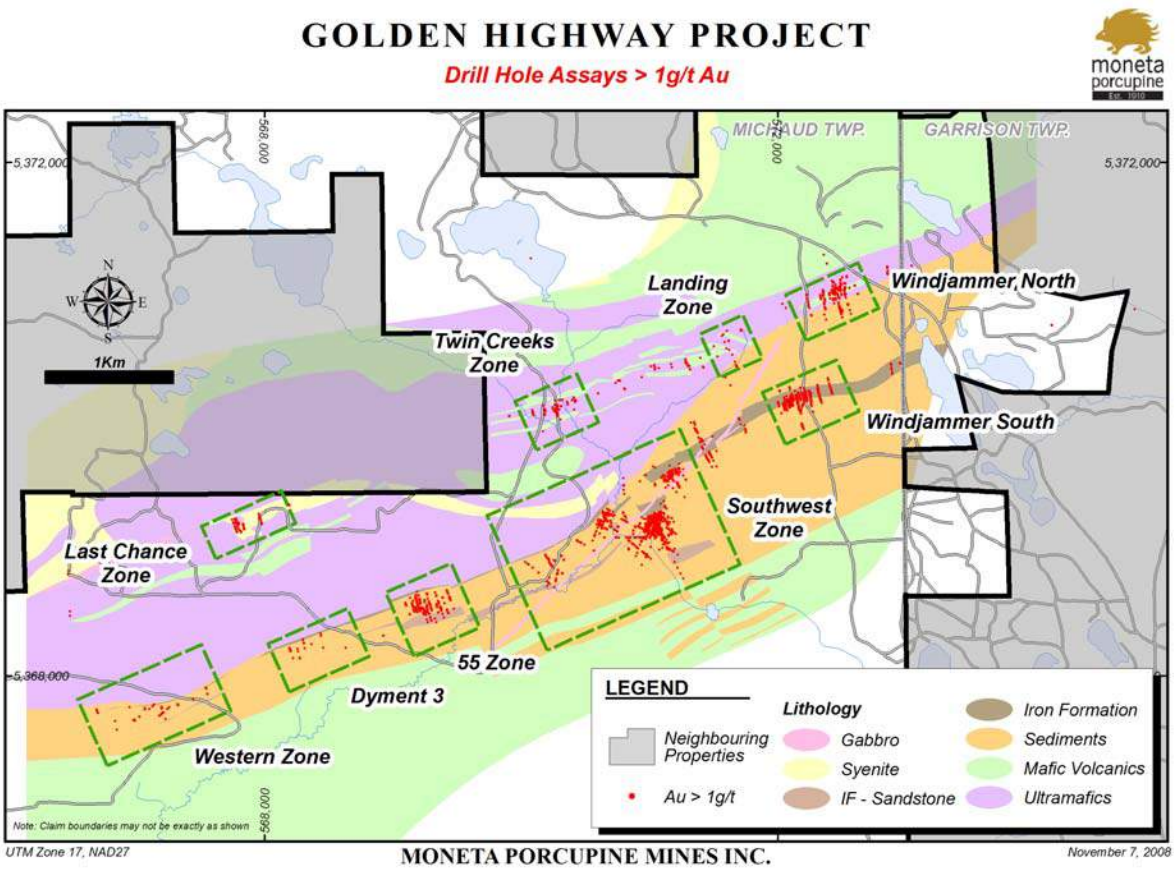


Moneta's properties straddle or are closely associated with the Destor Porcupine Fault Zone ("Destor"), a key structural feature of one of the most prolific gold-producing areas in the world. Most historic production in the region is associated with the Destor, including significant producing mines now operated by Porcupine Gold Mines (Goldcorp) and several under development by Lake Shore Gold, Apollo Gold, and St Andrew Goldfields.

Moneta's primary gold exploration focus is the *Golden Highway Project* which is centered in Michaud township, 100 km east of Timmins, Ontario along Highway 101, a major all-season route. The *Golden Highway Project* hosts numerous gold-bearing zones and intersections along a 12km mineralized corridor and is a largely contiguous land package consisting of 665 claim units or approximately 10,600 hectares.

The *Golden Highway Project* includes several third-party joint ventures or options and the 50/50 Michaud joint venture. All claims are 100%-owned by Moneta except for the properties subject to option agreements, some of which have vested. These include the St Andrew Goldfields Ltd. ("St Andrew") joint venture (formerly the Newmont Joint Venture), in which Moneta holds various participating interests, the 50/50 St Andrew *Garrison* joint venture, the *Dyment 3* joint venture (St Andrew 25%, Acrex Ventures Ltd. 37.5%, Moneta 37.5%), and the 50/50 Michaud Joint Venture with Acrex Ventures Ltd. ("Acrex"). There are two additional option agreements with St Andrew – *Barnet* and *Guibord*.

Moneta's primary focus within the *Golden Highway Project* is the area directly associated with the Destor as it crosses Michaud and Garrison Townships as illustrated on the map below. Evident are two distinctive settings or parallel corridors – a northern corridor hosted by volcanics, and a southern corridor defined by Timiskaming sediments and iron formation. These contain most of the gold zones discovered to date on the property.



