



## **MONETA PORCUPINE MINES INC.**

### Annual Information Form

For the year ended December 31, 2014

This Annual Information Form ("AIF"), for Moneta Porcupine Mines Inc. ("**Moneta**" or the "**Company**"), is prepared with an effective date of March 18, 2015, unless otherwise indicated. 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](http://www.sedar.com) ("**SEDAR**") and are also available on the Company's website [www.monetaporcupine.com](http://www.monetaporcupine.com).

## TABLE OF CONTENTS

<b>1</b>	<b>FORWARD-LOOKING AND FAIR DISCLOSURE STATEMENT</b>	<b>5</b>
<b>2</b>	<b>INCORPORATION OR ORGANIZATION OF THE ISSUER</b>	<b>5</b>
<b>3</b>	<b>GENERAL DEVELOPMENT OF THE BUSINESS</b>	<b>5</b>
3.1	SIGNIFICANT ACQUISITIONS	6
<b>4</b>	<b>DESCRIPTION OF THE BUSINESS</b>	<b>7</b>
<b>5</b>	<b>PROPERTY SUMMARY AS AT DECEMBER 31, 2014</b>	<b>8</b>
5.1	LAND TENURE	8
5.2	DRILLING, SAMPLING, ANALYSIS AND SECURITY	8
5.3	RISK FACTORS	9
5.4	MINERAL EXPLORATION AND DEVELOPMENT ACTIVITIES	9
5.5	UNCERTAINTY OF MINERAL RESOURCES	9
5.6	CURRENT GLOBAL FINANCIAL CONDITION	10
5.7	FLUCTUATION OF MINERAL PRICES	10
5.8	CURRENCY FLUCTUATIONS	10
5.9	HISTORY OF NET LOSSES	10
5.10	POSSIBLE LOSS OF INTERESTS IN MINERAL PROPERTIES	10
5.11	TITLE RISKS	11
5.12	ENVIRONMENTAL RISKS	11
5.13	RISKS ASSOCIATED WITH JOINT VENTURE AGREEMENTS	11
5.14	RISKS RELATING TO STATUTORY AND REGULATORY REQUIREMENTS	11
5.15	COMPETITION	11
5.16	DEPENDENCE ON KEY MANAGEMENT AND EMPLOYEES	12
5.17	MARKET PRICE OF SECURITIES	12
5.18	MARKET PRICE VOLATILITY	12
<b>6</b>	<b>GOLDEN HIGHWAY PROJECT</b>	<b>12</b>
6.1	INTRODUCTION	12
6.2	PROPERTY DESCRIPTION AND LOCATION	14
6.3	ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY	15
6.4	HISTORY	15
	<i>Golden Highway Property</i>	<i>15</i>
	<i>Exploration</i>	<i>16</i>
6.5	REGIONAL GEOLOGY	17
6.6	PROPERTY GEOLOGY	18
6.7	TARGET MINERALIZATION	19

6.8	NI 43-101 MINERAL RESOURCE ESTIMATE AND PRELIMINARY ECONOMIC ASSESSMENT (PEA)	19
	<i>Preliminary Economic Assessment</i>	20
6.9	METALLURGICAL TESTING AND SPECIFIC GRAVITY	22
6.10	EXPLORATION PROGRAMS (2014)	22
	<i>Southwest Zone</i>	
	<i>Windjammer (West/South/Central/North)</i>	
	<i>55 Zone</i>	
	<i>Other Golden Highway Properties and Exploration</i>	
<b>7</b>	<b>PORCUPINE CAMP</b>	<b>26</b>
7.1	NORTH TISDALE	26
	<i>Introduction</i>	26
	<i>Property Description and Location</i>	26
	<i>Accessibility, Climate, Local Resources, Infrastructure and Physiography</i>	26
	<i>History</i>	27
	<i>Consolidated Project Area Work</i>	27
	<i>Geological setting</i>	28
	<i>Exploration Program</i>	30
7.2	NIGHTHAWK LAKE PROJECT	30
	<i>Summary</i>	30
	<i>Exploration Program</i>	30
7.3	DENTON THORNELOE PROPERTY	31
	<i>Summary</i>	31
	<i>Exploration</i>	31
7.4	KAYORUM AND MONETA MINE PROPERTY	31
	<i>Summary</i>	31
	<i>Moneta Mine</i>	31
7.5	PORCUPINE CAMP: BASE METAL PROJECTS	32
<b>8</b>	<b>BASE METAL PROJECT</b>	<b>33</b>
<b>9</b>	<b>CAPITAL STRUCTURE</b>	<b>33</b>
<b>10</b>	<b>MARKET FOR SECURITIES</b>	<b>33</b>
<b>11</b>	<b>DIRECTORS AND OFFICERS</b>	<b>34</b>
<b>12</b>	<b>AUDIT COMMITTEE</b>	<b>34</b>
	<i>Reliance on Certain Exemptions</i>	35
	<i>Audit Committee Oversight</i>	35
	<i>Pre-Approval Policies and Procedures</i>	35

<i>External Auditor Service Fees</i>	35
<b>13 LEGAL PROCEEDINGS</b>	<b>35</b>
<b>14 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</b>	<b>36</b>
<b>15 TRANSFER AGENTS AND REGISTRAR</b>	<b>36</b>
<b>16 MATERIAL CONTRACTS</b>	<b>36</b>
<b>17 INTERESTS OF EXPERTS</b>	<b>37</b>
<b>18 SUBSEQUENT EVENTS</b>	<b>38</b>
<b>19 ADDITIONAL INFORMATION</b>	<b>37</b>
<b>20 GLOSSARY OF TECHNICAL INFORMATION</b>	<b>37</b>
<b>SCHEDULE A – CHARTER OF THE AUDIT COMMITTEE</b>	<b>42</b>

## 1 FORWARD-LOOKING AND FAIR DISCLOSURE STATEMENT

This AIF may contain certain forward looking statements concerning the future performance of Moneta Porcupine Mines Inc. (“**Moneta**” or the “**Company**”) 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 and preliminary economic assessments 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.

This AIF should be read in conjunction with the AIF for 2014 and prior years for additional information. All currency amounts are expressed in Canadian dollars (\$) unless otherwise noted.

## 2 INCORPORATION OR ORGANIZATION OF THE ISSUER

Moneta Porcupine Mines Inc. was incorporated under the Business Corporations Act (Ontario) on October 14, 1910. Moneta’s head office and registered office is located at 65 Third Avenue, Timmins, Ontario, P4N 1C2.

Moneta’s public documents may be accessed at [www.sedar.com](http://www.sedar.com). For further information on Moneta, please visit our website at [www.monetaporcupine.com](http://www.monetaporcupine.com) or email us at [info@monetaporcupine.com](mailto:info@monetaporcupine.com).

Moneta has two largely inactive wholly-owned subsidiaries: Wounded Bull Resources Inc., incorporated pursuant to the laws of the State of Nevada; and 508825 Ontario Ltd., incorporated pursuant to the laws of the Province of Ontario. Moneta also owns 50% of the common shares of the inactive 2025369 Ontario Inc. ( 50% owned by Geodex Minerals Inc.), originally incorporated pursuant to the laws of the Province of Ontario to hold the joint venture of former mineral rights which have been dropped.

## 3 GENERAL DEVELOPMENT OF THE BUSINESS

Moneta is in the business of exploring for mineral resources and acquires mineral exploration properties from time to time through staking, joint ventures and purchases. During the last three years, Moneta has concentrated on mineral exploration in the Timmins, Ontario region, focusing primarily on gold exploration properties, and significantly reducing resources allocated to base metal properties for which it continues to seek purchasers or joint ventures.

Moneta holds a 100% interest in 5 core gold and 4 base metal projects all within the Abitibi Greenstone Belt in Ontario and Quebec with excellent infrastructure including access roads, water, electricity, and mills. The gold projects are strategically located on or along the Destor Porcupine Fault Zone (“**Destor**”), one of the key structural features in the Abitibi Greenstone belt in Ontario. The Destor is associated with most of the historic gold production in the region, including significant producing gold mines now operated by Porcupine Gold Mines (Goldcorp), Lake Shore Gold, Primero Mining (formerly Brigus Gold), and St Andrew Goldfields.

Moneta’s land position for gold exploration is one of the best and largest in the world class Timmins Camp including a commanding position in the emerging Golden Highway Camp, with a significant **4.3 million ounce gold resource** (NI 43-101 - all categories, October 2012).

Moneta's exploration and development strategy remains focused on its *Golden Highway Project*. Exploration expenditures over the last three years were \$2,076,416 in 2014, \$5,466,441 in 2013, and \$3,067,024 in 2012, which resulted in significant advancement of the *Golden Highway Project*.

The Company is leveraged to exploration, with very low overhead and fixed costs and one of the highest ratios of dollars raised to exploration dollars spent in the ground of any junior explorer. It is operated by a strong technical and management team which maintains a low-cost Timmins-based exploration operation with its own field office, rolling stock and equipment, and proprietary drill core logging and storage facility (core farm).

General development of the business over the last three years is listed below:

- In 2014, the Company drilled 12,000 metres on the Golden Highway project. An additional 1,200 metres were drilled on the North Tisdale and Nighthawk Lake projects. No equity financing was completed during the year.
- In 2013, the Company completed 37,000 metres of drilling on the Golden Highway project. No equity financing was undertaken during the year.
- In December 2012, the Company completed a brokered private placement financing and issued 15,392,077 flow-through common shares at \$0.35 for gross proceeds of \$5,387,227 and 10,307,885 common shares at \$0.26 per share for gross proceeds of \$2,680,050, for aggregate gross proceeds of \$8,067,277. Broker compensation options were issued entitling the Underwriters to purchase up to 1,079,998 common shares of the Company at a price of \$0.28 per common share for eighteen months following closing or June 21, 2014. The \$5,387,227 in structured flow through gross proceeds was issued at a 35% premium to the trailing average of the stock price at the time.
- On November 1<sup>st</sup> 2012, Moneta reported the results of a Preliminary Economic Assessment on the updated NI 43-101 Mineral Resource Estimate on the *Golden Highway*. The (combined) NI 43-101 Mineral Resource Estimate and PEA technical report was authored by P&E Mining Consultants Inc. and filed on SEDAR December 12, 2012.

The PEA indicates a pre-tax Net Present Value of \$748 million (5% discount rate), 24.4% internal rate of return, and a 4.1 year payback period using US\$1,350 (US\$1.00 = C\$1.00). Life of mine potentially economic metal production was 3.8 million ounces gold with 92% metallurgical recoveries. Pre-production capital costs were \$607 million with a processing facility throughput of 25,000 tonnes per day, and a life of mine average cash costs of \$607 per ounce gold.

The average diluted mill head grade was 1.11 g/t gold with an average annual production of 288,000 gold ounces, and a 12 year mine life;

- On October 25<sup>th</sup> 2012, Moneta reported an updated NI 43-101 Mineral Resource Estimate of 4.3 million ounces gold (all categories) [1,091,000 indicated (@ 1.09 g/t) and 3,204,000 inferred (@ 1.20 g/t)] on the *Golden Highway*. Gold resources increased by 55% to 3.2 million ounces inferred from the previous resource estimate of 2.1 million ounces (January 16, 2012).
- In March 2012, the Company completed a brokered private placement financing and issued 10,000,000 common shares at \$0.30 per share for gross proceeds of \$3,000,000. Broker compensation options were issued entitling the Underwriters to purchase up to 700,000 common shares of the Company at a price of \$0.30 per common share and expired unexercised in March 2014.
- On January 16, 2012 Moneta filed on SEDAR a NI 43-101 Resource Estimate and preliminary pit modelling for the Southwest Zone, Windjammer South, and 55 Zones. Results were previously released December 1, 2011 by press release. P&E Mining Consultants Inc. calculated a near-surface NI 43-101 resource of 1,071,000 indicated (@ 0.99 g/t) and 2,069,000 (@ 1.35 g/t) inferred ounces of gold including both "in-pit" and "out-of-pit" resources for the three gold zones.

### **3.1 Significant Acquisitions**

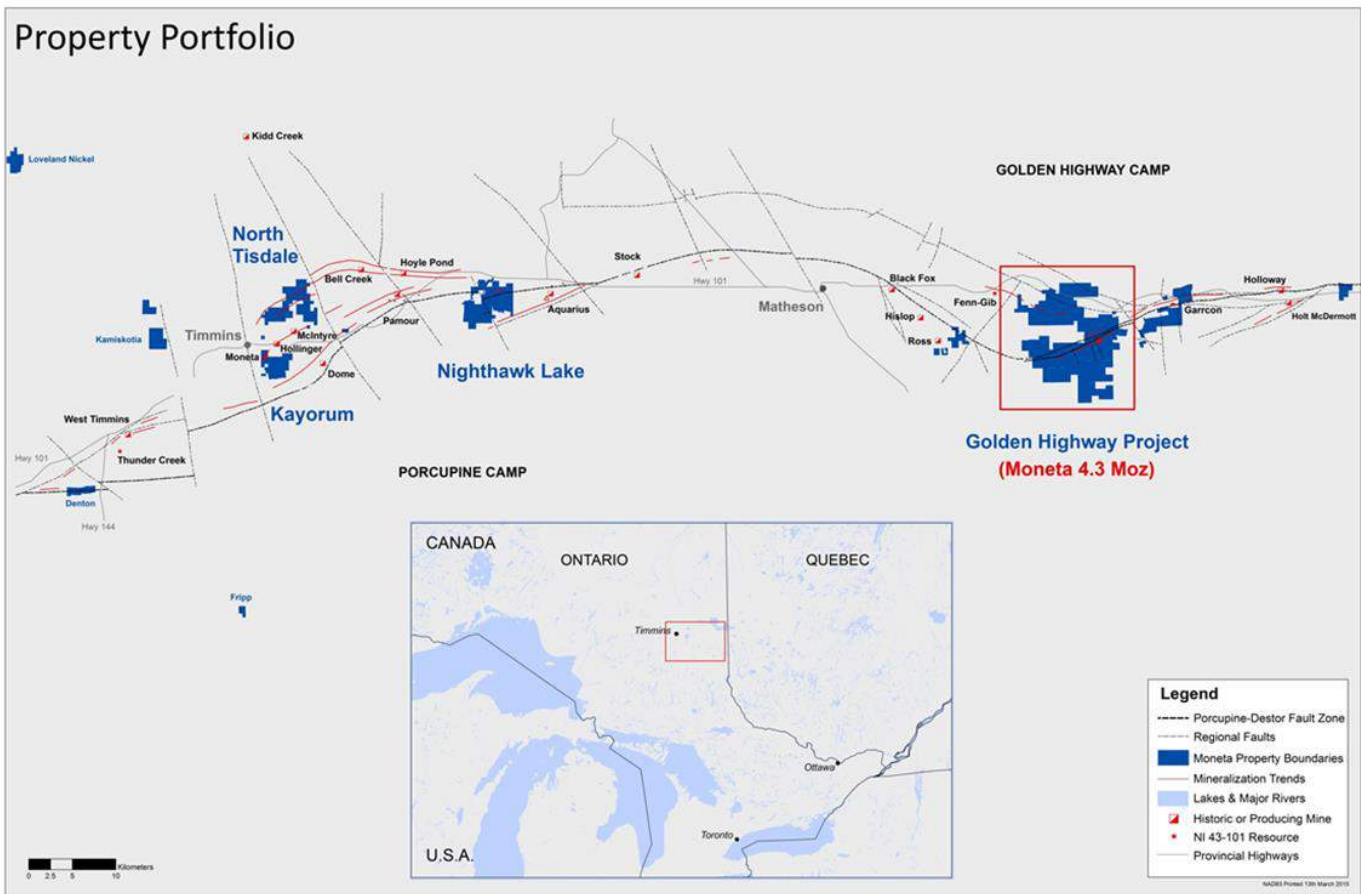
Moneta has not undertaken any significant acquisitions in the last three years.

## 4 DESCRIPTION OF THE BUSINESS

Moneta Porcupine Mines Inc. is a resource exploration and development company incorporated pursuant to the laws of the Province of Ontario on October 14, 1910. The Company is a former gold producer (1939-1943) but has no properties currently in production and no production revenues at the present time.

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**”) under the symbol ME, on the United States OTC market under the symbol MPUCF, and the Berlin Stock Exchange, the Xetra, and Frankfurt Stock Exchange under the symbol MOP.

Moneta’s primary focus is gold exploration in Porcupine Camp and Golden Highway Camp (collectively referred to as “**Timmins Camp**”) is one of the most prolific gold-producing areas in the world with over 75 million ounces of gold produced primarily from some 26 mines, each of which generated more than 100,000 ounces.