The area is largely covered with overburden, mostly sands associated with the Munro Esker complex. A few outcrops are located in the centre of the Michaud Parcel and on the southeast part of the Nufort Leases south of the Pike River. The south to south-western area is primarily muskeg and generally poorly drained with primary drainage by way of the Pike River and its tributaries. Vegetation consists of low stands of black spruce, alder, birch, and pine.

The Company's exploration activities are seasonal in nature, being dictated in part by weather and ground conditions on its various properties which may limit access at certain times of the year.

Geological Setting

The *Golden Highway Project* is located in the western Archean Abitibi Greenstone Belt which, in this region, can be subdivided into 3 main stratigraphic groups: the Kidd (north), Porcupine (central) and the Kinojevis (south). The Kidd Group consists primarily of ultramafic and iron tholeiite. The Porcupine Group is composed of sediments including sandstone, siltstone, argillite, conglomerate and iron formation. The Kinojevis Group is characterized by magnesium and iron rich basalts overlying the Porcupine sediments. The contacts between these groups are usually defined by major structures such as the Destor. This regional deformation zone is a key geological feature hosting numerous and geologically varied gold deposits in this part of the Abitibi Greenstone Belt. Within and around Michaud Township, syenite intrusives are present. All rock types have been structurally deformed and metamorphosed to greenschist facies.

Several gold mineralization settings have been discovered in the *Golden Highway Project*:

1) Mineralization hosted by altered ultramafic and mafic volcanic rocks occurs along the Destor and associated splays. This includes the *Perry Lake* Property, *North Zone* (collectively the *Twin Creeks, Miller* and *Landing Zones*), and *Windjammer North*. Typically, the zones in volcanics exhibit quartz carbonate veining in high strain zones usually silicified and carbonatized (ankerite) with subordinate hematite, sericite, and albite.

2) Mineralization associated with sediments and/or BIF in the *Southern Corridor* is principally in the *Windjammer South and Southwest Zone* (*South, Southwest, 04, and 04 Extension Zones*). Also included are the *Independence, 55, Dyment3 and Western Zones*. Variably intense silicification and sericitization with hematitzation is common within mineralized zones that are also characterized by veins, brecciation and fractures filled quartz-pyrite stringers and stockworks.

3) Mineralization hosted in a porphyritic syenite intrusive in contact with unaltered ultramafic and mafic rocks on the south side of the Destor on the Nufort Leases (*Last Chance Zone*). The syenite has a bleached and albitized core enveloped by a hematized zone. Gold mineralization is hosted in zones of narrow quartz carbonate stringers.

2008 EXPLORATION ACTIVITY

Moneta's 2008 exploration focused on the *Golden Highway Project* with minor activity on the *North Tisdale* and *Potter* projects. All drill intersections noted in the following section are being reported using *drilled widths* and gold values that may include averaged duplicate and metallic assays.

GOLDEN HIGHWAY PROJECT

The 2008 *Golden Highway Project* exploration activity focused on the *Southern Corridor* defined by the Timiskaming sediments and considered to be within the greater Destor. Mineralization discovered to date stretches from the *Western Zone* over 6 kilometres east-northeast to the *Windjammer South* zone. Drill programs were completed on the *55 Zone* and *Windjammer South* zone.

Windjammer property

The *Windjammer Property* ("Windjammer") contains two gold zones in distinct geological settings, namely *Windjammer South*, hosted in Timiskaming sediments, and *Windjammer North*, in altered mafic to ultramafic volcanics. Both zones are open on strike and to depth with significant untested potential.

In October 2008, the Company submitted an application for a vesting order to the Ontario Mining and Lands Commissioner to increase its interest to 100% in the *Windjammer Property*, from the 50% interest acquired from Newmont Canada Limited in November 2007. In February 2009, the vesting order was approved and Moneta's interest increased to 100%, with no encumbrances.

Windjammer South zone

Prior drilling by Noranda Inc. from 1985-1989 on *Windjammer South* consisted of 26 drill holes that identified several gold-bearing zones within a mineralized system extending for 400 metres along strike and to a depth of 350 metres with a southerly subvertical dip along the southern iron formation contact.

Windjammer South appears to closely resemble the style of mineralization in the nearby *Southwest Zone* and, to a lesser extent, the *55 Zone,* where gold mineralization is typically hosted by fine quartz veining found within variably altered (hematite, silica, and sericite) Timiskaming sediments. These sediments form the hanging wall to a sequence of banded oxide facies iron formation generally interpreted as the sub-vertical northern boundary of the mineralization. Gold grades tend to increase towards the iron formation.

Moneta completed a short drill program during the winter 2007/2008 on the *Windjammer South* consisting of three diamond drill holes totalling 988 metres. This program was designed to evaluate and confirm historical drill holes representative of the gold mineralization, to generate comparative geological information, and to infill areas in the historical drilling. Drill holes MWJ07-01 and MWJ07-02 verified assays from prior drill holes while MWJ07-03 drilled into a historically untested area in the centre of *Windjammer South* returning 47.3 metres (drilled width) grading 2.21 g/t gold. The drilling was conducted to support a NI 43-101 resource estimate and report as released June 15th, 2008 and filed on SEDAR. *Cargill Consulting Geologists Limited* ("Cargill") interpreted and calculated and inferred resource of 154,000 ounces gold based on 2.1 million tonnes with an average grade of 2.3 g/t Au and employing a 1.0 g/t Au cut-off.

Subsequently a summer/fall 2008 drill program was undertaken completing 6,914 metres of diamond drilling in 21 holes. Included is one hole abandoned in an area of difficult overburden and three holes drilled as step-outs from the *Windjammer South* zone. The step-out holes were drilled 1,200 metres to the east and 200 and 800 (M08-259) metres to the west along strike with all holes returning several low grade gold intersections which confirm the continuation of the gold system. More drilling is required to evaluate this area both along strike and to depth.

Within the zone, wide and locally well mineralized drilled width intercepts include 3.40 g/t Au over 27.0 metres in MWJ08-11, 2.59 g/t Au over 12.90 metres in MWJ08-07, and 2.02 g/t Au over 45.45 metres in MWJ08-18. Holes MWJ08-07 and MWJ08-17, both stepped back 150m from the known mineralization, have intersected mineralization in areas not previously tested. Mineralization in the upper portion of the holes is similar to that found uppermost in the one historical step-back Noranda drill hole WJ88-40 drilled very steeply 50m behind all other *Windjammer South* drill holes. Further down-hole, MWJ08-17 was well-mineralized with 18.60m @ 2.19 g/t gold from 297.4m to 316.0m, representing another possible new zone. Although the orientation and extent of these possible new zones has not been determined, the potential for additional gold mineralization in the hanging wall of the *Windjammer South* zone has been confirmed.

The new drilling data has been incorporated into the *Windjammer South* database and an updated NI 43-101 resource estimate of 305,379 indicated (7,786,000 tonnes @ 1.22 g/t) and 211,951 inferred (5,834,000 tonnes @ 1.13 g/t) ounces of gold using a 0.7 g/t cut-off grade, completed by Cargill and released on March 11, 2009.

Block Model

Cut-Off Grade (g/t Au)	Category	Tonnes	Grade (g/t Au)	Oz Au
0.7	Indicated	7,786,000	1.22	**305,379**
	Inferred	5,834,000	1.13	**211,951**

Polygon Method

Cut-off Grade (g/t Au)	Category	Tonnes	Grade (g/t Au)	Oz Au
0.7	Indicated	4,903,000	1.36	214,384
	Inferred	5,490,000	1.26	222,399

1. Specific gravity 2.81g/cc (average of 25 samples).
2. Assay data includes 9470 samples from 46 diamond drill holes (15,041m)
3. High grade samples (17.55 g/t Au – 265.49 g/t Au) were cut to 16 g/t Au prior to compositing.
4. Area of influence around drill holes taken as 35m.
5. CIM Definition Standards, November 22, 2005 were used for Mineral Resource categories.

Resource parameters and interpretive details are found in the updated Cargill NI 43-101 technical report to be filed on SEDAR by April 25th, 2009.

Windjammer North zone

The *Windjammer North* discovery is located one km north of *Windjammer South* in volcanics that define the northern boundary of the Destor and is on strike with Moneta's *North Zone* (*Last Chance, Twin Creek, Miller and Landing Zones).* In total, this area represents an under-explored strike length of 4.5 kilometres.

Windjammer North has been defined by 21 Noranda Inc. drill holes over 400 metres along strike with intersections including 6.37 g/t over 5.9 metres. Mineralization is hosted in altered ultramafic and mafic volcanic rocks and typically consists of quartz carbonate veining in high strain zones with pyrite, ankerite, silica, fuchsite, and sericite alteration. Moneta has undertaken preliminary modeling and is considering a drill program to assess the historical work.

Drilling by Moneta, Unocal, Independence, and Barrick on the Moneta North Zone produced encouraging gold intersections which included 11.3 g/t over 3.7 metres, 20.6 g/t over 1.2 metres, 8.6 g/t over 2.5 metres, 13.0 g/t over 3.1 metres and 13.0 g/t over 1.8 metres.

Southwest Zone

The *Southwest Zone* has a non NI 43-101 compliant historical inferred resource estimate of 624,500 ounces of gold based on 3.25 million tonnes averaging 5.98 g/t with a cut-off grade between 3.00 g/t, which was developed by Barrick Gold Corporation by way of option agreement with Moneta between 1994-1997 (see *Meixner Report*, SEDAR filing on April 21, 2005).

Cut-Off Grade (g/t Au)	Non NI-43-101 Compliant	Tonnes	Grade (g/t Au)	Oz Au
3.00	Historical inferred resource	3,250,000	5.98	**624,500**

55 Zone (Michaud Joint Venture)

The *55 Zone* is hosted in altered Timiskaming greywackes and sandstones along the ultramafic/Timiskaming sedimentary contact and covers the western portion of the *Southern Corridor* of the Golden Highway Project. It is located one km along strike west-southwest of the *Southwest Zone*. The 50/50 Michaud Joint Venture partner is Acrex Ventures Ltd. ("Acrex"), a Vancouver-based exploration company. Moneta is the operator of the joint venture.

To date 27 drill holes have been completed in the *55 Zone* (Michaud JV: 15, Acrex: 7, Barrick: 5) with significant gold mineralized intervals. Recent drill holes were laid out to generate additional data points and complete sections within the zone in order to facilitate a resource estimate to NI 43-101 standards and determine parameters for a follow-up drill program.