### Property Portfolio – five 100% owned assets along the Destor Porcupine Fault Zone

Moneta holds a 100% interest in 5 core gold projects strategically located on or along the Destor, one of the key structural features in the Abitibi Greenstone belt in Ontario. These projects include Golden Highway, Nighthawk Lake, North Tisdale, Kayorum, and Denton Thorneloe. Additional exposure along the Destor includes Moneta’s two 50% interest and one 25% interest in Joint Venture projects with St Andrew Goldfields. All have excellent infrastructure including access roads, water, electricity, and mills. Most historic production in the region is associated with the Destor, with significant resources and producing mines now operated by Porcupine Gold Mines (Goldcorp) and several others in production, including Lake Shore Gold, Primero Mining (formerly Brigus Gold), and St Andrew Goldfields.

Moneta's land position for gold exploration is one of the best and largest in the world class Timmins Camp including a commanding position in the emerging Golden Highway Camp, with a significant **4.3 million ounce gold resource** (NI 43-101 - all categories, October 2012).

## **5 PROPERTY SUMMARY AS AT DECEMBER 31, 2014**

Moneta has interests in 962 claim units each approximately 16 hectares in area (total area approximately 15,700 hectares) in the form of mining patents, leases and staked claims. The vast majority of the Company's landholdings are not subject to any royalty or encumbrances other than minor royalties to third party prospectors on a limited number of claims outside the Golden Highway project, as outlined under the respective projects below. Certain claim units in un-surveyed and out of province townships may be larger or smaller than the standard 16 hectares (40 acres).

Moneta has kept current the applicable mining taxes payable on patented and leased claims. Mining Leases that have expired after 21 years have been successfully renewed for an additional 21 years. Also, adequate exploration expenditures have been incurred and filed for unpatented (staked) claims resulting in banked exploration assessment credits which are appropriately allocated to all contiguous unpatented claims to maintain them in good standing. Several claim groups have been, or are being, upgraded to mining leases. Moneta's mineral properties are in good standing.

The Company's gold projects are located in the *Porcupine* Camp and *Golden Highway* camps. Base metal properties in the *Porcupine Camp* include Kamiskotia (Zn-Cu), Fripp (Cu), and Loveland Nickel (Ni-Cu), as well as the Kelly Lake (Ni-Cu-PGM) deposit near Belleterre, Quebec.

All claims are 100%-owned by Moneta except for certain non-core claims which have vested and are subject to joint venture in the *Golden Highway* project, the various participating interests for which are outlined in section 6.2.

### **5.1 Land Tenure**

Ontario staked mining claims require annual assessment credits or optional cash in certain circumstances of \$400 per claim unit and these obligations are met by distributing suitable banked assessment credits originally generated by completing and filing eligible exploration work. When mining claims are not contiguous, local expenditures may be necessary to keep those claims in good standing. Mining patents and mining leases are subject to a provincial mining tax on an annual basis and may include surface rights with associated taxes. Leases have 10 or 21 year terms and are renewable subject to certain criteria under the Mining Act. Quebec claims require a \$1,000 payment or work equivalent on a 2 year anniversary cycle.

### **5.2 Drilling, Sampling, Analysis and Security**

Drilling in 2014 totalled 13,200 metres of NQ core size and was carried out by Norex Drilling (Timmins, ON). Primary analytical work was completed by AGAT Laboratories (Mississauga, ON) with check/duplicate analyses by Activation Labs (Timmins/Ancaster, ON).

Drill assay results are reported using drilled widths and gold values that may include averaged initial, second cuts, and metallic assays.

Historical drilling and geological data is sourced from government assessment and company files and considered indicative of geology and mineralization. Assay results may not be reliable. Core sizes range from AQ to NQ.

More recent drill programs since 1986 have used primarily BQ and NQ sized core with some HQ as determined by drilling situations and program design. Results from these programs are believed reliable with the inclusion extensive duplicates and metallic analyses when warranted. Relationships between the sample length and the true thickness of the mineralized intercepts may not be well understood due to data density, multiple vein orientations, folding, and changes in drill dip and azimuth. Significant current intersections have been summarized under the project area drilling.

Moneta's drill core samples are prepared at the company's core logging and storage facility, a gated area outside Timmins where all core, pulps and rejects from post 1986 drilling is stored. A permanent insulated building, suitable for winter operations, is available for core logging and sample preparation including diamond saws, office area and core logging and display areas.



Sample lengths are determined by the geological logging with samples ranging from 0.20 to 1.5 metres in length with recent sampling being 1.5 metres in length. All mineralized sections of drill core considered significant are split using a diamond saw after being marked and tagged with one-half being retained as a reference sample and the other being used for assay purposes as directed by the project geologist and “Qualified Person”. Sample intervals and corresponding sample numbers are entered into the standardized core log sheets by computer. The samples selected for assay are individually bagged and shipped by bonded commercial carrier from secure lockups, to AGAT Laboratories (Mississauga, ON), or other labs as required.

Typically core samples are dried, crushed by jaw crusher and further reduced to approximately 6 to 10 mesh using a rolls crusher. The jaws and rolls are cleaned with a wire brush and air jet and processing barren material. A Jones riffle is used to take a 300 - 400 gram sub-sample for pulverizing. The remaining reject portion is bagged and stored. After reducing a nominal -100 or -200 mesh with a pulverizer, the sample is thoroughly blended and sent to the fire assay department. A 1-assay ton portion (29.166g) is used for fire assaying. This process results in a particle of gold that, in the normal assay method, is weighed (gravimetric).

For geochemical analysis or where lower detection is required, the gold is dissolved and determined by Atomic Absorption Spectrophotometry. This is done after collecting the precious metals with a fire assay fusion.

For metallic gold assays, the total sample is dried if necessary, crushed and pulverized, then screened using a 100 mesh screen. The -100 mesh portion is mixed and assayed in duplicate by fire assay gravimetric finish in addition to the +100 mesh portion. All individual assays are reported as well as the final calculated value.

Repeat or check assays are done regularly on original pulp and occasionally on second pulp prepared from the stored reject. Standard pulps and blanks are also used for control samples. Selected samples, determined on the basis of showing significant variability, defining zones, or having noted visible gold during logging, are reprocessed using metallic assay methodologies. Up to 15% of pulps displaying a range of values are re-assayed by other laboratories (Activation Labs) as checks using internal standards. Rejects and pulps are stored for any additional analytical work.

### **5.3 Risk Factors**

The following is a brief description of the certain risk factors Moneta’s operations and industry which may have a material impact on its financial performance, business and operations.

### **5.4 Mineral Exploration and Development Activities**

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored are ultimately developed into production and there is a risk that none of the Company’s properties will ultimately be developed into productive mines. Unusual or unexpected formations, formation pressures, seismic activity, fires, power outages, labour disruptions, flooding, explosions, rock bursts, cave-ins, landslides, variations in grade, deposit size, density and other geological problems, hydrological conditions, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment including fuel, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, and adverse weather conditions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability, are other risks involved in extraction operations and the conduct of exploration programs. Although Moneta carries liability insurance with respect to its mineral exploration operations, it may become subject to liability for damage to life and property, environmental damage, cave-ins or hazards against which it cannot insure or against which it may elect not to insure.

### **5.5 Uncertainty of Mineral Resources**

The figures for mineral resources and reserves stated in this AIF, or in the documents incorporated by reference, are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and metal prices may render resources uneconomic.

The Company’s mineral projects are in the exploration stage. Until mineral resources on these exploration properties are categorized as “mineral reserves” under NI 43-101, the Company is required to advise that known mineralization

at these projects is not yet determined to be economic. The Company's ability to put these properties into production will be dependent upon the results of further drilling and evaluation. There is no certainty that expenditure made in the exploration of the Company's mineral properties will result in identification of commercially recoverable quantities of ore or that mineral reserves will be mined or processed profitably. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine at each of these projects is likely to be economic.

#### **5.6 Current Global Financial Condition**

Current global financial conditions have been characterized by increased volatility. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of its common shares may be adversely affected.

#### **5.7 Fluctuation of Mineral Prices**

The price of gold and other base and precious metals has fluctuated widely in recent years. Gold prices are subject to significant fluctuations and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, foreign exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. Future significant gold price declines may result in material write-downs of the Company's mineral properties.

#### **5.8 Currency fluctuations**

Currency fluctuations may affect the costs the Company incurs in its operations and may affect the Company's operating results and cash flows. Gold is sold throughout the world based principally on the United States ("US") dollar gold price. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of US dollar foreign exchange fluctuations against the Canadian dollar.

#### **5.9 History of Net Losses**

To date, the Company has not recorded any significant revenues from operations. 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. Interest income is earned on short term deposits. Royalty income is generated by an Idaho perlite operation.

There can be no assurance that significant losses will not continue in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration and development of its mineral properties. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

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 its properties.

#### **5.10 Possible Loss of Interests in Mineral Properties**

Moneta must spend certain minimum amounts on mineral exploration to satisfy ongoing assessment work required on staked claims as well mining taxes on patented and leased claims. Moneta is not the operator in most of its current non-core joint ventures, and may be required to contribute its share of ongoing expenditures in order to maintain its ownership interest. Moneta may lose a portion or all its interest in certain mineral properties if it fails to make such payments or expenditures on a timely basis. Moneta may not be able to obtain the necessary licenses or permits to conduct exploration and development operations on its mineral properties, and may not realize any

benefits from its exploration activities on such properties.

#### **5.11 Title Risks**

Moneta holds an interest in its properties through mining leases, and patented and staked mining claims administered by Provincial governments under their respective Mining Acts. Certain disputes may arise with mining claims such as disputes over title and over the precise area and location of such claims. There is no guarantee that title will not be challenged or impaired. Although title to its material properties have been reviewed by the Company, no assurances can be given that there are no title defects affecting the properties. Title insurance generally is not available for mining claims in Canada and the Company's ability to ensure that it has obtained secure claim to individual mineral properties may be severely constrained. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties. Moneta has not conducted surveys of all of the claims in which it holds direct or indirect interests, therefore, the precise area and location of such claims may be in doubt. Accordingly, the properties may be subject to prior unregistered liens, agreements, transfers or claims including native land claims, and title may be affected by, among other things, undetected defects. In addition, Moneta may be unable to conduct work on the properties as permitted or to enforce its rights with respect to its properties.

#### **5.12 Environmental Risks**

Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and development. Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. Moneta cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws, even inadvertent or environmental pollution, will not materially and adversely affect its financial condition and its results from operations. Previous mining operations may have caused environmental damage at certain of Moneta's properties. It may be difficult or impossible to assess the extent to which such damage was caused by Moneta or by the activities of previous operators, in which case, any indemnities and exemptions from liability may be ineffective. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

#### **5.13 Risks Associated with Joint Venture Agreements**

Moneta's interests in certain JV properties may, in certain circumstances, become subject to the risks normally associated with the conduct of joint ventures. In the event that any of its properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on business prospects, results of operations and financial condition: (i) disagreements with joint venture partners on how to conduct exploration; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

#### **5.14 Risks Relating to Statutory and Regulatory Requirements**

There is no assurance that all permits which may be required for future exploration or development will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Company may undertake. Failure to comply with applicable laws, regulations and permits may result in enforcement actions there-under, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions.

#### **5.15 Competition**

The Company competes with other gold exploration and development companies. The business is intensely competitive and many other gold companies have greater financial and technical resources and experience. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified

employees, or acquire the capital necessary to fund its operations and explore and develop its properties. The Company's inability to compete with other gold exploration and development companies could have a material adverse effect on the Company's results of operations.

#### **5.16 Dependence on Key Management and Employees**

The success of the operations and activities of Moneta is dependent to a large extent on the efforts and abilities of its management and outside consultants. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside consultants. Given cost constraints, the Company does not have in place formal programs for succession of management and training of management, nor does it hold key person insurance on these individuals. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect the Company's profitability, results of operations and financial condition.

#### **5.17 Market Price of Securities**

There can be no assurance that there will be an active and sustainable market for the securities of the Company. Securities of junior exploration companies experience substantial volatility and are likely to be affected by short-term changes in commodity and other precious metal prices.

#### **5.18 Market Price Volatility**

The market price of securities of many junior exploration companies, particularly those that are not yet in commercial production like Moneta, have experienced a high level of price and volume volatility in recent years and have experienced wide fluctuations in prices not necessarily related to the operating performance, underlying asset values or prospects. There can be no assurance that fluctuations in price will cease in future.

## **6 GOLDEN HIGHWAY PROJECT**

### **6.1 Introduction**

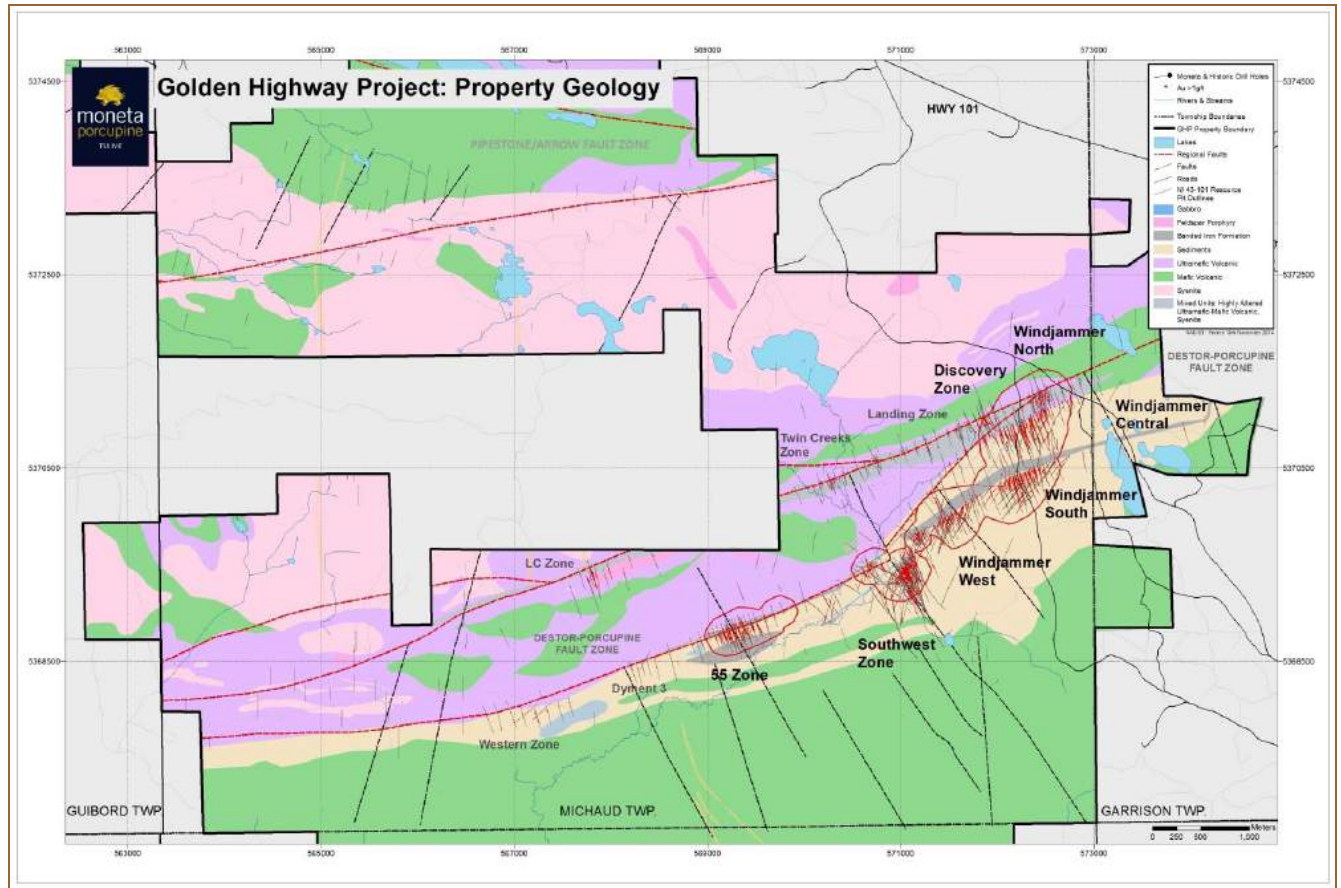
Moneta's primary gold exploration and resource development focus is the 100% owned *Golden Highway Project* or *Golden Highway* which contains a largely contiguous land package of 689 claim units or approximately 11,000 hectares, and is centered in Michaud Township, 100 km east of Timmins, Ontario along Highway 101, a major all-season route.

The *Golden Highway* currently hosts multiple gold zones along with numerous gold intercepts along the project's 12km mineralized corridor which contains two highly prospective geological settings: a northern corridor with sheared mafic and ultramafic volcanic units and syenitic intrusive complexes, and a southern corridor defined by Timiskaming sediments containing banded iron formation ("**BIF**") and in contact with volcanics.