Highlights from previous drilling include drill hole MA-04-25, which assayed 12.76 g/t over 4.30 metres within 11.50 metres of 5.86 g/t, MA-05-30 that returned 8.99 g/t over 4.50 metres within a 7.40 metre alteration zone averaging 5.81 g/t gold, and 9.04 g/t over 5.90 metres from MA-05-32, all over drilled widths. One hole (MA-06-37) intended mainly for structural and interpretation purposes returned encouraging gold values generally in the 0.5 to 6.0 g/t range with the best value being 57.18 g/t Au over 0.31 metres.

A total of 8 holes and 2449 metres were drilled in Q1 2008. All drill holes intersected gold mineralization, with best results from holes MA-08-43, MA-08-44 and MA-08-49, drilled in the more central portion of the zone. Highlights include the zones intersected in MA08-43 and MA08-49. Notable intersections include MA08-49 that returned 9.68 g/t Au over 27.75 metres with a peak value of 49.03 g/t Au over 1.00 metre. Five narrow quartz vein or stringer intercepts, each of which may be up to 0.30 metres in true width, intersected the drill core at variable but generally very low core angles, with the result that a significant portion of the vein intersections carrying the higher grades were drilled down-dip. The overall zone is defined by intense ankerite/pyrite alteration with gold values typically ranging from 2.0 to 5.0 g/t Au. A similar orientated vein carrying visible gold in the same geological setting was intersected in MA08-43 returning 42.09 g/t Au over 2.90 metres with a peak vein value of 187.99 g/t Au over 0.50 metres.

The results confirm the high grade and well mineralized gold tenor of these very narrow veins and due to their orientation, the true width of the two zones is significantly reduced and will have to be determined by an additional drill program.

OTHER PROPERTIES: GOLDEN HIGHWAY CAMP

Dyment 3 (Michaud Joint Venture)

Dyment 3 consists of three claim units west-southwest of the *55 Zone* in Michaud Township originally under option from St Andrew requiring $150,000 in expenditures to earn a 75% interest. A five hole, 1,426 metre, winter diamond drill program completed in 2007 vested the Michaud Joint Venture and confirmed the pervasive nature of gold mineralization in the Timiskaming sediments. No additional work has been completed.

Western Zone (Michaud Joint Venture)

The *Western Zone* was discovered during the 2003-2004 winter drilling program and 14 drill holes were completed for a total of 4,147 metres again illustrating the gold potential of the Timiskaming sedimentary belt as it crosses Michaud Township. No additional work has been completed.

Garrison property (St Andrew's Joint Venture)

Moneta entered into an agreement in 2002 with St Andrew on its properties in Garrison Township. Under the agreement, St Andrew can earn a 50% interest in the properties by incurring $350,000 in exploration expenditures and paying $50,000 in cash over a five-year period. St Andrew's interest has vested by way of cash payments and property expenditures and St Andrew's remains as operator of the joint venture.

Guibord property

Moneta's Guibord land position near the former Ross Mine was the subject of an option swap with St Andrew. St Andrew entered into an agreement in 2004 to earn a 75% interest in Moneta's Guibord-Hislop township property by spending a total of $150,000 over 4 years.

Barnet property (St Andrew's Joint Venture)

Moneta entered into an agreement in 2002 with St Andrew related to certain properties in the Michaud and Barnet Townships. Under the agreement, St Andrew can earn a 50% interest in these properties by expending $200,000 on exploration and making $20,000 in cash payments to Moneta over a three-year period.

St Andrew has made the cash payments and Moneta has agreed to extend the period for completion of the exploration expenditures. St Andrew's is required to spend approximately $9,000 for a total of $200,000 earn-in.

MINERAL PROPERTIES: PORCUPINE CAMP (TIMMINS AREA)

Nighthawk Lake property

The Nighthawk Lake Project is located at the eastern end of the Porcupine Camp on Nighthawk Lake primarily in Cody Township approximately 30 km east of the (greater) City of Timmins and immediately south of Highway 101. The primary focus of Moneta's exploration remains the *Collins Group* (up to 9.54 g/t of gold over 5.75 metres). A total of 6,038 metres of "BQ" and 1,077 metres of "NQ" core have been drilled to date with several gold intersections of economic merit intersected.

Preliminary digital geological modeling has been undertaken in order to evaluate the potential for a resource given the style of gold mineralization, high gold price, proximity to infrastructure and potentially favourable zone geometry.

North Tisdale property

North Tisdale consists of 161 mining claim units located in Tisdale, Murphy and Hoyle Townships, all north of Timmins and covering approximately 2,650 hectares.

In Q1 2008 a diamond drill hole totaling 359 metres was completed undercutting a Placer Dome 1996 drill hole that intersected low but anomalous gold values including a narrow vein returning 10.0 g/t over 0.22 metres. No significant results were obtained.

In Q1 2009, a 374 metre drill hole MNT09-01, was completed to test a MMI (Mobile Metal Ion) soil geochemical anomaly potentially associated with grey zone type alteration. No significant mineralization was intersected.

Kayorum property

Kayorum consists of 52 claims located immediately south of the Hollinger mine between Hollinger and Paymaster/Dome Mine stratigraphy. Several drill programs have been completed under option agreements with Cogema, Cameco, and Placer Dome. The adjacent Hollinger Mine property is currently in a permitting stage for the development of 3 open pits by Goldcorp.

OTHER PROPERTIES: PORCUPINE CAMP

Potter Stock property (joint venture)

Geodex Minerals Limited ("Geodex") and Moneta each hold a 50% interest in a small claim group. Geodex agreed to complete at least 1 drill hole in Q4 2008 to cover a debt of approximately $13,500 owed to Moneta from the previous phase of exploration. The 360 metre drill hole intersected variably altered granodioite with no significant results, but was adequate to satisfy assessment requirements.

Idaho Perlite property

In 1999, Moneta sold all of the assets of a perlite mining and processing business located in Idaho. Under the agreement, Moneta receives royalties of between $3 and $7 US per ton of perlite sold by the purchaser. Security against future royalties has been provided by the purchaser in the form of a US$2,925,000 mortgage on the assets purchased.

FINANCIAL REVIEW

The consolidated financial statements have been prepared on the basis that the Company is a going concern which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of its properties and/or the realization of proceeds from the sale of one or more of its properties. The consolidated financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

This section discusses significant changes in the Consolidated Balance Sheets, Consolidated Statements of Comprehensive Loss and Deficit, and Consolidated Statements of Cash Flows for the year ended December 31, 2008.

SELECTED ANNUAL INFORMATION

($ except per share data)	For the years ended December 31,		
Highlights	**2008**	2007	2006
Revenue	-	-	-
Net (earnings) loss	**410,264**	160,642	(157)
Net loss (earnings) per share	**($0.00)**	$0.00	$0.00
Total Assets	**7,855,469**	8,149,273	5,526,073
Total Long-term liabilities	**Nil**	Nil	Nil

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Company's key consolidated financial information for the last eight quarters:

($ except per share data)	2008				2007			
Highlights	**Dec**	**Sep**	**Jun**	**Mar**	Dec	Sep	Jun	Mar
Revenue	-	-	-	-	-	-	-	-
Net (earnings) loss	**(395,497)**	**643,763**	**(157)**	**162,155**	(36,235)	43,146	103,402	50,329
Net Loss (Profit) per Share	**0.00**	**(0.01)**	**0.00**	**0.00**	(0.00)	0.00	0.00	0.00

In Q1 2008, Moneta announced the sale of the "Loveland", "Fripp" and "Kamiskotia" base metal projects to Amador Gold Corp. ("Amador"). Under the agreement, Amador will acquire 100% interests in the three properties by paying Moneta $500,000 in cash and issuing 1,350,000 common shares over a period of 36 months. Moneta received $200,000 and 540,000 Amador common shares during 2008. The Amador shares are classified as an investment held for trading resulting in future market value fluctuations being reported on the consolidated statement of comprehensive loss and deficit.

Exploration expenditures amounted to $1,558,686 for the year ended December 31, 2008, excluding JV recoveries of $154,996 on the *55 Zone*, of which $1,261,742 was eligible for flow-through. A total of $930,000 in flow-through funds was spent on the *Windjammer South* drill program which resulted in an updated 43-101 resource calculation of 517,331 ounces. A total of $208,000 in flow-through funds was spent by Moneta on its 50% JV interest in the *55 Zone* drill program completed in Q1 2008 which resulted in some significant gold intersections. The balance of approximately $124,000 in flow-through funds was spent on drilling on the North Tisdale and Potter Stock projects in the Porcupine Camp, in addition to fees paid to consultants for the respective exploration and development programs. See below for further details.

In Q1 2008, the Company completed a 2,449 metre drill program on the *55 Zone.* Assay results were released in Q2 2008 with all drill holes intersected gold mineralization and confirming the high grade and well mineralized gold tenor. The strong results emphasize the merit of a follow-up drill program.

On July 28, 2008, a NI 43-101 compliant technical report on *Windjammer South* was filed on SEDAR, defining an inferred resource of 2.1 million tonnes at 2.3 g/t for 154,000 ounces gold. The *Windjammer* drill core from drilling completed prior to the Company's acquisition of the property is located at the Holloway Mine site and is in the process of being salvaged and transported to the Moneta core facility for potential review and additional sampling.

During Q3 2008, the Ontario Securities Commission ("OSC") completed a random continuous disclosure review of the Company filings. Certain disclosure recommendations were made by the OSC and implemented into the Q2 2008 MD&A and will be reflected in future MD&A.

In Q4 2008, John Larche, OC (Order of Canada) sold the majority of his approximately 11% or 10,800,000 share interest in the Company. Mr. Larche, who celebrated his 80^{th} birthday this year, has also sold his significant share interests in other junior resource companies, primarily for tax planning purposes. The Company is pleased to report that substantially all the shares sold by Mr. Larche were acquired by Management, all members of the Board of Directors, and also strategically placed with key investors. The recent share buying transactions resulted in substantial increases to the respective share ownership in the Company for Mr. Peres and Mr. Whyte.

In October 2008, the Company submitted an application for a vesting order to the Ontario Mining and Lands Commissioner to increase its interest to 100% in the *Windjammer Property*, from the 50% interest acquired from Newmont Canada Limited in November 2007. In February 2009, the vesting order was approved and Moneta's interest increased to 100%, with no encumbrances, in the *Windjammer Property*.