Detailed technical information, primarily on exploration and resource work completed on the *Golden Highway* is incorporated by reference herein, available on SEDAR at [www.sedar.com](http://www.sedar.com) and referenced as follows;

- Technical Report, Updated Mineral Resource Estimate and Preliminary Economic Assessment of the Golden Highway Project; report by P&E Mining Consultants Inc., dated December 11<sup>th</sup>, 2012.
- Technical Report and Resource Estimate on the Windjammer South, Southwest Zone and 55 Zone, Golden Highway Project Michaud and Garrison Townships North-eastern Ontario, Canada, report by P&E Mining Consultants Inc., dated December 1<sup>st</sup>, 2011.
- Technical Report on the Windjammer Project, Matheson, Ontario, Updated NI 43-101 report by D. George Cargill, Ph.D. P.Eng., of Cargill Consulting Geologists Limited, dated March 30<sup>th</sup>, 2009.
- Technical Report on the Windjammer Project, Michaud and Garrison Townships, Ontario, Initial NI 43-101 report dated July 28<sup>th</sup>, 2008, by D. George Cargill, Ph.D. P.Eng., of Cargill Consulting Geologists Limited;
- 2003-2004 Drilling Report on the Michaud Gold Property Michaud Township, Ontario, by Henry M. Meixner, P.Geo., dated April 8, 2004, filed by Moneta on SEDAR April 22, 2005;
- 2002 Drilling Report on the Michaud Gold Property Michaud Township, Ontario by Henry M. Meixner, P.Geo., dated March 28, 2003;

- Geological Report on the Michaud Gold Property Michaud Township, Ontario, by Henry M. Meixner, P.Geo. , dated November 5, 2001;



**Golden Highway Project: Geology and Main Gold Zones**

The *Golden Highway* hosts a NI 43-101 Mineral Resource Estimate and Preliminary Economic Assessment (“PEA”) (December 2012) authored by P&E Mining Consultants Inc. based on 1,091,000 indicated (@ 1.09 g/t) and 3,204,000 (@ 1.20 g/t) inferred ounces of gold, as outlined below:

TABLE 1: MINERAL RESOURCE ESTIMATE							
Mining	Cutoff Grade (g/t)	INDICATED			INFERRED		
		Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)
In Pit	0.37	30,000,000	1.01	977,000	71,627,000	0.86	1,971,000
Out of Pit	2.00	1,080,000	3.29	114,000	11,684,000	3.28	1,233,000
Combined*	0.37 / 2.00	<b>31,080,000</b>	<b>1.09</b>	<b>1,091,000</b>	<b>83,311,000</b>	<b>1.20</b>	<b>3,204,000</b>

\* Open pit mineral resources are reported at a cut-off grade of 0.37 g/t gold and underground mineral resources are reported at a cut-off grade of 2.00 g/t gold.

1. The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the estimated Mineral Resources will be converted into Mineral Reserves.

3. Assay composites were capped up to 35 g/t based on geo-statistical support for each zone.
4. A modeling cut-off grade of 0.25 g/t Au was only used to create a three-dimensional wireframe for subsequent interpolation.
5. A block model was created with 10x10x10 metre blocks using inverse distance cubed grade interpolation.
6. Indicated Mineral resources were classified with a 35 metre search radius and a minimum of two drill holes.
7. A bulk density of 2.79 t/m<sup>3</sup> was used for all tonnage calculations.
8. A gold price of **US\$1,200/oz** and an exchange rate of US\$1.00 = C\$1.00 was utilized in the Au cut-off grade calculations of 0.37 g/t for open pit and 2.0 g/t for out of pit.
9. Open pit mining costs were assumed at C\$1.60/t for mineralized material, C\$1.60/t for waste rock and C\$1.25/t for overburden, while out of pit mining costs were assumed at C\$59/t, with process costs of C\$11/t, G&A of C\$2.00/t, and a 93% metallurgical recovery.
10. Totals in the table may not sum due to rounding.

PEA highlights are summarized as follows:

- Life of mine metal production of **3.8 million ounces gold with 92% recovery**;
- Processing facility throughput of 25,000 tonnes per day;
- Life of mine average cash costs of \$607 per ounce gold;
- Average diluted mill head grade of 1.11 g/t gold;
- Average annual production of 288,000 gold ounces;
- 12 year mine life;
- No royalties or encumbrances on the Project.

TABLE 2: ECONOMIC SENSITIVITY TO GOLD PRICE					
Gold Price (US\$)	BASE CASE:				
	\$1,350	\$1,400	\$1,500	\$1,600	\$1,700
Net Present Value (\$ millions)	748	858	1,080	1,301	1,523
Internal Rate of Return (%)	24.4	26.8	31.3	35.5	39.5
Payback period	4.1	3.7	3.3	2.9	2.6

Additional Resource and PEA details are outlined in Section 6.8 below.

## 6.2 Property Description and Location

*Golden Highway* is located in northeast Ontario within NTS block 42 A/09 and consists of a large contiguous mining claims package concentrated in Guibord, Michaud, Barnet, and Garrison Townships with additional property interests in Hislop, Guibord, Holloway, and Marriott Townships. The project currently encompasses 689 claim units comprised of staked (504 claim units), leased (103 claim units), and patented mining rights (82 claim units) totalling approximately 11,000 hectares. Two leases (79 units) and all the patents (22 units) in Michaud Township include surface rights. Of the total claim units, 409 cover the Moneta controlled portion and resources of *Golden Highway* centred in Michaud Township.

All claims are 100%-owned by Moneta except for certain claims subject to joint ownership and under joint venture. Included is the St Andrew (former Newmont) Joint Venture in Holloway and Marriott Townships in which Moneta holds a 17.56% interest and in Garrison Township an 8.78% interest. St Andrew also has a vested 50% interest in the Barnet JV in Barnet Township and the Garrison JV as well as 50% ownership of 4 staked claim units also in Garrison Township. Moneta has a 75% interest in the Dymont 3 property with St Andrew holding the balance. In Guibord Township Moneta holds a 25% interest in the Guibord JV with St Andrew also holding the balance.

The NI 43-101 Resource Estimate is contained on 100% owned claims and does not include any of the joint venture ground and is not encumbered by underlying royalties.

Other underlying (minor) royalties (of a total of 689 claims) are limited to the following claims:

- 10% NPI on a 12 claim unit block in Michaud Township;
- 0.5% NSR on a 27 claim unit block in Michaud Township;
- 0.5% NSR on 52 claim units in Garrison Township and 0.5% NSR on 76 units in Barnet Township, both part of the St Andrew JV;
- advance annual royalty of \$5,000 on *Turner Lake* (10 claim units) which began in 2008;
- 2% NSR and advance royalty \$1,200 (annual) on *Dyment 3* (3 claim units, 75% interest with remaining 25% interest owned by St Andrew).

A listing and details of Moneta's staked claims is available from the Ontario Mining Recorder.

Moneta is not aware of any environmental liabilities or First Nations issues within the *Golden Highway* area and of any restrictions beyond those covered by existing legislation and regulation with respect to exploration and development including potential tailings and disposal sites.

### **6.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

The *Golden Highway* property lies approximately 35 kilometres east along Highway 101 from Matheson, Ontario and is accessed southerly over an extensive network of logging and drilling roads of varying quality.

The climate is typical of northeastern Ontario with below freezing temperatures (-5<sup>o</sup> to -40<sup>o</sup> C) from November to April and brief periods of hot weather in the summer from 10<sup>o</sup> to 30<sup>o</sup> C. Precipitation averages 80 centimetres a year, with a substantial portion falling in the form of snow averaging 2.4 metres per year.

A skilled labour force for mining and exploration is available in Matheson, Kirkland Lake and Timmins. Timmins and Kirkland Lake are also major supply and service centers for the mining industry. Communications and power are available along Highway 101 and cell phone coverage extends to the property. Moneta is not aware of any restrictions beyond those covered by existing legislation and regulation with respect to potential mine, tailings, and disposal sites should future development take place.

Exploration, including drilling operations, is possible throughout the year although some areas are better accessed during the winter. Topography is generally flat with less than 25 metres of relief. The southern portion of the property is swampy whereas the northern and eastern portion, overlain by sands and outwash from the Munro Esker, has higher relief. Outcrop is rare and located in the centre of the Michaud Parcel and to the southeast marking the southern limit of the Pike River valley. The south to south-western area is primarily muskeg and generally poorly drained by the Pike River and its tributaries. Vegetation consists of low stands of black spruce, alder in the wetter areas, with birch, poplar and pine in drier sandy areas.

### **6.4 History**

#### *Golden Highway Property*

The first recorded claims in the area were staked in 1944 as a consequence of an Ontario Department of Mines report which suggested that the Destor passed through the core Moneta property (patents) in Michaud Township. Various portions of the property have been held by a succession of companies since that time.

In 1946 Moneta and Mining Corporation of Canada formed a joint venture on the 42 patents in Garrison, Holloway, and Marriott Townships which have seen various changes of ownership and percentage interests. Moneta is currently in joint venture with St Andrew Goldfields on these 3 claim groups and has a residual 8.78% interest in Garrison and a 17.56% interest in Holloway and Marriott.

Prior to 1998, Moneta held a northern parcel of claims called the *Michaud Parcel*, and a southern block of claims under option from Nufort Resources Inc., known as the Nufort Leases. Moneta's land position was primarily acquired through staking and by a series of joint venture agreements in the late 1980s. Subsequent to 1998, Moneta assumed a 100% interest in both the Michaud Parcel and the Nufort Leases, extinguishing all underlying encumbrances. In 2004, Acrex vested in a portion of the Nufort Leases by meeting earn-in requirements and both companies formed the Michaud Joint Venture. Also in 2004, the Perry Lake property was staked (68 claim units) and two properties were optioned – Turner Lake (10 claim units) and Dyment 3 (3 claim units). In 2006, an additional 10 claim units were staked adjoining the Perry Lake block to the north.

In 2007, Moneta acquired a 50% interest in the Windjammer Property consisting of 22 claim units in 2 mining leases. Moneta also staked an additional 3 units in 2008 and in 2009 acquired 3 claim units in Guibord through a property swap with St Andrew, for a total of 67 claim units under the *Golden Highway*. In 2008, Moneta successfully acquired the remaining 50% for a total of 100% interest in the Windjammer Property.

In 2009, Moneta acquired the remaining 50% ownership interest in the Michaud Joint Venture ground ("Michaud JV") for \$1 million, and terminated the Michaud JV. The Michaud JV covered 68 claim units located in the southern portion of Michaud Township.

A total of 8 claim units were acquired in Michaud Township by purchase (4) and staking (4) in 2010.

In 2011 Moneta staked an additional 2 claim units in Michaud Township and successfully renewed three mining leases within the *Golden Highway* project for a further 21 years. A fourth mining lease was renewed in 2012, also for 21 years.

### *Exploration*

The *Golden Highway* has seen extensive exploration work including geophysical surveys, overburden drilling, and diamond drilling programs since 1945. Historical programs have been detailed in previous technical reports available on SEDAR. The following is a summary of more recent and relevant work completed since 2007 when Moneta acquired the Windjammer Mining Leases and began expanded and sole risk exploration programs aimed at resource definition and expansion. It was also shortly thereafter in 2009, when Moneta dissolved the Michaud Joint Venture and acquired the remaining 50% interest.

In November 2007, Moneta acquired an operating interest in Windjammer and, subsequently, in December 2007, completed three drill holes totalling 988 metres on Windjammer South to audit historical (Noranda) data and facilitate an initial NI 43-101 resource estimate by Cargill. that resulted in a 154,000 ounce (2.1 million tonnes @ 2.3 g/t, 1.0 g/t cut-off) inferred gold resource. The report recommended a follow-up infill drill program.

In 2008, a drill program totaling 6,914 metres in 21 holes, was completed by Moneta on the Windjammer Zone (South). Subsequently an updated NI 43-101 resource estimate was completed by Cargill, resulting in a 305,379 indicated (7.79 Mt @ 1.22 g/t Au) plus 211,951 inferred (5.83 MT @ 1.13 g/t Au) ounce gold resource based on a cut-off of 0.7 g/t Au.

Also in 2008, the Michaud Joint Venture completed an 8-hole, 2,449 metre drill program, on the 55 Zone primarily to increase drill data density and provide input for future resource modelling with 27 drill holes completed.

During 2009, Moneta commissioned a tuned gradient Induced Polarization ("IP") survey with several detailed sections on the eastern area of the *Golden Highway Project* in order to better define the exploration potential of the Windjammer property.

The 2009 drill program completed drilling on the Windjammer South and North Zones, as well as a drill profile across the sedimentary unit separating them and known as Windjammer Central. Three drill holes (1,388 m) were completed on Windjammer North to assess the historical Noranda work, intersecting extensive alteration with gold mineralization similar to the historical data. Four holes were drilled on Windjammer South (2,069 m) of which one was continued northerly as part of the drill profile with two additional holes (1,015 m). In Windjammer South two drill hole extensions (281 m) were also completed.

In 2010, exploration focused on the 55 Zone and Southwest Zone. 55 Zone drilling consisted of 36 drill holes (9,559 m) providing a significant basis for future resource calculations. Southwest Zone drilling lead to the expansion and discovery of several new and deeper gold zones, including the 162 Zone, 267 Zone, 269 Zone and 273 Zone. Several mother holes with numerous wedges and single drill holes totalling 27 holes (22,905 m) were completed. Two holes (982 m) were also completed on Windjammer South.

Also in 2010 a 3D down hole IP and EM survey was undertaken on the Southwest Zone to delineate areas of potential alteration zones and sulphide enriched gold mineralization.

An extensive drill program consisting of 24,687 metres in 61 drill holes or drill hole wedges was undertaken in 2011. Drilling was completed on the Southwest Zone and Windjammer Zone (west, south and central). This drilling



supported a new NI 43-101 Mineral Resource Estimate for the three main *Golden Highway* gold zones (Southwest Zone, Windjammer South, and 55 Zone.) These contain combined near-surface NI 43-101 resources (December 1<sup>st</sup>, 2011) as calculated by P&E, of 1,071,000 indicated (@ 0.99 g/t) and 2,069,000 (@ 1.35 g/t) inferred ounces of gold.

2011 exploration also began testing some property wide targets generated by a comprehensive structural review completed in early 2011. These target areas include the Pipestone/Arrow Fault (2,475 metres in 9 drill holes) within a mafic volcanic/syenite setting, along the Destor from the Twin Creek Zone to Windjammer North within a mafic-ultramafic volcanic/sedimentary setting, and selected areas in the southwest of the property in both ultramafic/mafic volcanics with associated syenite or in sediments along the volcanics.

2012 exploration focused on 50m in-fill drilling along strike and in three dimensions within the planned open pit. A total of 13,285 metres of diamond drilling were completed in the Southwest Zone, Windjammer Zone (West/South/Central/North), and the 55 Zone. Drilling focused on near-surface bulk tonnage gold mineralization to support an updated Resource Estimate by systematically testing along strike, to depth, and adjacent to the NI 43-101 modelled open pit shells to expand gold resources and test possible linkage of pits. The 2012 exploration supported the Oct 2012 updated NI 43-101 Resource Estimate of 4.3M ounces gold.

2013 exploration was focused on a drill program to expand and better define the “in- and out-of-pit” Oct 2012 NI 43-101 Resource Estimate. The Company completed 87 holes over the course of the year, equivalent to 37,144 metres of drilling. Q4 drilling was directed towards completion of the infill drill programme located within the *Windjammer South* and *Central* areas included of the NI 43-101 ‘in-pit’ resources. 2013 exploration objectives included: improving the higher grade NI 43-101 ounces from drill-*Inferred* to drill-*Measured and Indicated*; advancing *Windjammer Central* to the west and establish better linkage to *Windjammer South*; advancing *Windjammer West* and better define its linkage to both the *Southwest Zone* and *Windjammer South*; re-interpreting the potential for higher grade at depth below the *Windjammer* conceptual open pit areas, a setting similar to that of the *Southwest Zone*; and advancing the *Southwest Zone*.

2014 exploration activities were successful in identifying and expanding the Discovery Zone centered on Hole MGH13-077 hosted in the volcanics immediately adjacent to the modeled NI 43-101 open pit, evaluating historic drill core to confirm continuity of the same Discovery Zone geological structure across 6+ km of the volcanic belt on *Golden Highway*, and assessing the scale and distribution of the high-grade gold mineralization in the volcanics.

## 6.5 Regional Geology

The *Golden Highway Project* is located in the western Archean Abitibi Greenstone Belt, comprised of mafic to ultramafic volcanic assemblages which contain or are bounded by sedimentary basins. Syn-volcanic to post-tectonic felsic to ultramafic intrusives are common in the volcano-sedimentary assemblage. Late Proterozoic dykes cut all units.

The Abitibi Greenstone Belt in this region can be subdivided into 3 main stratigraphic groups: the Kidd-Munroe (north), Porcupine (central) and the Kinojevis (south). The Kidd-Munroe Group consists primarily of ultramafic and iron tholeiite. The Porcupine Group is composed of sediments including sandstone, siltstone, conglomerate and iron formation. The Kinojevis Group is characterized by Mg and Fe 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, three sequences of strata are predominant, together with an alkalic intrusive suite of plutons, consisting of syenite, monzonite and granite. All rock types have been metamorphosed to greenschist facies.