The 2008 *Windjammer South* drill program was completed in Q4 2008 and consisted of 21 drill holes for a total of 6,914 metres. The objective of the 2008 program was to expand the *Windjammer South* zone and its NI 43-101 gold resources. The program followed recommendations made in the July 28, 2008 NI 43-101 technical report and was successful in adding new sections, expanding existing sections, and filling in data gaps. All holes intersected mineralization with most returning well-mineralized gold intersections. Assay results were disseminated in Q4 2008 and an updated 43-101 resource calculation was finalized in Q1 2009. The updated 43-101 resource calculation for *Windjammer South*, now owned 100%, is 305,379 indicated and 211,951 inferred ounce gold resources at 0.7 g/t Au cut-off. This updated resource calculation better classifies the resource into indicated and inferred categories and is a very significant upgrade and increase to the initial 43-101 resource calculation of 154,000 ounces (inferred) announced when Moneta held a 50% interest in *Windjammer*.

In December 2008, the Company completed a $140,000 non-brokered private placement financing. The financing was subscribed by insiders of the Company. A total of 2,333,334 flow-through common shares were issued at

$0.06 for gross proceeds of $140,000. Proceeds from the financing are to be used to advance Moneta's *Golden Highway Project* properties. There were no finder's fees associated with the financing.

During Q3 and Q4 2008, the Company continued to advance its geological models for *Windjammer South, Southwest Zone* and *55 Zone* in addition to surrounding areas in preparation for near term drilling program with the objective of upgrading historical and current resources to NI 43-101 standards. Independent consultants were hired to review the three zones as part of this effort.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the Consolidated Statements of Comprehensive Loss and Deficit for the year ended December 31, 2008 and the corresponding notes thereto. All references to years "2008" or "2007" relate to the fiscal years ended December 31 of those years unless stated otherwise. Moneta has not generated any material operating revenues in fiscal 2008 as it is in the development stage and, therefore, operating losses were incurred in all periods, which are anticipated to continue in the future.

Moneta incurred a net loss for the year of $410,264 as compared to a loss of $160,642 in 2007. Stock-based compensation expense, a non-cash charge related to stock options, was $385,576 for the year as compared to $NIL for 2007. Travel and promotion expenses were $167,273 for the year as compared to $67,445 in 2007. The YTD increase primarily relates to travel and promotion expenses related to attendance at strategic resource conferences. Consulting fees were $240,038 for the year as compared to $148,673 in 2007. The YTD increase relates to an increase in fees paid to the management team, one-time severance costs and fees paid to consultants. Investor relations expenses were $140,400 for the year as compared to $7,500 in 2007. The YTD increase primarily relates to fees paid for marketing of $75,000 and related YTD investor relations expenses including new website design, new corporate logo, development of corporate videos, and marketing materials, all completed in 2008. Unrealized loss on investments held for trading was $167,400 for the year as compared to $NIL for the 2007. The loss relates to fluctuations in the market value of common shares issued on the sale of the base metals projects.

Interest income (net) was $48,668 for the year as compared to $14,257 in 2007. The increase in income is primarily related to higher interest earning cash balances held in cash and equivalents in 2008 as compared to 2007. A gain of $359,967 was reported on the disposition of the based metal projects to Amador Gold Corp., representing the excess of proceeds received to date over the mineral property acquisition and deferred costs. Management fees and other income received from joint ventures and other projects were $42,905 for the year as compared to $42,165 in 2007.

The renunciation of flow through expenditures resulted in a reduction of the Company's future income tax assets of $409,293 and a corresponding reduction in share capital, as compared to $173,376 in 2007. However, as the Company has not recognized its future income tax assets, the $409,293 (2007 - $173,376) is recorded as a future income tax recovery on the statement of comprehensive loss and deficit.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the Consolidated Balance Sheets as at December 31, 2008 and the corresponding notes thereto. References made to "2008" or "2007" relate to the respective balances as at December 31, unless stated otherwise.

Consolidated assets

Consolidated assets were $7,855,469 at December 31, 2008 as compared to $8,149,273 at December 31, 2007 with the decrease explained as follows:

Cash and equivalents were $397,698 at December 31, 2008 as compared to $923,713 at December 31, 2007. Cash restricted for flow-through, restricted for spending on qualifying Canadian exploration expenditures, was $289,614 at December 31, 2008 as compared to $1,411,356 at December 31, 2007. The decline is due to exploration expenditures of $1,558,687 incurred during the year and a draw-down of hard dollars required for operating expenses incurred during the year.

Mineral properties and deferred costs were $7,078,564 at December 31, 2008 as compared to $5,770,002 at December 31, 2007. The increase is primarily due to flow through expenditures of $1,261,742, offset by $200,000 received in cash and $199,800 received in common shares from the sale of base metal properties during the year.

Consolidated liabilities

Consolidated liabilities were $135,248 at December 31, 2008 as compared to $117,861 at December 31, 2007. The change primarily relates to minor fluctuations in accounts payable and accrued liabilities.

Shareholders' equity

Shareholders' equity was $7,720,221 at December 31, 2008 as compared to $8,031,412 at December 31, 2007. The change is due to an increase in contributed surplus resulting from reported stock based compensation of $385,576 in 2008 as compared to $NIL in 2007, the recovery on future income taxes of $409,293, offset by the net loss of $410,264 in 2008 YTD as compared to $160,642 in 2007.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the Consolidated Balance Sheets as at December 31, 2008 and the corresponding notes thereto. All references to years "2008" or "2007" relate to the balances for the respective years ended December 31, unless stated otherwise.