The oldest sequence consists of mafic to ultramafic flows or intrusions that are variously textured as well as being schistose. The ultramafics occur north of the Destor. Moderate to intense chlorite, talc and carbonate alteration is present. Interlayered with ultramafic flows are basalts that are massive to brecciated and occasionally pillowed. The basaltic komatiites and komatiites form a significant component of this sequence that may be disconformable or in fault contact with the overlying mafic volcanics or younger Timiskaming sediments. The mafic to intermediate volcanics are the most extensive assemblage exhibiting a variety of volcanic flows with lesser tuffs, and tuff breccias.

Younger rocks consist of a sequence of chemical metasedimentary rocks which include iron formation (oxide, sulfide, silicate (chert) and graphite facies) that may be a discrete sub-unit of the Timiskaming sediments. Timiskaming sediments include greywackes, conglomerates, mudstones and siltstones. They appear to reflect a fault bounded half-graben grading from a hematite-chert iron formation (BIF) southwards into conglomerate, pyritiferous greywackes and fine sandstones. The greywacke is typically green-grey, fine-grained, massive to well bedded. Some argillite beds have been intersected. Coarse grained to conglomeratic greywacke is present throughout and is grey to pink-grey, medium grained and well bedded with 15% sub-angular to sub-rounded lithic fragments. This unit is from 500 to 900 metres thick.

The BIF comprises three distinct zones of very fine grained and prominently bedded jasper, magnetite, or hematite iron formation often interbedded with centimetre to metre bedded greywacke beds. The rock is typically strongly silicified and hematized. Pyrite is present locally in concentrations of 5% to 10% as veins and fine disseminations. This unit is typically 10 to 100 metres thick.

The property straddles the Destor, the most prolific gold-bearing structure in this part of the belt, and numerous splays associated with it. In the vicinity to the east, are St Andrew Goldfields Holloway and Holt Mines and Northern Gold's Golden Bear Project (Garrison Twp.). In addition to the Destor, other documented structures in the Michaud Township area are the Pipestone/Munro/Contact faults/splays trending northwest then east, north of the Destor with Lakeshore Gold's Fenn-Gib deposit, and the Arrow Fault trending east-west. On a local scale, numerous faults have been interpreted from core and geophysical interpretations with minor strike displacements – slip displacements remain unknown. These faults can typically be east-westerly and at high angles to the Destor. Folds are not well defined, however, multiple BIF horizons and changes in dip from drill information suggests isoclinal folds of unknown scale in the Timiskaming sediments and BIF.

## 6.6 Property Geology

The core project area is best described as the North and South corridors representing the Destor primarily in Michaud and western Garrison Townships. These are two distinct geological settings containing the bulk of known gold mineralization discovered to date with the Northern corridor a volcanic setting in contrast to the sedimentary setting of the Southern corridor.

The volcanics hosting the Destor cross the property (*Michaud Parcel, Windjammer and Turner Lake*) as the Northern corridor, a 4.5 km. long, variably altered and deformed sequence of intercalated komatiites and tholeiitic basalts, generally bounded by talc-chlorite schists except to the east and south where Timiskaming-type metasediments are found. The basalts are traceable along most of the Destor across the property, and, generally, when altered and quartz carbonate veined, host numerous gold zones such as *Twin Creek, Miller, Landing, and Windjammer North* as well as scattered higher-grade gold intercepts.

To the north (*Perry Lake* property), the volcanics associated with the Munro Fault as it splays off the Destor to the northwest, are less well understood. Limited drilling has established an alternating sequence of Mg and Fe tholeiites. Untested stratigraphy is found along the ultramafic volcanics defining the Munro Fault and the eastern extension of the known altered volcanics and in contact to the south by phases of the Emens Lake (Central Michaud) syenite complex. The Arrow and a portion of the Pipestone Faults, a regional east-west structure, follow this contact. Limited drilling in the syenite and syenite contact area, has returned scattered low-to moderate grade gold values.

Parallels to the setting and mineralization (Lightning Zone type) of the Holloway Mine, approximately 20 kilometres east along the Destor, have been found within the volcanics of the project area. Lightning Zone type mineralization is hosted in pyritic sericite/albite altered variolitic Fe tholeiite in contact with ultramafics.

Previous gold intersections throughout the property, some historical and isolated, include geological settings such as that of the *Last Chance Zone* (pyritic albitized syenite along the Destor) and *Last Chance Extension* (tectonized pyritic and potassic altered syenite) northwest of the *Southwest Zone*.

To the south, the *Southern Corridor* is well defined by the belt of Timiskaming sediments trending along the volcanic of the Destor and includes the main gold zones discovered to date on the property. This corridor has a strike length of approximately 12 kilometres crossing Michaud and continuing north-easterly into Garrison Townships hosting the *Western, 55, Dymont 3, Southwest, Windjammer (West/South/Central)* gold Zones. The sediments consist of a series

of alternating sandstone and greywacke units with subordinate argillite and conglomerate. Conglomerate is typically found along the south contact of a chert-hematite-magnetite iron formation. This oxide facies iron-formation may contain intercalated greywacke and is much more massive to the east while to the west it thins quickly containing primarily hematite. The sediments are bounded to the north by the dominantly ultramafic volcanics sequence locally altered to talc chlorite schist and green carbonate.

In addition to the importance of the Destor and its associated splays and similar orientated structures, additional interpretive work has identified northwest to north trending cross structures believed to play a significant role in localizing gold mineralizing systems. Many of the recently drilled significant quartz and quartz carbonate veins and vein zones reflect similar orientations to these higher angle structures/faults.

## 6.7 Target Mineralization

Several gold mineralization settings have been discovered and are being explored in the *Golden Highway*:

- Mineralization hosted by altered ultramafic and mafic volcanic rocks occurs along the Destor. This includes the *Perry Lake* property, *Twin Creeks to the Landing Zones*, *Discovery Zone*, and *Windjammer North* (collectively the *North Zones*). Typically, the zones in volcanics exhibit quartz carbonate veining in high strain zones usually silicified and carbonatized with subordinate hematite, sericite, and albite. Calcite is commonly replaced by ankerite which can also define an alteration halo enclosing the main structures. Gold values may be erratic and are typically associated with 2% to 5% very fine pyrite and occasional visible gold has been noted. Of particular interest in this setting is the *Lightning Zone* (*Holloway Mine*) style of mineralization consisting primarily of a massive or pervasive quartz-albite-pyrite alteration core surrounded by intensely foliated sericite-ankerite schists. Gold is associated with fine grained clustered pyrite averaging 5-10% occurring in albitic stringers, veinlets and fine disseminations. Mineralization may also be associated with small scale felsic porphyry intrusives within the volcanics.
- Mineralization associated with clastic sediments and/or banded oxide facies iron formation in the *Southern Corridor* as known principally in the *Windjammer (West/South/Central) and Southwest Zones*. Also included are the *55 Zone*, *Dymont 3* and *Western Zones*. Variably intense silicification, ankeritization, and sericitization with hematization is common within mineralized zones that may also exhibit local brecciation and fractures filled by quartz-pyrite stringers, quartz and quartz-carbonates veins up to several metre widths, and extensive stockworks. Elevated gold values have been found in these mineralized breccia zones and several vein orientations documented reflecting the complexities of this mineralization. Dominant vein and vein zone orientations are both shallow extensional and steeper northwest to north trending. Sulphidization of the iron formation in contact with vein systems and brecciation frequently results in significantly elevated high grade mineralization.
- Mineralization hosted by syenite is found in the lower of two porphyritic syenite intrusives in contact with variably altered ultramafic and mafic rocks on the south side of the Destor (*Last Chance Zone*). The syenite has a bleached and albitized core enveloped by a hematized zone. Scattered clots and disseminations of pyrite up to 5% are common. Gold is concentrated in zones of narrow quartz carbonate stringers. Less pervasively altered but tectonized syenite has now been documented as the *Last Chance Extension Zone*, where a wide contact zone to the ultramafics is a microfractured breccia with abundant disseminated and stringer pyrite with scattered and only weakly anomalous gold values.

## 6.8 NI 43-101 Mineral Resource Estimate and Preliminary Economic Assessment

An updated NI 43-101 Mineral Resource Estimate was completed on the *Golden Highway* and reported by way of press release on October 25, 2012. 21,000 metres of drilling completed since the earlier resource estimate and 19,375 metres of historical drilling on these three new gold zones were included in the October 2012 resource update. The Company has drilled a total of 50,000 metres in 2013 and 2014 since the latest NI 43-101 Resource Estimate.

*Golden Highway* boasts a 12 km long gold system hosted in sediments which predictable grade continuity amenable to open pit mining. Recent drilling continues to confirm this predictable sedimentary geology with low gold grade variability. Table 3 and table 4 below illustrates linear variation in tonnage or contained ounces at varying cut-off grades for the in-pit and out-of-pit gold resources.

P&E concluded that there remains significant potential to further develop existing and additional gold resources on the Golden Highway. This potential exists both within the Whittle optimized pit shells, as well as outside the pit shells along strike and to depth over the 12 km of similar and favourable geological setting. P&E has proposed recommendations including additional drilling to expand and upgrade the resource categories of the current Resource Estimate, additional metallurgical tests, and continuing environmental baseline studies initiated in 2011.

Updated NI 43-101 Mineral Resource Estimate (October 2012) highlights using US\$1,200/ounce gold, include:

- In-Pit and Out-of-Pit Mineral Resource Estimate:  
Indicated: **1,091,000** ounces (31.1 Mt at 1.09 g/t Au); **plus**  
Inferred: **3,204,000** ounces (83.3 Mt at 1.20 g/t Au);
- Resource remains open in all directions for further expansion.

For a breakdown of mineral resources into Indicated and Inferred resources please see Table 1: Mineral Resource in Section 6.1. Tables of varying cut-off grade sensitivity for in/out of pit resources follow:

TABLE 3: IN-PIT RESOURCE CUTOFF SENSITIVITY						
Cutoff Grade (g/t)	INDICATED			INFERRED		
	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)
0.80	12,708,000	1.65	673,000	26,853,000	1.37	1,185,000
0.60	18,518,000	1.35	802,000	41,724,000	1.13	1,516,000
0.50	22,672,000	1.20	875,000	52,702,000	1.01	1,708,000
0.40	28,144,000	1.05	954,000	66,689,000	0.89	1,910,000
<b>0.37</b>	<b>30,000,000</b>	<b>1.01</b>	<b>977,000</b>	<b>71,627,000</b>	<b>0.86</b>	<b>1,971,000</b>
0.35	31,160,000	0.99	990,000	74,954,000	0.83	2,010,000
0.30	34,853,000	0.92	1,029,000	84,038,000	0.78	2,105,000

TABLE 4: OUT OF PIT RESOURCE CUTOFF SENSITIVITY						
Cutoff Grade (g/t)	INDICATED			INFERRED		
	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)
2.50	670,000	3.94	85,000	7,401,000	3.89	925,000
2.20	880,000	3.56	101,000	9,805,000	3.51	1,106,000
<b>2.00</b>	<b>1,080,000</b>	<b>3.29</b>	<b>114,000</b>	<b>11,684,000</b>	<b>3.28</b>	<b>1,233,000</b>
1.80	1,277,000	3.07	126,000	13,889,000	3.06	1,367,000
1.50	1,789,000	2.67	153,000	18,801,000	2.69	1,626,000

### Preliminary Economic Assessment

A Preliminary Economic Assessment (“PEA”) was completed on the *Golden Highway* and reported by way of press release on November 1, 2012. Readers seeking additional details to those disclosed here are directed to the (combined) NI 43-101 Mineral Resource Estimate and Preliminary Economic Assessment report filed on SEDAR on December 11, 2012.

The PEA incorporated the NI 43-101 Mineral Resource Estimate (press release October 25, 2012) of 31.1 Mt at 1.09 g/t Au indicated plus 83.3 Mt at 1.20 g/t Au inferred and demonstrated robust economics in establishing a new gold mine and mill complex on the property.

Pre-tax Net Present Value was \$748 million (5% discount rate), with a 24.4% internal rate of return, and 4.1 year payback period using US\$1,350 gold price (US\$1.00 = C\$1.00). The Net Present Value of the PEA (2012) would be considerably higher using current key assumptions, such as substantially lower oil spot prices, and the current foreign exchange rate (US\$1.00 = C\$0.78) given the Company’s operating costs are expected to be in Canadian dollars. For additional information regarding gold price sensitivity see Table 2: Economic Sensitivity to Gold Price in Section 6.1.

Areas of upside potential include:

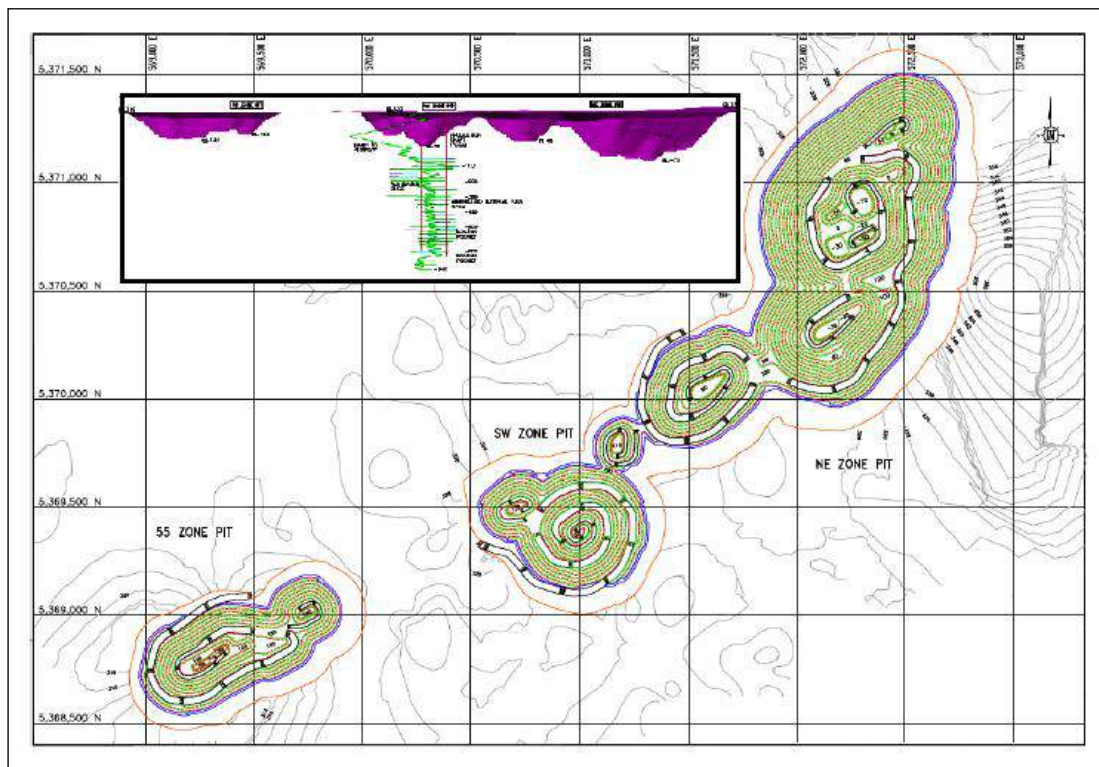
- Multiple additional gold zones on the property outside NI 43-101 resource;

- Undrilled areas within the conceptual pits;
- Potential below current constrained pits - similar to Southwest Zone;
- Exploration potential within 12km of strike of the Property, in particular volcanics.

The PEA assumes that both open pit and underground mining methods would be used for resource extraction. Potentially economic open pit portion of the resources have been calculated assuming a dilution of 6% and a material loss of 2%. Potentially economic underground portion of the resources have been calculated assuming a dilution of 15% and a material loss of 10%.

### Mining

The PEA is based on a processing facility of 25,000 tpd of blended feed from open pit and underground operations. The open pit is designed as a conventional surface mining operation producing at an average rate of 22,500 tpd. The underground mining is designed as bulk tonnage mining operation producing at an average rate of 2,500 tpd. The open pit scenario includes development of a large Southwest Zone and Windjammer Zone (South/Central/North/West) and 55 Zone planned pit. The underground portion is scheduled to be in full



**Golden Highway Project: Plan and Longitudinal View of Conceptual PEA Mining Design**

production by way of ramp in the second year of operations, accessing over 1.3 million ounces of bulk underground gold resources. Development of a shaft is scheduled for year 2, to be funded from operating cash flow.

### Infrastructure

The Project significantly benefits from world-class infrastructure, services and available skilled labor in the Timmins Camp. The project site is located 25km east of Matheson and is accessible year-round from paved provincial Highway 101 and a network of gravel and sand logging roads.

The *Golden Highway* conceptual mill and mine site is ideally located and characterized by outcrop and shallow overburden to the immediate southeast of the main open pit. Along the east and northeast perimeter of the open pits, esker ridges form natural containment dykes for at least two sides of a tailings management facility. These nearby eskers contain significant quantities of coarse gravel and small boulder material, ideal for road upgrades and infrastructure construction materials.

The labour force for the construction and operation of this project are anticipated to be drawn from Kirkland Lake, Timmins, Matheson and nearby Quebec communities. The labour pool in this area is highly experienced in both construction and mining operations, requiring less training than many other remote or non-mining locations.

Power is to be supplied by a 10 km long transmission line connecting to the provincial grid.

The reader is cautioned that the PEA is preliminary in nature as it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The PEA was prepared under the supervision of Mr. Eugene J. Puritch, P. Eng., of P&E Mining Consultants Inc., Independent Qualified Persons, as defined by National Instrument 43-101.

### 6.9 Metallurgical Testing and Specific Gravity

During 2012, the Company completed a metallurgical testing program, with SGS Laboratories (formerly Lakefield), on the six gold zones (Southwest Zone, Windjammer Zone (South/Central/North), and 55 Zone) included in the updated NI 43-101 Mineral Resource Estimate on *Golden Highway*. The objective of the program was to assess gold recoveries and grindability of the individual zones, which directly influence project economics. Highlights from the results include:

- Recoveries of up to 96.4% Au for the 55 Zone, Windjammer Zone (West/Central/South/North) and Southwest Zone;
- Recoveries are consistent across all zones and suggest that the mineralization can be processed by one standardized milling method;
- The current metallurgical leach results are consistent with historical testing completed on the Southwest Zone by Barrick Gold and Windjammer North and South by Newmont Canada.

In 2012, Specific Gravity (SG as t/m<sup>3</sup>) measurements were undertaken to support the updated NI 43-101 Mineral Resource Estimate and PEA on *Golden Highway*. A total of 350 lithological samples were analyzed, representing both mineralized and un-mineralized host rocks for all gold zones. Additional metallurgical work has been recommended as the project advances and improves the current resources.

### 6.10 Exploration Programs (2014)

#### GOLDEN HIGHWAY

A total of 12,200 metres of drilling was completed in 2014 on the *Golden Highway*. Exploration activities were successful in:

- expanding the identifying the Discovery Zone centered on Hole MGH13-077, hosted in the volcanics immediately adjacent to the conceptual NI 43-101 open pit;
- evaluating historic drill core to confirm continuity of the same Discovery Zone geological structure across 6+ km of the volcanic belt of the *Golden Highway*;
- assessing the scale and distribution of the high-grade gold mineralization in the volcanics.

MGH13-077 was the first of a series of stratigraphic drill holes designed to assess the high grade potential of the volcanic assemblage that crosses *Golden Highway* over a 12-kilometer strike length. MGH13-077 tested a 400 metre gap in historical drilling between the *Windjammer North* and the *Landing* gold zones (Figure 2).

MGH13-077 was particularly impressive with uniform gold distribution over a significant width (2.02 g/t over 114.5 metres) with no sample interval value greater than 6 g/t. A total of 10 new drill intercepts adjacent to the Discovery Zone confirmed the lateral and vertical continuity of the alteration and mineralization system for more than 350m along (east/west) strike and to a vertical depth of 600m, locally reaching 125m of true width.

There was no drilling in the second half of the year as the Company moved into cash preservation mode given the protracted gold sector downturn. Exploration efforts focused on modeling and historic core evaluation.

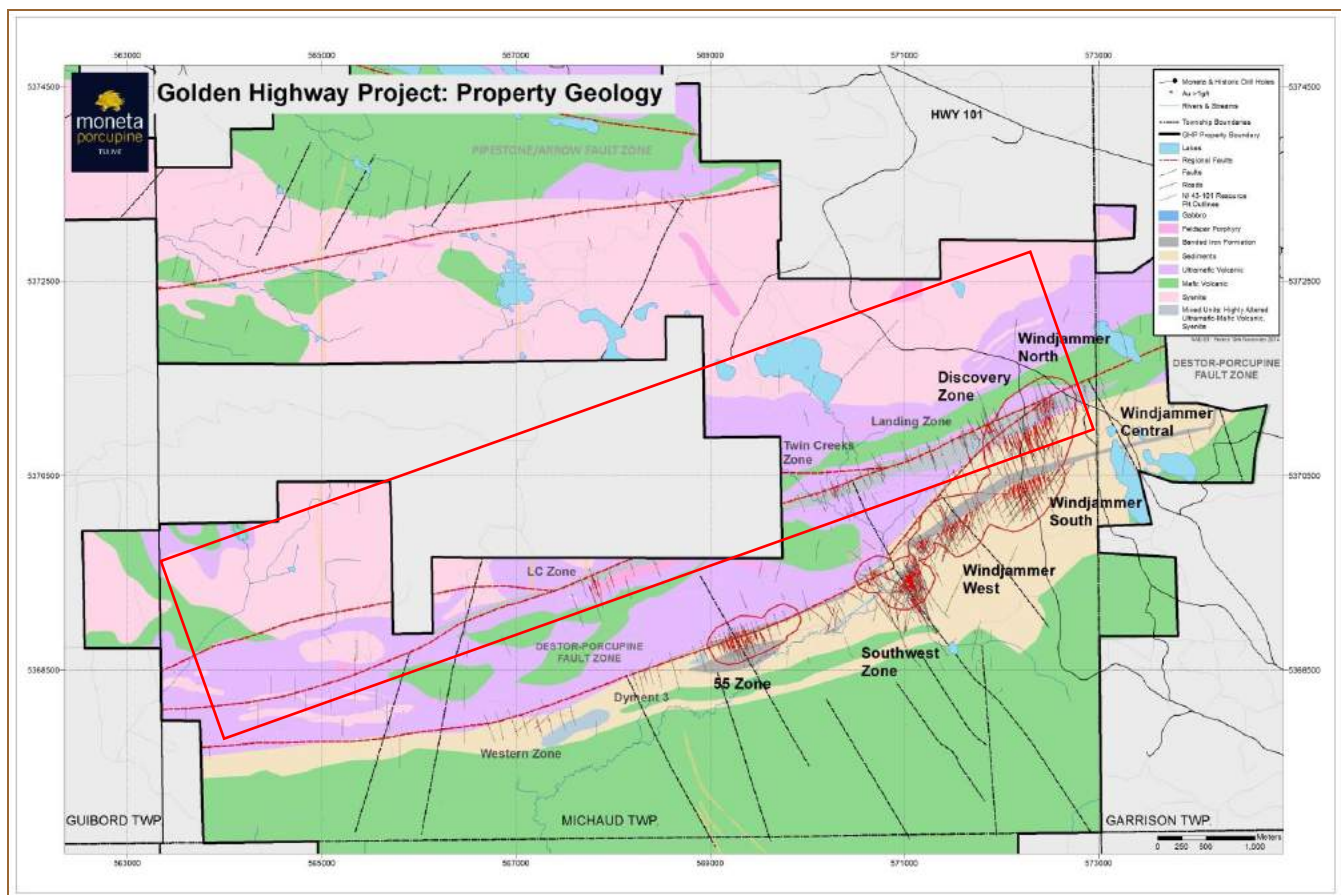


## Modeling and NI 43-101 Resource Update

In-house modeling to update the internal resource was initiated during the year in preparation for a NI 43-101 resource update on *Golden Highway*. Mineralization modeling parameters included quantification and contouring of key parameters known to influence gold deposition such as silica, sericite, pyrite, and quartz veining.

The 50 metre drill spacing completed since the last resource update supports an updated interpretation and modeling of several new higher grade lenses and plunges (trends), and provides greater 3D clarity on the gold domains for an updated resource estimate. Preliminary internal results suggest that separate modeling of these high grade lenses has resulted in an important improvement in open pit grade.

Detailed examination of the mineralizing system and internal modeling using available geophysical data has refined and converted previous lithological units (rock types) such as extensive and less prospective ultramafic volcanics (purple) to more prospective intrusive and mafic volcanics (see Figure II red box and note mafic volcanics (green) and intrusive units (pink) not previously distinguished).



## Examination of Historic Drill Core

A detailed examination was initiated during the year of approximately 50 historic drill holes from the *Golden Highway* volcanic corridor within the 12km x 2km belt hosting the Destor Porcupine Fault Zone (proper) adjacent and west of the 4.3 million ounce NI 43-101 gold resource. The drill core review efforts are ongoing.

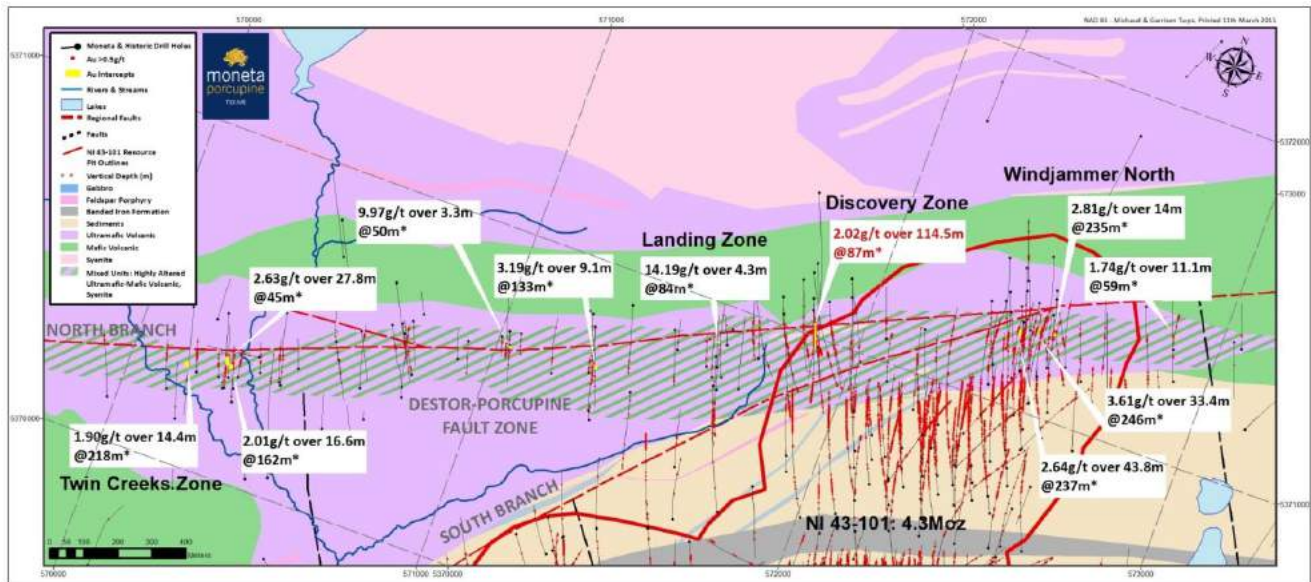
The Company owns an extensive Timmins drill core farm with over 175km of historic drill core for all of the Company's projects, including virtually all historic and recent drilling on Golden Highway.

The drill core review confirmed the same geological structure along at least 50% of the volcanic corridor across the 12km strike of the Destor as it crosses the property. The geological observations confirm the unexplored potential of Golden Highway and the importance of evaluating gaps in drilling between the currently known gold zones. Low-cost drilling campaigns (approximately 3-4 shallow holes) are planned through the centre of these 300-500m gaps along the 12km Destor strike length and will confirm shallow resource expansion potential.

### Golden Highway - Eastern Corridor

Near-identical deformation styles, related alteration features, and gold endowments were observed within historic drill core along four kilometres of the Eastern Corridor from Windjammer North through Discovery Zone, Landing Zone and Twin Creeks Zone (see Figure below).

The Company, limited only by a need to preserve cash in this gold sector downturn, successfully drill tested in 2014 only one of these numerous gaps in drilling discovering the new and significant Discovery Zone between the Windjammer North and Landing gold zones and, importantly, immediately adjacent to the NI 43-101 resource pit.



Golden Highway: Eastern Corridor showing geology, path of the Destor, and highlighted historic intercepts

### Golden Highway - Western Corridor

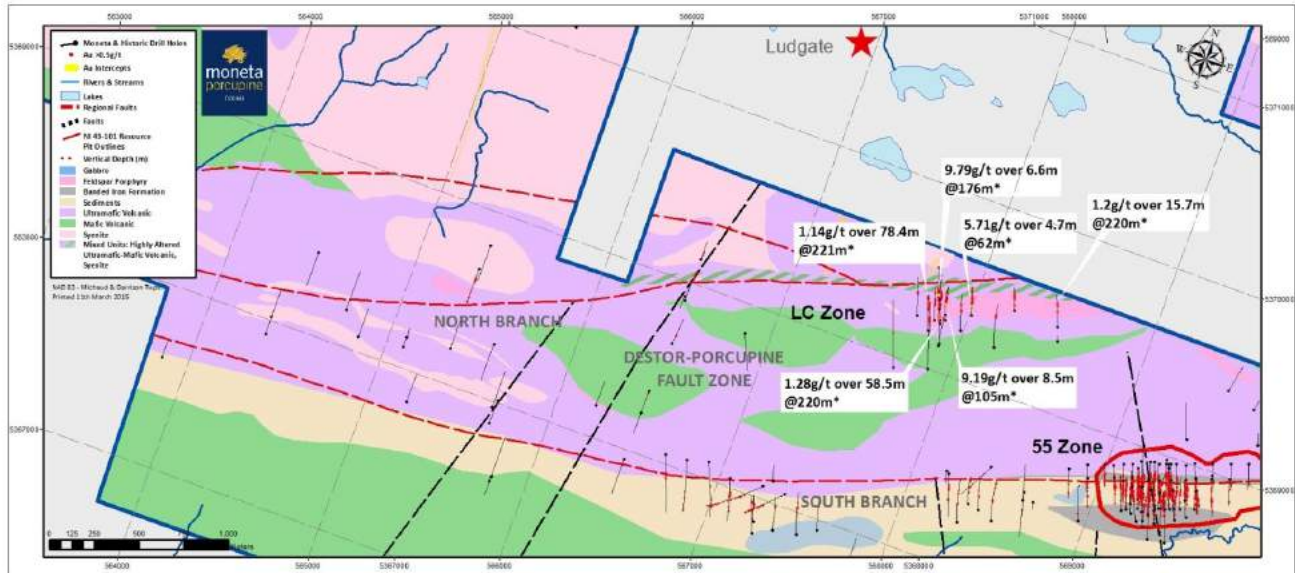
The western corridor of the Destor North Branch remains largely unexplored with only a dozen historic holes drilled within the 4+ km portion of the belt lying west of the LC Zone and Western Zone. Several of these historical drill holes have crossed the LC Zone porphyry strike projection, however the drill core for these holes is not available for review. Limited overburden drilling (reverse circulation) was completed in the 1980's to map out the bedrock surface and results are available in the Company's database.

Approximately 17 holes have been historically drilled by the Company in and proximal to the LC Zone with most of the drilling confined to a 300m diameter area. The majority of this drilling intercepted a broad, lens-shaped salmon-pink porphyry unit emplaced within the predominant volcanic sequence, returning widespread gold and defining a minimum 100m (length) x 70m (true width) x 50m (vertical slice) block. Sampling of several sulphidized (pyrite) and altered (carbonate-sericite-silica-bleaching) zones within the intrusive generated encouraging gold intersections including 9.79g/t over 6.6m, 5.71g/t over 4.7m, 9.19g/t over 8.5m as well as 1.28g/t over 58.5m and 1.14g/t over 78.4m.

During 2014, certain historic drill holes in the LC Zone were re-logged, sampled and/or reviewed. The zone exhibits a highly prospective mineralization signature, different from the style and intensity of the also highly prospective alteration/mineralization reported from the Discovery Zone in the Eastern Corridor.



The 2014 core review has confirmed that the *LC Zone* mineralizing system remains open in all directions by highlighting similar mineralization in three holes to the east: MN04-257 (1.7km to east) and MN12-297 and MN12-298 (2.6km to east). The salmon-pink porphyry unit intersected in these widely spaced drill holes, shows virtually identical structural preparation, pyrite development, and alteration potentially defining a largely untested mineralized structure of significant scale.



**Golden Highway: Western Corridor showing geology, path of the Destor, and highlighted historic intercepts**

The hit/miss intercept ratio of the limited drilling in the LC Zone is extremely encouraging and additional drilling is planned within and adjacent to the zone to determine both the distribution of the gold mineralization in the porphyry unit and its geological boundaries.

A broad scale mapping program is also planned in conjunction with a systematic drill program across this highly prospective Western Corridor when treasury funding is available.

### ***Other Golden Highway Properties and Exploration***

#### ***Guibord***

Moneta's Guibord land position of 26 claim units (14 staked and 12 patented), located near the former Ross Mine, is subject to the Guibord JV with St Andrew (75% interest). St Andrew's program in Q4 2009 completed 1,719 metres of drilling in 6 holes targeting structural and geophysical features including the Destor crossing the north-easterly portion of the property. Best results were in hole MHG09-01 returning 3.18 g/t gold over 7.5 metres including 10.18 g/t gold over 1.5 metres from the hanging wall of the Destor. Follow-up work has been recommended. No additional work has been completed in 2014.