The consolidated working capital ratio at December 31, 2008 remains strong at 5.5 : 1 as compared to 20.2 : 1 at December 31, 2007. The decrease is largely due to the December 2007 flow-through financing which was spent during the current year on exploration expenditures.

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the year ended December 31, 2008.

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Company manages capital in proportion to risk and manages the mineral properties and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

Moneta has not earned significant revenues to date and is considered to be in the exploration stage. As a result, the most meaningful information concerning the Company's financial position relates to its liquidity and solvency position. The Company raises funds for its operations primarily through the issuance of common shares.

The Company has sufficient working capital to meet its current obligations and currently planned operating costs and expenditures on its mineral properties for the next twelve to eighteen months. The Company intends to strategically advance its *Golden Highway Project* by way of additional exploration programs. Moneta intends to seek additional capital resources required from equity financings including flow-through. Although the Company has been successful in the past in raising funds, there can be no assurance that any funding required by the Company in the future will be available to it and, if such funding is available, that it will be offered on reasonable terms. In the event the Company is unsuccessful at raising such funds, it may not be able to continue as a going concern. Moneta has no material commitments or contractual obligations with respect to the development of any mineral properties beyond those that would be considered as part of normal business.

Cash and equivalents at December 31, 2008 was $687,312 which is sufficient to fund the following twelve to eighteen months of working capital requirements, subject to expected cash inflows and limiting discretionary expenditures. Cash restricted for flow-through was $289,614 and will be used in due course on exploration expenditures based on revised exploration programs which reflect the significant recent downturn in market conditions which directly impact the Company's ability to raise funds required for further exploration. Other receivables of $57,193 primarily consist of GST Recoverable amounts collected in Q1 2009. Accounts payable and accrued liabilities of $135,248 primarily relate to exploration expenditures to be extinguished in due course using Cash restricted for flow-through.

Cash provided by (used in) operating activities
Cash used in operations totaled $211,001 for the year ended December 31, 2008 as compared to $285,879 in 2007. The decline in cash used in operations is primarily due to the increase of $249,622 in net loss for the year and the increase in recovery of future income taxes of $235,917, offset by the market value decline of $167,400 related to investments held for trading and the increase in stock based compensation expenses of $385,576.

Cash provided by (used in) investing activities
Cash used in investing activities was $1,559,547 for the year ended December 31, 2008, as compared to $302,374 for the year ended 2007. The change is due to a significant increase in the exploration expenditures primarily on *Windjammer South* incurred during the year, partially offset by the proceeds received from the sale of the base metal projects during the year.

Cash provided by (used in) financing activities
Cash provided by investing activities was $122,790 for the year ended December 31, 2008, as compared to $2,361,174 in 2007. The decline is primarily due to a $1,786,353 financing completed in December 2007, the exercise of options of $133,225, and the exercise of warrants of $473,000, all reflecting a strong market for the company's traded securities in 2007 prior to the downturn in the market in 2008.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company recorded fees of $289,739 (2007 - $101,853) to related companies controlled by officers and consultants for the year ended December 31, 2008. The fees were for management and consulting services provided to the Company under ongoing contracts. Stock options with an aggregate Black Scholes valuation of $385,576 (2007 - $Nil) were issued to directors, officers or consultants during the year. All related party expenditures were in the normal course of business at the exchange amounts.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to permit timely decisions regarding public disclosure.

The Company believes that it has designed and implemented disclosure controls and procedures as at September 30, 2008 that are sufficient in providing reasonable assurance that material information related to the Company and its consolidated results are made known and is adequately disclosed in the Company's filings as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

There has not been any change in the Company's internal control over financial reporting that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

CRITICAL ACCOUNTING ESTIMATES

Financial Instruments

The Company classifies all financial instruments as held-for-trading, available-for-sale, held-to-maturity, or loans and receivables or other financial liabilities. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the Consolidated Statements of Comprehensive Loss and Deficit. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in Other Comprehensive Income. Items held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost.

The Company has designated its cash and equivalents as held-for-trading, which are measured at fair value. Other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost. Investments held for trading are recorded at fair value with the difference between fair value and cost being recorded as unrealized appreciation or depreciation in value of investments. In the case of securities listed on stock exchanges, the fair value means the latest bid price. Investments available for sale are measured at fair value with changes in fair value reported in other comprehensive income until the financial asset is disposed of, or becomes impaired. Investments for which reliable quotations are not readily available are valued at their fair value using a valuation model and market inputs. The Company has not classified any financial assets as available-for-sale or held-to-maturity.

Mineral properties and deferred costs

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. Proceeds from the sale of any interest in a property are first credited against the carrying value of the property, with any excess included in the consolidated statement of comprehensive loss and deficit for the period.

The amount at which mineral properties and deferred exploration and development expenditures are recorded do not necessarily reflect present or future values of the resource properties. The recoverability of amounts recorded as mineral properties and deferred exploration and development expenditures is dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the Company's interests in the underlying properties, the ability of the Company to obtain the financing necessary to complete the development, and future profitable production or proceeds from the disposition thereof.