#### ***Barnet***

Moneta entered into an agreement (2002) with St Andrew on certain properties in the Michaud and Barnet Townships to form the Barnet JV with St Andrew vested at 50% interest. No work was completed in 2014 on the property.

#### ***Garrison***

In Garrison, St Andrew had completed the option (2007) and became vested with a 50% operating interest. A limited soil geochem survey was undertaken in late 2013 with local higher density follow-up sampling. No work was completed in 2014 on the property.

## 7 PORCUPINE CAMP

Several projects constitute Moneta's activities in the Porcupine Gold Camp where Moneta continues to maintain a large land holding. Camp gold properties are North Tisdale, Nighthawk Lake, Kayorum, and Denton-Thorneloe. No exploration work was carried out in 2014 on the Kayorum and Denton-Thorneloe properties. Additional properties are historical base metal projects and include Loveland Nickel, Kamiskotia, and Fripp. The under explored nature, higher gold and recovering base metal prices with new activity in the immediate areas, has enhanced these properties' strategic value with gold remaining as the Company's focus.

Several companies are actively exploring adjacent properties including those along the Destor and Pipestone Fault zones, and within the core historical Timmins camp. Porcupine Gold Mines (Goldcorp) is deepening Hoyle Pond and pursuing additional gold mineralization in sediments, as well as moving ahead with development of the major Hollinger open pit project adjacent to Moneta's former mine and Kayorum property. Lake Shore Gold continues to advance their development and exploration programs on both the Bell Creek and Timmins West complexes.

### 7.1 NORTH TISDALE

#### *Introduction*

Moneta maintains a large land holding in north Tisdale Township. The under-explored nature of the property, higher gold price and new activity in the immediate area has enhanced these properties' strategic value in the search for gold mineralization along the highly prospective "New Mine Trend".

#### *Property Description and Location*

During 2014, the Company completed rationalization of certain staked claims and certain northern claims overlying the less prospective *Porcupine Group* sediments were allowed to expire and returned to the Province. The Property, now comprised of the southern claims, remain highly prospective as it overlies the western extension of the '*New Mines Trend*' volcanics which host the Bell Creek and Hoyle Pond gold deposits that have been in production since 1985.

North Tisdale now consists of 39 patented, 13 leased, and 44 unpatented mining claim units for a total of 96, located in Tisdale, Murphy and Hoyle Townships, all north of Timmins and covering approximately 1,500 hectares. The property can be subdivided into three general areas, West Tisdale, North Tisdale, and Porcupine Prime. All claims are 100%-owned by Moneta subject to underlying encumbrances as follows; 32 single unit patents with a 2% NSR, one four-unit patent with a 10% NPI, nine leased units with a production royalty of \$1/ton, ten staked units with a 15% NPI, eight staked units with a 2% NSR, and three staked units with a 1% NSR. A listing of the staked claims is available from the Ontario Mining Recorder.

Several patented surface rights are also owned by Moneta, specifically, lands adjoining and containing the core logging facility (approximately 13 hectares), those with underlying aggregate royalties (approximately 60 hectares), and 16 hectares within the Porcupine Prime block.

#### *Accessibility, Climate, Local Resources, Infrastructure and Physiography*

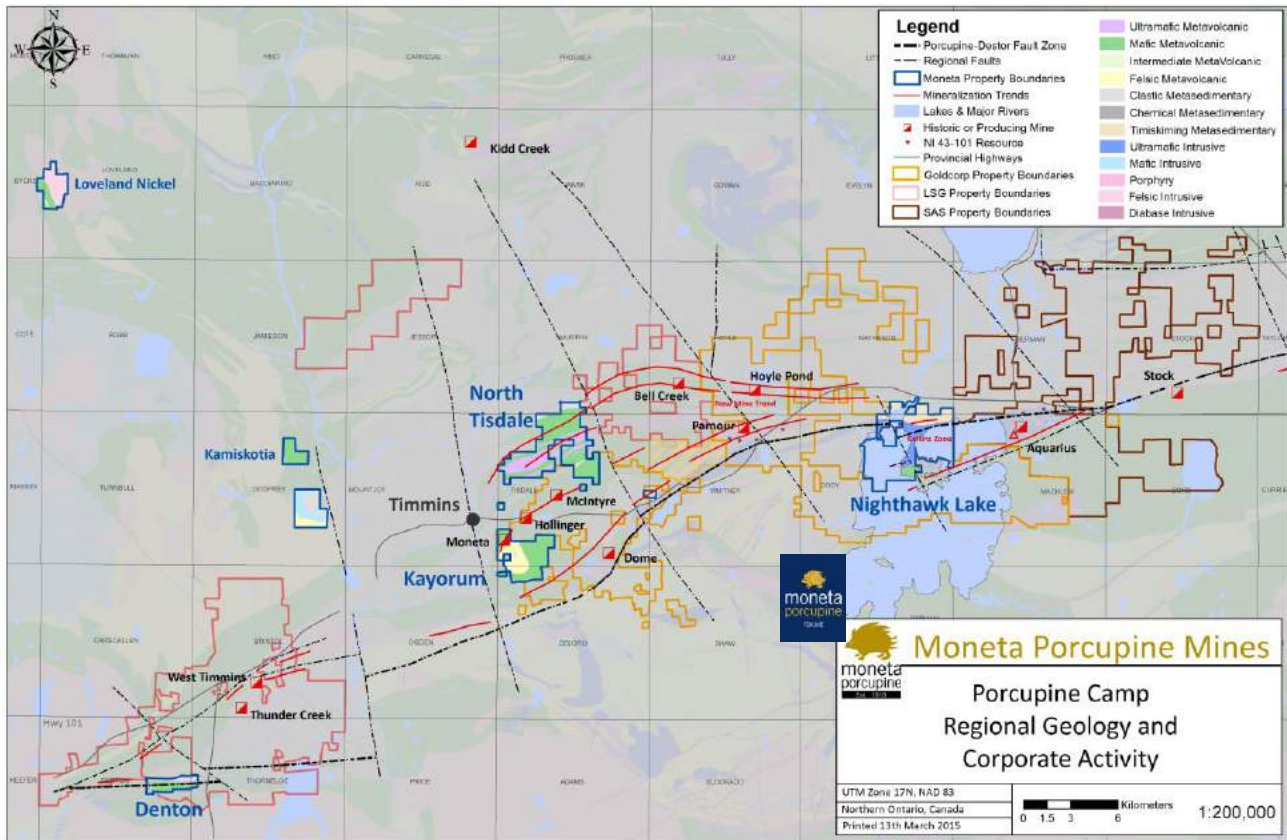
*North Tisdale* is easily accessible by vehicle and is located within the (greater) City of Timmins approximately six kilometres north along Highway 655 from the Highway 101 intersection. An extensive network of trails and old roads provides excellent access in an area that is primarily sand covered with local. Drilling operations are possible throughout the year although some areas are better accessed during the winter.

Climate is typical of northeastern Ontario with below freezing temperatures (-5<sup>o</sup> to -40<sup>o</sup>C) from November to April and brief periods of hot weather in the summer from 10<sup>o</sup> to 30<sup>o</sup>C. Precipitation averages 80 cm. a year, with a substantial portion falling in the form of snow averaging 2.4 metres per year.

Topography is generally flat with less than 25 metres of relief. The greatest relief is due to extensive sand and aggregate operations. The western and eastern portions of the property have swampy sections. Vegetation is comprised of spruce, alder, birch, poplar and pine.

A skilled labour force for mining and exploration is available in Timmins, a major supply and service centre for the

mining industry. Communications and power are available along Highway 655 and cell phone coverage extends to the property. Potential milling, tailings and disposal sites are already available should future development take place.



### Porcupine Camp Projects

A skilled labour force for mining and exploration is available in Timmins, a major supply and service centre for the mining industry. Communications and power are available along Highway 655 and cell phone coverage extends to the property. Potential milling, tailings and disposal sites are already available should future development take place.

#### History

Historical work has been previously documented by subgroups within the project area. More recent work since 1995 is as follows on the consolidated property. Unless otherwise indicated, all drill intersections are drilled widths.

#### Consolidated Project Area Work

A portion of the property was optioned by Placer Dome in 1995. In 1996, line-cutting as well as 144.7 line-km of magnetic and 131.0 line-km of electromagnetic (HLEM) surveys were completed detecting eleven conductors. Follow-up drilling consisted of seven diamond drill holes totalling 1,667 metres to test stratigraphy and numerous geophysical targets. Results included 1.99 g/t gold over 1.18 metres (including 10.0 g/t Au over 0.22 metres) from within "grey zone" altered mafic volcanics intercalated with graphitic argillite.

During 1997, Pentland Firth Ventures Ltd. and Moneta pooled their respective mining claims and formed a joint venture. A regional and property-scale data compilation of previous work was completed to delineate potential drill targets for gold mineralization. Field work included line-cutting and magnetic surveys over a portion of the Pentland lands. Higher potential portions of the property were selectively covered with Mobile Metal Ion (MMI) soil geochemical surveys. One 350-metre diamond drill hole was completed, targeting a MMI gold anomaly and intersecting intervals of "grey zone" altered mafic volcanics. Although no significant gold values were encountered in this drilling host stratigraphy and alteration was confirmed.

In 2002, a stripping, drilling, and blasting sampling and lab work program was undertaken by Leo Alarie & Sons Ltd. ("Alarie") testing the mafic and ultramafic volcanics in West Tisdale for their development potential of a quarry for high-specification aggregates. Results were positive for coarse fraction concrete stone. Alarie advanced the quarry development with permitting, site design, and stakeholder consultations into 2006. No further work was completed and the property returned to Moneta.

In 2003, Moneta Porcupine completed two IP profiles on ground in Murphy Township immediately to the north of the North Tisdale Project area, testing for west-southwest trending structures and graphitic argillite units within the sediments. No new geological features were delineated.

In 2004, Moneta completed two diamond drill holes totalling 536 metres designed to test mafic/ultramafic/ argillite (often graphitic) contacts and complete or expand geological sections. No significant gold mineralization or alteration was intersected.

In 2004/2005, the project area was traversed by a seismic profile line under the Discovery Abitibi Initiative along much of Highway 655 and onward to the south through Timmins, passing through Murphy and Tisdale Townships. The data was released in 2005 and detailed follow-up modelling tied into the geological drill profiles has been proposed that may reveal deep-seated fault systems parallel to the Destor and help define the architecture of the Porcupine Gold Camp.

In 2005, a diamond drill hole (281 metres) was completed in central Tisdale Township testing the extension of graphitic argillite/mafic volcanic stratigraphy for gold mineralization potentially analogous to that of the Owl and Bell Creek deposits. The target stratigraphy was intersected with no significant results.

In 2006, diamond drilling (299 metres) in North Tisdale and IP/ground magnetic surveys in West Tisdale were completed. West Tisdale is the under-explored western portion of the property where historically 3.96 g/t over 0.3 metres was intersected in a quartz-tourmaline vein. The geophysics program consisted of line-cutting a 19.5 km. grid with 100-metre spaced north-south gridlines turned off an east-west baseline. A pole-dipole IP and ground magnetic survey was completed and several IP anomalies and magnetic high trends (interpreted as ultramafic volcanics) were identified.

In 2007 a diamond drill hole (350 metres) was completed on strike west northwest of the 2006 IP survey area. This drill hole closed a data gap intersecting intercalated mafic and ultramafic volcanics with barren ultramafic volcanics intersected.

In 2008 a diamond drill hole (359 metres) was completed undercutting a Placer Dome 1996 drill hole in the southern prospective horizon that had intersected low but anomalous gold values including a narrow vein returning 10.0 g/t over 0.22 metres. No significant gold mineralization was intersected.

In 2009, a 374 metre drill hole was completed on the northernmost mafic volcanic stratigraphy north of the previously defined targets to test a MMI (Mobile Metal Ion) soil geochemical anomaly potentially associated with grey zone type alteration previously established 400 metres on strike to the east. No significant mineralization was intersected.

In 2010 a two hole 787 metre shallow drill program was completed, testing a shallow interpreted WSW trending structure along an ultramafic/mafic volcanic contact (North Tisdale) and a NW structure (Prime). Structures were defined and quartz and quartz-carbonate veining intersected. There were no significant gold values.

In 2011, a deep penetrating Quantec "Titan 24" Induced Polarization (IP) and Magneto-telluric (MT) survey was completed on two north-south profiles with final interpretation completed in Q1 2012 outlining several deeper anomalies.

In 2012 Titan 24 modelling was completed. In addition Discover Abitibi seismic profile data was modelled for structural features.

In 2014, the Company drilled one hole MNT14-01 to assess the potential of the western projection of mobile metal ion soil geochemistry anomaly, and any alteration-mineralization associated with the placement of the major sediment-volcanic stratigraphic contact trending through the area but failed to explain the geochemistry feature. The tholeiitic volcanics within the target window did not exhibit an appreciable increase in metals content or alteration intensity. No significant alteration, sulphide mineralization, or structural deformation was identified and locally

intersected quartz-carbonate stringers tended to be barren of sulphides.

MNT14-01 was drilled in 2014 to satisfy and bring current assessment requirements at North Tisdale which allowed the Company to successfully convert several groups of previously staked North Tisdale claims to 21 year mining leases. Additional North Tisdale staked claims are in the final stages of being converted to mining leases. The conversion of staked claims to mining leases will result in a significant reduction in future assessment costs to the Company.

#### *Geological setting*

#### **Regional Geology**

*North Tisdale* is in the Porcupine Gold Camp within the western part of the Abitibi Greenstone Belt, typically comprised of mafic to ultramafic volcanic assemblages which contain or are bounded by sedimentary basins. Syn-volcanic to post-tectonic felsic to ultramafic intrusives are abundant in the volcano-sedimentary assemblage.

The majority of the rock types underlying the Timmins area are Archean in age. Metavolcanic rocks have been subdivided into two groups, the Deloro and Tisdale assemblages. The Deloro Group is largely composed of calc-alkaline metavolcanics, primarily andesitic and basaltic flows in the lower part, and dacitic flows and, dacitic/rhyolitic pyroclastics towards the top of the sequence. Iron formation is common at or near the top of the group. Most of the Deloro Group is confined to a large domal structure located in the southern part of the area. A major change in volcanism marks the beginning of the younger Tisdale Group. The basal formations are largely made up of ultramafic to mafic komatiitic flows, which are overlain by a thick sequence of tholeiitic basalts. The top of the group is composed primarily of calc-alkaline, dacitic volcanoclastics. Metasedimentary rocks, including interlayered wacke, siltstone and conglomerate are interpreted to be coeval with the upper part of the Deloro Group and all of the Tisdale Group. This turbidite sequence, together with a thin sequence of overlying fluviatile sediments, has been referred to as the Porcupine Group. Small quartz-feldspar porphyry intrusions, possibly of subvolcanic origin, intruded into a restrictive stratigraphic interval of the Tisdale mafic flows.

A major structural break, the Destor, trends northeast across the area, but is south of the property. North of the Destor, two periods of folding have been interpreted; an original north trending series of folds which have been refolded about an east-northeast axis. The main axis of the later folding is delineated by the Porcupine Syncline.

Virtually all of the gold production (75 million ounces) in the area has been from quartz carbonate veins in metavolcanic/metasedimentary rocks and quartz stringers in porphyries north of the Destor in the Tisdale Group. Most of the auriferous veins tend to be controlled by anticlinal fold axis.

#### **Property Geology**

The area is underlain by the lower portion of the favourable Tisdale Assemblage stratigraphy and most of the magnesian tholeiitic rocks of the Tisdale Group and the lower formation (mainly sediments) of the Porcupine Group, all on the north limb of the isoclinal North Tisdale Anticline. Recent government field work, compilation and interpretation has confirmed that the property is underlain by an east-west trending belt of intercalated (tholeiitic) mafic volcanics and minor (komatiitic) ultramafic volcanic flows and variably graphitic argillites. Much of the property is covered by overburden (5 to 50 metres).

#### **Target Mineralization**

Gold mineralization is hosted mainly within quartz-sulphide-carbonate stockwork zones occupying porphyry/mafic/ultramafic/graphitic argillite contacts and/or structural zones. Although portions of the property may host the potential for an extension of the Hollinger-McIntyre gold system to the northeast and the western extension of the Pipestone Fault system, the primary target remains the western extension of the Bell Creek-Owl Creek setting as this stratigraphy crosses the central portion of the property.

Historical gold intersections are generally associated with grey-zone alteration and graphitic argillite with anomalous gold tenors. Two target areas within this stratigraphy have been defined in the northern and southern parts of Con VI, with the latter containing best gold values of 2.44 g/t over 3.05 metres, 1.32 g/t over 4.12 metres and 1.54 g/t over 1.52 metres. On strike to the west of this zone, drilling by Placer Dome (1996) intersected 1.99 g/t gold over 1.18 metres including a narrow quartz vein returning 10.0 g/t over 0.22 metres. More recent drill holes along strike to the

east and north-south across the greater target stratigraphy returned no significant gold values.

#### *Exploration Program*

MNT14-01 was designed to assess the potential of the western projection of mobile metal ion (“MMI”) soil geochemistry anomaly, and any alteration-mineralization associated with the placement of the major sediment-volcanic stratigraphic contact trending through the area. MNT14-01 encountered 399m of intercalated mafic volcanic flows (tholeiites). Flow features typical to the area were noted, including chloritic pillow selvages, narrow bands of flow breccia, local amygdules, and minor varioles. The hole passed through the graphitic Tisdale volcanic/Porcupine sediment stratigraphic contact, and intersected 159m of interbedded greywackes and minor mudstone/argillite through to its completion at 573m. No significant alteration, sulphide mineralization, or structural deformation was identified within this volcanic-sediment sequence. Locally intersected quartz-carbonate stringers tended to be barren of sulphides. MNT14-01 failed to explain the MMI geochemistry feature and the tholeiitic volcanics within the target window did not exhibit an appreciable increase in metals content or alteration intensity.

## **7.2 NIGHTHAWK LAKE PROJECT**

### *Summary*

The *Nighthawk Lake* property is located at the eastern end of the *Porcupine Camp* on Nighthawk Lake approximately 30 km east of Timmins primarily in Cody and Matheson Townships and consists of both patented (30), leased (6) and staked (92) claim units for a total of 129 claim units (~2,000 hectares).

The property is within a “mini gold camp” defined primarily by gold mineralization along the Nighthawk Break, a prominent splay off the Destor. The project is along the Destor, immediately north of the Nighthawk Break hosting Goldcorp’s Nighthawk Mine and several other gold zones, as well as St Andrew’s Aquarius Mine.

Moneta’s 1997-2010 drilling resulted in several gold intersections of economic merit (up to 9.54 g/t gold over 5.75 metres) over a strike length of 700m that define the Collins Zone. The gold mineralization is hosted within a moderately northerly dipping broad zone of highly altered ultramafic volcanics in contact with overlying Timiskaming sediments and is similar to the nearby Aquarius Mine consisting of quartz stringers within green carbonate alteration zone.

The *Collins Zone* area remains a priority project target. A structural review was completed in 2010 on the mineralization identifying east-west and north-northwest structures, both north and northeast dipping. A follow-up drill program consisted of 3 holes for a total of 700 metres generating several prospective and anomalous gold intersections.

### *Exploration Program*

The Company undertook a review of Nighthawk Lake in 2014 to re-examine the geology and exploration potential of the property situated approximately 27 km east of downtown Timmins. Historic reports of chalcopyrite, sphalerite, pyrrhotite and, “considerable VG” were based on a 5-hole (1,713m) stratigraphic ‘fence’ drilled in 1946 by New Electra-Pardee in the southern portion of the Project. This discovery was significant due to its proximity to the Nighthawk and Peninsular deposits (1 km to the south), where 185,000 ounces have since been extracted from mineralization associated with the western end of the Nighthawk Break.

In 2014, the Company completed drill hole NHL14-01 totaling 567m in depth to evaluate the potential for gold-associated alteration-mineralization related to the adjacent Destor, to validate a prior report of ‘considerable VG’ and sulphide mineralization intersected during a 1946 drill campaign in the immediate area, and to test the lithological stratigraphy.

NHL14-01 was drilled to satisfy and bring current assessment requirements. The hole was drilled south of the project’s *Collins Zone* and encountered intercalated mafic and ultramafic volcanic intrusions and flows, minor diabase, intermediate intrusions, tuffs, and graphitic units. No significant alteration, sulphide mineralization, or deformation zones were observed in the hole. Minor ankerite and sericite alteration associated with quartz carbonate stringers were noted in some basaltic units.

The Company continues to evaluate the potential expansion of the higher grade within the zone to support a near-surface bulk tonnage gold resource given the style of gold mineralization, proximity to milling infrastructure, and potentially favourable zone geometry.

### **7.3 DENTON THORNELOE PROPERTY**

#### *Summary*

The *Denton-Thorneloe* property is a 16 claim unit mining lease located in the emerging West Timmins gold area driven by Lakeshore Gold's mine development and discoveries. The property is less than 5km to the southwest with known gold mineralization to the north and on strike to the west.

Although known primarily for its two historical nickel zones discovered by Hollinger in 1958-60, a gold exploration strategy is being developed given its location along the Destor and documented veining, strong shearing and alteration. Several anomalous gold values were intersected in past Hollinger and Falconbridge drilling that focused on nickel mineralization. The 2009 IP program in combination with the historical ground magnetic survey has effectively mapped the property geology and generated several priority targets potentially relevant for gold mineralization.

#### *Exploration*

The geophysics and drilling to date indicate continued potential for economic nickel mineralization as well as untested gold potential. No exploration work has been completed in 2014.

### **7.4 KAYORUM AND MONETA MINE PROPERTY**

#### *Summary*

The *Kayorum* property is found within the City of Timmins and is located immediately south and southwest of the Hollinger Mine (65.8 Mt @ 0.29 oz/t for 19.3 Moz gold production to depth of 1,662 metres) site and includes the former Moneta Mine. The property consists of 52 claim units (46 patented and 6 leased) located immediately south and southwest of the Hollinger mine and is a consolidation of several historical properties. The former Moneta Mine (314,829 tons @ 0.47 oz/t for 149,250 oz.) occupies the northwest portion of the property.

The adjacent Hollinger Mine project has completed advanced permitting, feasibility, and consultation stages. Development of a multiphase 200-250 metre deep open pit is proceeding by Porcupine Gold Mines (Goldcorp) with haulage infrastructure completed. Exploration drill programs have also identified several underground mining opportunities by ramp to -400 metres and existing underground infrastructure for both the Hollinger (Millerton) and McIntyre (Central Porphyry Zone) mines.

Since 1990, several exploration programs have been completed under option agreements with Cogema, Cameco, and Placer Dome (Goldcorp). No exploration work was undertaken on the Kayorum Project in 2014.

#### *Moneta Mine*

The Moneta Mine is located in the northwest portion of the property and mined the continuation of Hollinger Mine veining across the property boundary. Despite several exploration phases from 1911 to 1935 little mineralization of interest was found. Notable is a 1931 surface drill hole intersection of 1.23 oz gold over a core length of 9.9 feet. Mineralization occurs near the contacts between a pillowed and amygdaloidal flow, and a massive coarse grained leucoxene flow, with black shale along both contacts of the these mafic rocks. The ore zone consists of heavy sulphide replacement of brecciated pillowed flows with visible gold observed often associated with brown sphalerite, all in a quartz-carbonate matrix.

In 1936, a 10,590 foot drill program defined a high grade vein that led to rapid underground development of the Moneta Mine by 1938. Production ceased in 1943 after production of 149,250 oz gold from 314,829 tons at an average grade of 0.47 oz/t. Mine infrastructure included a shaft to 1492 feet and 6 levels of development and mining.

In late 2010 Moneta initiated a geological, mining, and structural review compiled into a 3D model, in order to assess the brownfields potential of the former mine and its immediate area. Additional work was completed in 2011 to facilitate a closure plan for the Ministry of Northern Development and Mines ("MNDM") as outlined below.



### *Geology*

The Kayorum Property is located within the Abitibi Greenstone Belt in the Porcupine Gold Camp which hosts gold deposits such as the Hollinger, McIntyre and Dome. These deposits are generally comprised of single or multiple gold bearing quartz-carbonate veins with or without albite, tourmaline, sericite, pyrite and other sulphides and native gold within folded mafic volcanic host rocks that have also been altered with carbonate, sericite, albite, and pyrite. Gold occurs in both the veins and the wallrock. Deposits are typically spatially associated with quartz-feldspar porphyry stocks and dykes that have been localized along a major structural break such as the Destor.

The mafic volcanic stratigraphy in the core of the camp has been divided into the Deloro and Tisdale Group, with the Tisdale comprised of four formations, the Northern, Central, Vipond and Gold Centre. Narrow intervals of interflow sediments are formed within and at the contacts of these formations, and veins are often localized on these horizons. The Dome Mine is located mainly within the Vipond Formation, and the Hollinger-McIntyre Mines are mainly within the Central Formation. The Krist felsic volcanoclastic unit overlies the Tisdale Group.

Within the Kayorum Property, the Central, Vipond, Gold Centre and Krist Formations are exposed. This stratigraphy shows complex folding patterns, having been influenced by the Porcupine Syncline, the South Tisdale Anticline, and the Kayorum Syncline.

### *Exploration*

Pursuant to an Order received from the Mining and Lands Commissioner related to the Company's historic Moneta Mine, the Company undertook necessary steps and submitted a mine closure plan in 2011. The Ministry of Northern Development and Mines ("**MNDM**") provided comments on the closure plan in November 2011. The Company submitted an amended closure plan in December 2011 addressing the minor comments. The MNDM provided further comments on the amended closure plan in February 2012. The Company responded by submitting a proposal to resolve the minor outstanding issues and the MNDM responded with further comments in July 2012. No provision was made in the financial statements as the Company is in discussions with the MNDM to close this matter.

The Company engaged a geotechnical consultant to prepare the mine closure plan, identify and evaluate the former mine hazards, and provide direction on an appropriate geotechnical program.

The geotechnical program, completed in 2011, required a compilation of available historical materials to identify hazards related to the former mine workings, ground penetrating radar surveying to help locate subsurface changes potentially related to voids, detailed diamond drilling to assess bedrock conditions (523 metres in 15 drill holes), and progressive rehabilitation of identified hazards by capping a fill raise and small historical shaft.

Although beyond the scope of work required by the Order, the Company elected to complete progressive rehabilitation of certain mine hazards, where feasible.

Residual ore was identified within and adjacent to the mine workings and there is untested potential for additional mineralization to depth and along strike as well as on other property areas.

The MNDM provided comments on the closure plan filed in November 2011, an amended closure plan originally filed by the Company in 2012, and a written proposal by the Company to resolve the minor outstanding issues. In 2014, the Company successfully negotiated written conditional approval from the MNDM of the amended closure plan filed in 2012 along with the Company's updated 2014 financial estimates for ongoing site monitoring.

In compliance with the conditional approval, the Company completed in Q1 2015 one of the final two tasks by installing a permanent fence around the former mine site based on guidance from the Company's geotechnical consultants. The last task of installing three geotechnical probes into 2011 boreholes was abandoned in fall 2014 due to early winter snow and freezing conditions and is expected to be completed by the Company as soon as weather permits in spring 2015.

The Company received written approval from the MNDM on March 17, 2015 that the Closure Plan, with related financial assurance, was accepted as filed. With the Closure Plan now 'filed', there are no further financial or other obligations on the part of the Company going forward other than the immaterial cost of installing the three probes.



## 7.5 PORCUPINE CAMP: BASE METAL PROJECTS

Moneta hold a 100% interest in base metal projects consisting of a combination of 7 staked, 56 leased, and 1 patented claim units in Loveland, Godfrey, Jamieson, and Fripp Townships.

Historical work up to the mid 1970's on Loveland Nickel by Hollinger Gold Mines outlined nickel-copper mineralization with a non NI43-101 compliant historical resource estimate of 422,000 tons grading 0.71% Ni and 0.42% Cu. Mineralization is primarily associated with quartz diabase intrusive in intermediate to mafic volcanic flows and intrusives. Potential for additional mineralization remains high given the recent success on the immediately adjacent property to the northwest.

Historical zinc and copper mineralization is also known on the Kamiskotia property. Gold potential is not well understood but appears to be primarily associated with grey zone alteration in mafic volcanics as well as with felsic intrusives in sediments that are believed to represent northerly fault displaced West Timmins camp stratigraphy.

The Fripp copper zone was originally found by Hollinger Gold Mines and is estimated to contain a non NI 43-101 compliant historical resource of 55,000 tons grading 2% copper. The zone is hosted by mafic intrusives (diorite, quartz diorite and quartz gabbro). Additional work is required on this shallow mineralization.

The Company continues to evaluate options, including option or sale to interested parties or exploration itself to test the mineralization potential.

## 8 BASE METAL PROJECT

Moneta continues to maintain the Kelly Lake Ni-Cu-PGM deposit in good standing (13 claim units).

## 9 CAPITAL STRUCTURE

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.

The issued and outstanding share capital at December 31, 2014 is 193,642,382 (2013: 193,642,382) common shares.

## 10 MARKET FOR SECURITIES

The Company's common shares trade on the TSX under the symbol ME, on the United States OTC market under the symbol MPUCF, and the Berlin Stock Exchange, the Xetra, and Frankfurt Stock Exchange under the symbol MOP. Moneta's share trading on the Toronto Stock Exchange for 2014 is presented in the table below:

Month	Price Range			Volume
	High	Low	Close	
December	0.05	0.04	0.04	129,200
November	0.06	0.05	0.05	188,300
October	0.08	0.05	0.05	117,000
September	0.08	0.06	0.06	134,100
August	0.09	0.07	0.08	135,300
July	0.11	0.08	0.09	138,600
June	0.10	0.08	0.09	85,500
May	0.10	0.08	0.09	123,400
April	0.15	0.09	0.09	314,300
March	0.19	0.12	0.14	641,400
February	0.18	0.07	0.16	1,263,800
January	0.09	0.07	0.08	160,600

## 11 DIRECTORS AND OFFICERS

The following are Moneta's officers and directors:

Name, Place of Residence and Position with Corporation	Principal Occupation	Period Served as a Director	Common Shares Beneficially Owned or Controlled <sup>(4)</sup>	% of voting Common Shares
Warren Bates, PGeo <sup>(1), (5)</sup> Bowser, British Columbia (Canada) Director ( <b>Independent</b> ) <sup>(3)</sup>	Senior Vice President, Exploration of Pelangio Exploration Inc.	Since June 2009	132,353	0.07%
Richard Boulay, BSc Calgary, Alberta, (Canada) CFO and Director	Director of Latin American Minerals	Since June 2010	1,273,000	0.66%
Alex D. Henry, CPA, CA <sup>(1), (2)</sup> Toronto, Ontario (Canada) Director ( <b>Independent</b> ) <sup>(3)</sup>	Principal of Hampton-Metrix Capital Partners Inc.	Since June 2005	3,405,000	1.76%
Ian C Peres, CPA, CA Toronto, Ontario (Canada) President & CEO and Director	President and Chief Executive Officer	Since August 2008	4,664,722	2.41%
Patricia Sheahan, BSc <sup>(1), (2), (6)</sup> Toronto, Ontario (Canada) Director ( <b>Independent</b> ) <sup>(3)</sup>	Independent director to TSX-listed mining companies	Since May 2011	205,500	0.11%
Mark Wayne, LL.B. CFA <sup>(1), (2), (7)</sup> Calgary, Alberta (Canada) Director ( <b>Independent</b> ) <sup>(3)</sup>	Investment Advisor, IA Securities Inc.	Since April 2014	1,538,000	0.79%

(1) Member of the Audit Committee

(2) Member of Compensation Committee

(3) "Independent" within the meaning of applicable Canadian securities laws and the rules of the Toronto Stock Exchange

(4) "Common Shares" refers to the number of common shares of the Corporation that are beneficially owned, or over which control or direction is exercised by the Director

(5) Member of Compensation Committee until June 10, 2014

(6) Member of Audit Committee until June 10, 2014

(7) Member of Compensation Committee and Audit Committee beginning June 10, 2014

Information regarding cease trade orders, bankruptcies, penalties or sanctions imposed on directors or executive officers of the Company and existing or potential conflicts of interest between the Company its directors and executive officers is contained in the Company's Management Information Circular dated April 28, 2015 available on SEDAR at [www.sedar.com](http://www.sedar.com) and such information is incorporated by reference herein.

## 12 AUDIT COMMITTEE

The Audit Committee is composed of three members of the Board of Directors: Alex D. Henry, Warren Bates and Mark Wayne. 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 Company'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 public companies in the past. Mr. Bates is Senior Vice President, Exploration of Pelangio Exploration Inc., a public company. Mr. Wayne is an Investment Advisor at IA Securities Inc. and an independent director of public companies.

The Charter of the Audit Committee has been adopted by the Company's Board of Directors and is attached hereto as Schedule A.

*Reliance on Certain Exemptions*

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 – Audit Committees ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

*Audit Committee Oversight*

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

*Pre-Approval Policies and Procedures*

Pursuant to requirements under the Audit Committee's Charter, the Company 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 Company in each of the last two financial years are described below:

*Audit Fees:* The aggregate fees paid to the external auditor in each of the last two financial years for audit fees were \$22,190 in 2014 and \$28,500 in 2013.

*Audit-Related Fees:* The aggregate fees paid to the external auditor in each of the last two financial years for assurance and related services were \$NIL in 2014 and 2013.