If a project is successful, the related mineral property and deferred exploration costs are amortized on a unit-of-production basis, based on estimated economic reserves, over the estimated economic life of the project. If a project is unsuccessful, or if exploration ceases because continuation is not economically feasible, the mineral properties and the related deferred exploration and development costs are written off to the statement of consolidated comprehensive loss and deficit for the period.

Revenue recognition

Revenues associated with the sales of gold are recognized when title passes from the Company to its customer and when collection is reasonably assured. Revenues associated with other income are realized when all significant acts have been completed and when collection is reasonably assured. The Company had no gold sales in 2008 or 2007.

Foreign currency translation

The functional currency of the Company is the Canadian dollar. The functional currency of the subsidiary Wounded Bull is the US dollar and the temporal method of foreign currency translation is applied as Wounded Bull is considered to be an integrated foreign operation. Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in operations.

Stock-based compensation

Effective January 1, 2003, the Company adopted CICA Handbook *Section 3870: Stock-Based Compensation and Other Stock-Based Payments*, which requires that a fair value based method of accounting be applied to all stock-based payments. The fair value of incentive stock options granted to directors, officers, consultants, employees, and service providers and purchase warrants issued to shareholders on private placements are calculated using the Black-Scholes valuation model. The fair value of stock-based compensation is recorded as a charge to statement of comprehensive loss and deficit with a corresponding credit to contributed surplus. The fair value for each instrument is estimated using the following weighted average assumptions:

Risk free rate	3.0 - 5.0%
Expected life	Determined by the terms and conditions of each instrument
Expected volatility	Determined by the closing sale price for the Company for a historical time interval equal to the expected life of the instrument
Expected dividend yield	0%

Asset retirement obligations

Asset retirement obligations are legal obligation associated with the retirement of mineral properties that result from acquisition. The Company records the estimated fair value of a liability for an asset retirement obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value of a liability for an asset retirement obligation is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the assets retirement cost to expense using a systematic and rational method over the asset's useful life, and records the accretion of the liability as a charge to the statement of consolidated comprehensive loss and deficit.

Income taxes

Income taxes are accounted for using the future income tax method. Under this method, income taxes are recognized for the estimated income taxes payable for the current year. Future income taxes are recognized for timing differences between the tax and accounting basis of assets and liabilities, and for the recognition of those accumulated capital and non-capital losses, which in the opinion of management, are more likely than not to be realized before expiry. Future income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of the assets and liabilities and measured using the substantively enacted income tax rates expected to apply when such differences are expected to reverse. Future income taxes also related to the recognition of flow-though share tax deductions. Flow-through share tax deductions are recognized in the year in which they are renounced.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. In periods when the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore, basic and diluted loss per share are the same. The assumed conversion of outstanding common share options and warrants has an anti-dilutive impact in 2008 and 2007.

Environmental expenditures

The operations of the Company may, in the future, be affected from time to time in varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. Estimated future removal and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Shares issued through flow-through financing are recorded at their selling price. Under the terms of the flow-through share agreements, the tax benefits of the exploration expenses are renounced in favor of the investors. Flow-through share tax deductions are recognized in the year in which they are renounced.

CHANGES IN ACCOUNTING POLICIES

Adoption of new accounting policies

Effective January 1, 2008, the Company adopted CICA Handbook *Section 1535: Capital Disclosures*, *Section 3861: Financial instruments – Disclosure and Presentation*, and *Section 3862: Financial Instruments – Disclosures*. The adoption of these new pronouncements has enhanced the qualitative disclosure and did not have any effect on the Company's financial position or results of operations. Please refer to note 5: Capital stock, and note 11: Financial instruments and risk management for further details.

Recent Accounting Pronouncements

In 2006, the Canadian Accounting Standards Board published a new strategic plan that will significantly affect financial reporting requirements for Canadian public companies. The Standards Board plan outlines the convergence of GAAP with International Financial Reporting Standards ("IFRS") over an extended five-year transitional period. In February, 2008, the Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of July 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. The Company's management will continue to monitor these developments.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's consolidated balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall exploration and development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

The carrying values for primary financial instruments, including Cash and equivalents, Cash restricted for flow-through, Other receivables, and Accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash and equivalents held with a Canadian financial institution.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the mineral property portfolio exploration and development activities remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's exposure to credit risk is concentrated in two specific areas: the credit risk on operating balances including Other receivables primarily comprised of GST recoverable, and Cash and equivalents and Cash restricted for flow-through held with a Canadian financial institution. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at December 31, 2008 was $744,505 (2007 - $2,379,271), and was comprised of $57,193 (2007 - $44,202) in Other receivables, and $397,698 (2007 - $923,713) in Cash and equivalents and $289,614 (2007 - $1,411,356) in Cash restricted for flow-through and, both primarily held with a Canadian financial institution with a "AA" credit rating.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rates, foreign currency exchange rates, and liquidity. A discussion of the Company's primary market risk exposures and how those exposures are currently managed follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States ("US") dollars. The Company has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange fluctuations against the Canadian dollar.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Company maintains principally all its assets in cash or equivalents.

The Company believes that its cash position and short term investments provide adequate liquidity to meet all of the Company's near-term obligations.

OUTSTANDING SHARE DATA

As of March 31, 2009, The Company has a total of 101,879,792 common shares outstanding and 8,015,644 stock options outstanding with an average exercise price of $0.11 per share.