*Tax Fees:* The aggregate fees paid to the external auditor in each of the last two financial years for professional services rendered for tax compliance, tax advice and tax planning were \$1,500 in 2014 and \$1,500 in 2013.

## **13 LEGAL PROCEEDINGS**

*Order to file closure plan on Moneta Mine*

In 2011, the Company engaged a geotechnical consultant to identify and evaluate the former mine hazards, direct and oversee geotechnical drilling of the former hazards and to facilitate the preparation of a mine closure plan. A mine closure plan was submitted in 2011 and is currently under discussion with the Ministry of Northern Development and Mines ("MNNDM"). Although beyond the scope of work required by the Order, the Company elected to complete progressive rehabilitation of certain mine hazards, where feasible.

The MNNDM provided comments on the closure plan filed in November 2011, an amended closure plan originally filed by the Company in 2012, and a written proposal by the Company to resolve the minor outstanding issues. In 2014, the Company successfully negotiated written conditional approval from the MNNDM of the amended closure plan filed in 2012 along with the Company's updated 2014 financial estimates for ongoing site monitoring.

In compliance with the conditional approval, the Company completed in Q1 2015 one of the final two tasks by installing a permanent fence around the former mine site based on guidance from the Company's geotechnical consultants. The last task of installing three geotechnical probes into 2011 boreholes was abandoned in fall 2014 due to early winter snow and freezing conditions and is expected to be completed by the Company as soon as weather permits in spring 2015.

The Company received written approval from the MNM on March 17, 2015 that the Closure Plan, with related financial assurance, was accepted as filed. With the Closure Plan now 'filed', there are no further financial or other obligations on the part of the Company going forward other than the immaterial cost of installing the three probes.

#### ***Civil lawsuits***

The Company's Kayorum property hosts the former producing Moneta Mine which was in underground operation from 1939 to 1943. Once production ended, the one and only open stope to surface was backfilled with sand, in compliance with the prevailing mining legislation. The sand filled stope has been subject to partial subsidences since the mine closed in 1943, similar to other former producing mines in the Timmins area. The subsidences have been decreasing in order of magnitude.

The surface rights above the Moneta Mine were sold by the Company to a third party, following the mine closure in 1943. The ownership changed several times from one third party to another until finally being purchased in the 1970s by two independent parties. The prior subsidences were annotated on title. These independent purchasers erected buildings on the properties, immediately adjacent to the sand filled stope area.

The latest subsidence of the sand filled stope occurred in 2004. The City of Timmins issued an Order declaring the buildings, erected by these independent parties, as unsafe, subject to the undertaking of a geotechnical report on the former mine workings. The Company understands that no geotechnical report was ever commissioned by the independent parties who elected to vacate the properties. One of the independent parties moved the business to another location.

Civil claims were separately filed by each of the independent parties in April 2005 in the Ontario Superior Court of Justice. Each claim was for \$1,000,000, pre- and post-judgement interest and costs of the action. The suits have not been actively pursued since 2004. One claim was dismissed in August 2011 by a Registrar's Order dismissing the action for delay but was subsequently reinstated.

The Company believes the claims have no merit and intends to defend such claims vigorously. Accordingly, no provision has been made in the Company's annual consolidated financial statements for these claims.

## **14 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Company reported a salary of \$NIL (2013: \$12,000) to an officer and director for the year ended December 31, 2014, for services provided to the Company as the officer and director who agreed to waive 2014 cash fees in lieu of an option grant of 100,000 stock options. An amount of \$6,000 was paid during the year for services provided to the Company in fiscal 2013. The Company paid a salary of \$200,000 (2013: \$200,000) to an officer and director for the year ended December 31, 2014 for services provided to the Company under an ongoing employment agreement. The officer and director was granted 1,500,000 stock options subject to a five year term with a Black Scholes fair value of \$35,899 charged to (non-cash) share based compensation. The Company paid a salary of \$128,385 (2013: \$18,750) to an officer and charged to exploration and evaluation expenditures for the year ended December 31, 2014 for services provided to the Company under an ongoing employment agreement. Directors' fees of \$NIL (2013: \$30,750) were expensed during the year ended December 31, 2014 as directors unanimously agreed to waive 2014 cash fees in lieu of an option grant of 100,000 stock options each plus an additional 25,000 stock options issued to the audit chairman. An amount of \$8,000 was paid during the year for 2013 director fees payable. A total of 2,045,000 stock options were issued during the year to directors at exercise prices of \$0.19, \$0.09 and \$0.06 and subject to a three or five year term, with a Black Scholes fair value of \$66,841 charged to (non-cash) share based compensation. All related party transactions were completed in the normal course of business at the exchange amounts. There were no loans to Directors or Officers during the year (2013: \$NIL).

## **15 TRANSFER AGENTS AND REGISTRAR**

Moneta's transfer agent and registrar is Computershare Investor Services Inc., with principal offices in Toronto, Ontario.

## **16 MATERIAL CONTRACTS**

Moneta entered into no material contracts in the past three fiscal years outside of the ordinary course of business.

## 17 INTERESTS OF EXPERTS

Stikeman Elliott LLP is legal counsel to the Company.

S&W Chartered Professional Accountants LLP are the independent auditors of the Company.

P&E Mining Consultants Inc. (P&E) authored the “Technical Report, Updated Mineral Resource Estimate and Preliminary Economic Assessment of the Golden Highway Project” published on SEDAR December 11, 2012. P&E also authored the “Technical Report and Resource Estimates on the Windjammer, Southwest Zone and 55 Zone Golden Highway Project Michaud and Garrison Townships North-Eastern Ontario, Canada”, published on SEDAR January 16, 2013.

No experts have received any securities or other property of the Company. The Company believes that none of the experts hold any securities of the Company.

## 18 SUBSEQUENT EVENTS

The Company received written approval from the MNDM on March 17, 2015 that the Closure Plan, with related financial assurance, was accepted as filed. With the Closure Plan now ‘filed’, there are no further financial or other obligations on the part of the Company going forward.

A total of 675,000 stock options exercisable at \$0.06 and \$0.12 expired unexercised in January 2015 and March 2015 following the departure of former employees of the Company.

## 19 ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under the Company’s stock option plan, is contained in the Company’s Management Information Circular expected to be dated April 28, 2015.

## 20 GLOSSARY OF TECHNICAL INFORMATION

The estimated mineral reserves and mineral resources discussed herein have been calculated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) – Definitions Adopted by CIM Council on December 11, 2005 (the “CIM Standards”) which were adopted by the Canadian Securities Administrators’ National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). The following definitions are reproduced from the CIM Standards:

The term “mineral reserves” means the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes allowances for dilution and losses that may occur when the material is mined. A “proven mineral reserve” is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified. A “probable mineral reserve” is the economically mineable part of an indicated mineral resource, and in some circumstances a measured mineral resource, demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

The term “mineral resources” means a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. A “measured mineral resource” is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information

gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. An “indicated mineral resource” is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from location such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An “inferred mineral resource” is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

The following technical terms may be used in this AIF, and may appear capitalized or in lower case, without any difference in meaning:

**Advance royalty** - A form of royalty where the payment is made before the start of commercial production.

**Albite** – A plagioclase sodium feldspar.

**Alkalic** - Containing either sodium or potassium.

**Alteration** - Any change in the mineral composition of a rock that is brought about by physical or chemical means

**Andesite** – Igneous rock of intermediate composition.

**Ankerite** - An iron rich carbonate mineral.

**Anomaly** - Geochemical and/or geophysical data, which deviates from the norm.

**Archean** - Oldest rocks of the Precambrian Era, older than about 2.5 billion years.

**Assay** - An analysis to determine the presence, absence or quantity of one or more chemical components.

**Au** – Chemical symbol for the element gold.

**Basalt** – Common dark and fine grained extrusive mafic volcanic rock.

**Base Metal** - A metal, such as copper, lead, nickel, zinc or cobalt.

**Belt** - A specific elongate area defined by unique geologic characteristics.

**Breccia** - Rock fragmented into angular components surrounded by a mass of finer grained material.

**Carbonate** - Mineral calcium carbonate (CaCO<sub>3</sub>) and often a rock composed principally thereof.

**Chalcopyrite** – Copper iron sulphide (CuFeS<sub>2</sub>).

**Chlorite** - A green platy iron-magnesium rich metamorphic mineral.

**Claim (Mineral)** – The area that confers mineral exploration/exploitation rights to the registered holder under the laws of the governing jurisdiction.

**Conglomerate** - A sedimentary rock composed of rounded to subrounded transported fragments greater than 2 millimetres (pebbles, cobbles, boulders) cemented into a solid mass.

**Dacitic** – Igneous rock intermediate in compositions between andesite and rhyolite.

**Diamond Drilling/Drill Hole** - A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.

**Diabase** - A common basic igneous rock usually occurring in dykes or sills.

**Dip** - The angle at which a stratum is inclined from the horizontal.

**Dyke** - A tabular body of igneous rock cross cutting the host strata at a high angle.

**Fault** - A fracture in a rock along which there has been relative movement between the two sides either vertically or horizontally.

**Fe** - Chemical symbol for the element iron.

**Feldspar** - A group of common aluminosilicate minerals.

**Felsic** - Igneous rock composed principally of feldspars and quartz.

**Fluvial/fluvialite** - Sedimentary material found in river beds.

**Fold** - Bend in strata or any planar structure.

**Foliation** - Parallel orientation of platy minerals or mineral banding in rocks.

**Footwall** - The wall or rock on the underside of a vein or structure.

**Formation** - A body of rock identified by lithological characteristics and stratigraphic position.

**Fracture** - A break in the rock, the opening of which allowing the entry of mineral-bearing solutions.

**Fuchsite** - Mica with a characteristic (emerald) green colour arising from the presence of chrome or vanadium.

**Gabbro** - A fine to coarse grained, dark coloured crystalline igneous intrusive rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.

**Geochemistry/Geochemical** - Study of variation of chemical elements in rocks or soil.

**Geology/Geological** - Study of the Earth's history and life, mainly as recorded in rocks.

**Geophysics/Geophysical** - Study of the earth by quantitative physical methods, either by surveys conducted on the ground, in the air (by fixed wing aircraft or helicopter) or in a borehole or drillhole.

**Grams per tonne (g/t)** - A unit of measurement commonly used to quantify the concentration of precious metals.

**Greenstone belt** - Area underlain by metamorphosed volcanic and sedimentary rocks, usually in a continental shield.

**Greywacke** - Grey sandstone consisting of poorly sorted grains of quartz, feldspar and rock fragments in a clay matrix.

**Hanging wall** - The wall or rock on the upper side of a vein or structure.

**Hectare** - A square of 100 metres on each side.

**Hematite** - Black to reddish brown, non-magnetic iron oxide (Fe<sub>2</sub>O<sub>3</sub>).

**Horizon** - A defined layer within a stratigraphic sequence, having unique characteristics distinguishing it from the rest of the sequence.

**Igneous** - A classification of rocks formed from the solidification from a molten state.

**Infill drilling** - Any method of drilling intervals between existing holes, used to provide greater geological detail and to help establish resource/reserve estimates.

**Intrusive/Intrusions** - An igneous rock that invades older rocks.

**Iron formation (banded)** - Chemically precipitated rock consisting of repeated thin layers of chert (silica) and iron oxides commonly magnetite and/or hematite.

**IP/Induced polarization** - Method of ground geophysical surveying employing an electrical current to determine indications of mineralization through the measurement of resistivity and chargeability.

**JV/Joint venture** - business arrangement usually between companies that defines each party's vested interest in an asset.

**Komatiite** - A volcanic rock containing a high concentration of magnesium and generally a low concentration of silica.

**Mafic** - An igneous rock composed chiefly of dark iron and manganese silicate minerals.

**Magnetic Survey** - A geophysical survey conducted on the earth's surface that measures variations in the earth's magnetic field caused by variations in rock type or geological structures.

**Magnetite** - Black, magnetic iron ore, an iron oxide ( $\text{Fe}_3\text{O}_4$ ).

**Massive** - Solid (without fractures) wide (thick) rock unit.

**Metamorphism/Metamorphic/Meta** - A process whereby the composition of rock is modified by heat and pressure/A class of rock affected by metamorphism.

**Mg** - Chemical symbol for the element magnesium.

**Mineralization** - The concentration of metals and their chemical compounds in a body of rock.

**Mudstone** – A fine grained sedimentary rock originally composed of clay and mud.

**NSR** - Net Smelter Royalty – Royalty based on the actual gold sale price received less the cost of refining.

**Ore** - Rock containing mineral(s) or metals that can be economically extracted to produce a profit.

**Outcrop** - An exposure of bedrock at surface.

**Pillowed** - Volcanic rock texture that formed from the bulbous cooling of magma when cooled quickly in water.

**Pluton** - Body of rock exposed after solidification at great depth.

**Porphyry** - A rock consisting of larger crystals embedded in a more compact finer grained groundmass.

**Proterozoic** - The youngest part of the Precambrian from 2450 - 570 million years ago.

**Pyrite** - Iron sulphide mineral ( $\text{FeS}_2$ ).

**Pyroxene** – A calcium/sodium ferromagnesium silicate.

**Quartz** - A mineral composed of silicon dioxide.

**Rhyolite** – Igneous rock of felsic (silica rich) composition.

**Sandstone** – A sedimentary rock composed mainly of sand-sized quartz and/or feldspar.

**Schist** – Rocks of medium-grade metamorphism with well-developed lamellar minerals.

**Sediment** - Solid material that has settled down from a state of suspension in a liquid; may be transported and deposited by wind, water or ice, chemically precipitated from solution, or secreted by organisms, forms in layers in loose unconsolidated form.

**Sedimentary** - Pertaining to or containing sediment or formed by its deposition.

**Sericite** - Generally light coloured iron, magnesium and sodium rich mica.

**Shear** - A planar zone of deformed rock caused by the movement of the rock.

**Sill** - A tabular body of igneous rock conforming to the strata it invades.

**Siltstone** – A sedimentary rock with an intermediate grain size finer than sandstone with a higher clay fraction.

**Specific gravity** - The density of a substance relative to the density of water expressed as  $\text{t/m}^3$ .

**Splay** – Branch of a fault.

**Stockwork** – A local higher density of veins/stringers at numerous orientations.

**Strike** - Direction or trend of a geologic structure.

**Stringer** - A very small vein or irregular filament of mineral(s) cutting a rock mass, occurs independently or as a branch of a larger vein.

**Structure/Structural** - Pertaining to geological structure such as folds, faults, etc.



**Sulphide/Sulphidation** - A group of minerals in which one or more metals are found in combination with sulfur/rock that has been sulphidized.

**Syenite** - An felsic intrusive igneous rock composed chiefly of the mineral orthoclase.

**Tholeiite** – Mafic volcanic rock with higher silica and lower sodium, potassium and magnesium content.

**Tuff/Pyroclastics** - A rock formed of compacted volcanic fragments.

**Turbidite** - Submarine landslide along a continental slope containing large masses of sediment.

**Ultramafic** – A dark coloured igneous rock with a low silica content and characterized by mafic minerals, such as olivine, amphibole and pyroxene.

**Vein** - A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz /a small vein or cluster of veins.

**Volcanic** - Descriptive of rocks originating from volcanic activity.

**Volcano-sedimentary** - A mix of rocks formed by volcanic and sedimentary processes.

**SCHEDULE A**  
**CHARTER OF THE AUDIT COMMITTEE**

**I: Audit Committee Mandate**

The Audit Committee (the “Committee”) is appointed by the Board of Directors to assist the Board of Directors 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 of Directors. The Committee will primarily fulfill this role by carrying out the activities enumerated in this Charter. The Committee is, however, independent of Board of Directors, and in carrying out its role of assisting the Board of Directors 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 Committee’s primary duties and responsibilities are to:

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

While the 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 Company’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 of Directors for approval the Company’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 Company provided to the public or any governmental body as the Committee or the Board of Directors requires.
2. Review and recommend to the Board of Directors for approval any press releases of the Company that contain financial information.
3. Satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’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 of Directors 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 Company.

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 Company, 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 Company;
  - (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 Company, 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 Company.

#### 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 Company'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 Company'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 Company) the compensation for any such advisors.
2. Respond to requests by the Board of Directors with respect to the functions and activities that the Board of Directors requests the Committee to perform.
3. Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board of Directors 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 Company 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 of Directors 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 Company, 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 Company or its subsidiary entities by its external auditors.
9. Review the Company's financial statements, MD&A and annual and interim earnings press releases before such documents are publicly disclosed by the Company.
10. The Committee must satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company'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:
12. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
13. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

14. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

#### 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 of Directors, each of whom shall be independent and financially literate within the meaning of applicable Canadian securities laws. The Board of Directors 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 Company 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 Company'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 Company'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 of Directors 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 of Directors for approval and ensure that it is in compliance with the Toronto Stock Exchange and Ontario Securities Commission regulations.

D. Complaint Procedure

1. Anyone may submit a complaint regarding conduct by the Company 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.