MONETA PORCUPINE MINES INC.

Consolidated Financial Statements

For the year ended December 31, 2015

The accompanying consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Other information contained in this document has also been prepared by management and is consistent with the data contained in the consolidated financial statements. A system of internal controls has been developed and is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable.

The Board of Directors approves the financial statements and ensures that management discharges its financial reporting responsibilities. The Board's review is accomplished principally through the audit committee, which is composed of non-executive directors. The audit committee meets periodically with management and the auditors to review financial reporting and control matters.

(signed) Ian C. Peres	***(signed) Richard A Boulay***
Ian C. Peres, CA	**Richard A. Boulay**
President & CEO	Chief Financial Officer

March 29, 2016
Toronto, Canada

The management of Moneta Porcupine Mines Inc. (the "Company") is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal controls over financial reporting are reviewed and approved by the Chief Executive Officer and Chief Financial Officer with the expectation of providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Due to its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections regarding the effectiveness of these controls applicable to future periods are subject to risk and may not be sufficient to meet the degree of compliance required to comply with the policies or procedures in the future.

Management conducted an assessment of the Company's internal controls over financial reporting based on the "Internal Control-Integrated Framework (2013)" established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that assessment, the Chief Executive Officer and Chief Financial Officer concluded the Company's internal controls over financial reporting were effective as of December 31, 2015. There were no material weaknesses identified by management as of December 31, 2015.

(signed) Ian C. Peres

Ian C. Peres, CA
President & CEO

(signed) Richard A Boulay

Richard A. Boulay
Chief Financial Officer

March 29, 2016
Toronto, Canada

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Independent Auditor's Report

To the Shareholders of
Moneta Porcupine Mines Inc.

We have audited the accompanying consolidated financial statements of Moneta Porcupine Mines Inc., which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of changes in shareholders' equity, loss, comprehensive loss, and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International financial reporting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Moneta Porcupine Mines Inc. as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which discloses that the company will have to raise additional funds in order to continue its exploration and development efforts and there can be no assurance that it will be able to do so. These conditions indicate the existence of a material uncertainty that may cast significant doubt about Moneta Porcupine Mines Inc.'s ability to continue as a going concern.

Other Matter

The consolidated financial statements of Moneta Porcupine Mines Inc. for the year ended December 31, 2014 were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on March 18, 2015.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 29, 2016

MONETA PORCUPINE MINES INC.

Consolidated Statements of Financial Position

As at December 31,	Notes	2015 $	2014 $
Current assets			
Cash and equivalents		**1,076,167**	282,286
Prepaid expenses		**16,518**	17,930
Royalty income receivable		**10,713**	-
Sales taxes recoverable		**12,209**	30,288
Interest receivable		**1,582**	2,749
Total current assets		**1,117,189**	333,253
Exploration and evaluation assets	5	**1,898,791**	1,852,746
Total assets		**3,015,980**	2,185,999
Current liabilities			
Accounts payable and accrued liabilities		**108,786**	152,431
Total current liabilities		**108,786**	152,431
Going concern	1		
Contingent liabilities	9		
Shareholders' equity			
Capital stock	6	**45,207,235**	44,192,549
Contributed surplus		**4,169,620**	3,605,764
Deficit		**(46,469,661)**	(45,764,745)
Total shareholders' equity		**2,907,194**	2,033,568
Total liabilities and shareholders' equity		**3,015,980**	2,185,999

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

Approved on behalf of the Board of Directors:

(signed) Ian C. Peres — Ian C. Peres, Director

(signed) Alex D. Henry — Alex D. Henry, Director

MONETA PORCUPINE MINES INC.

Consolidated Statements of Changes In Shareholders' Equity

	Notes	Capital Stock Shares	Capital Stock $	Contributed Surplus	Other Accumulated Comprehensive	Deficit	Shareholders' Equity
Balance as at December 31, 2014		**193,642,382**	**44,192,549**	**3,605,764**	**-**	**(45,764,745)**	**2,033,568**
Share issuance on private placement financing	**6**	**14,450,000**	**1,335,000**				**1,335,000**
Share issuance costs - cash	**6**		**(23,728)**				**(23,728)**
Fair value of warrants issued on private placement	**6**		**(296,586)**	**296,586**			**-**
Share based compensation on vested options				**267,270**			**267,270**
Loss and comprehensive loss						**(704,916)**	**(704,916)**
Balance as at December 31, 2015		**208,092,382**	**45,207,235**	**4,169,620**	**-**	**(46,469,661)**	**2,907,194**
Balance as at December 31, 2013		193,642,382	44,192,549	3,486,274	-	(43,219,136)	4,459,687
Share based compensation on vested options				119,490			119,490
Loss and comprehensive loss						(2,545,609)	(2,545,609)
Balance as at December 31, 2014		193,642,382	44,192,549	3,605,764	-	(45,764,745)	2,033,568

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

MONETA PORCUPINE MINES INC.

Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the year ended December 31,	Notes	2015 $	2014 $
Expenses			
Exploration and evaluation expenditures	5, 8	204,533	2,076,416
Share based compensation	6, 8	267,270	119,490
Wages and benefits	8	168,641	208,769
General & administration	8	82,777	114,496
Legal & audit		39,261	80,784
		762,482	2,599,955
Other items			
Other income		(54,282)	(39,504)
Unrealized loss on investments		-	465
Interest income		(3,284)	(15,307)
Loss before income taxes		704,916	2,545,609
Deferred taxes	7	-	-
Loss and comprehensive loss		704,916	2,545,609
Deficit - beginning of year		45,764,745	43,219,136
Deficit - end of year		46,469,661	45,764,745
Loss per share (basic and diluted)		$0.01	$0.01
Weighted average outstanding shares		198,063,067	193,642,382

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

MONETA PORCUPINE MINES INC.

Consolidated Statements of Cash Flows

For the year ended December 31,	Notes	2015 $	2014 $
Operating activities			
Loss and comprehensive loss		**(704,916)**	(2,545,609)
Add: non-cash items			
Shared based compensation		**267,270**	119,490
Unrealized loss on investments		**-**	465
Net change in non-cash working capital balances		**(33,700)**	(543,907)
Cash used in operating activities		**(471,346)**	(2,969,561)
Investing activities			
Evaluation and exploration assets	5	**(46,045)**	(109,209)
Cash used in investing activities		**(46,045)**	(109,209)
Financing activities			
Common shares issued on private placement, net of issue costs	6	**1,311,272**	-
Cash provided from financing activities		**1,311,272**	-
Net increase (decrease) in cash and equivalents		**793,881**	(3,078,770)
Cash and equivalents, beginning of year		**282,286**	3,361,056
Cash and equivalents, end of year		**1,076,167**	282,286

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

1. Nature of operations and going concern

Nature of operations

Moneta Porcupine Mines Inc. ("Moneta" or the "Company") is a public company listed on the Toronto Stock Exchange (TSX: ME) (OTC: MPUCF) (XETRA: MOP) and incorporated under the laws of the Province of Ontario on October 14, 1910. Moneta is a mineral resource exploration and development company actively exploring for gold on its land package in the Timmins Camp in Timmins, Ontario (Canada). The Company's registered office is 65 Third Avenue, Timmins, Ontario, P4N 1C2. Moneta, a former gold producer, is currently an exploration stage company and has no properties in current production and no production revenues at the present time.

Going concern

These consolidated financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from December 31, 2015. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company operates in one segment defined as the cash generating unit which is Canada. The consolidated financial statements were approved by the Board of Directors of the Company on March 29, 2016.

Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3. Significant accounting policies

The principal accounting policies are set out below:

a) Basis of presentation and consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries: Wounded Bull Resources Inc. and 508825 Ontario Ltd. The subsidiaries are inactive with limited operations. The financial statements of subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. All intercompany balances and transactions have been eliminated upon consolidation. The Company's presentation currency and functional currency is the Canadian Dollar.

b) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in the Statements of Loss (Earnings) and Comprehensive Loss (Earnings), except for differences arising on the translation of available for sale equity instruments that are recorded in other accumulated comprehensive income.

The Company translates the assets and liabilities of its wholly-owned subsidiary, Wounded Bull Resources Inc., at the rate of exchange in effect at the reporting date. Income and expenses are translated at the rate of exchange prevailing at the date of the transaction. All resulting exchange differences are recognized in other comprehensive income and accumulated in a cumulative translation reserve under shareholders' equity.

c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to a contractual agreement and are initially measured at fair value and classified as loans and receivables, financial instruments at fair value through profit or loss ("FVTPL"), or available for sale financial assets and other liabilities ("AFS"), as appropriate. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it and separates it from the host contract if the host contract is not measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as FVTPL, with changes in fair value at each period end recorded in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management.

Loans and receivables

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) when the loans and receivables are derecognized or impaired, as well as through the amortization process. Interest income is recognized by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. The Company's financial assets are classified as loans and receivables unless otherwise noted.

Available for sale financial assets

AFS assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. AFS financial assets are measured at fair value upon initial recognition and at each period end, with unrealized gains or losses being recognized as a separate component of equity in other comprehensive income until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss, previously reported in equity, is included in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings).

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) for the period. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest rate method. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Derivative instruments

Derivative instruments, including embedded derivatives, are recorded at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings).

Impairment of financial assets
Financial assets, other than those recorded at FVTPL, are assessed for indicators of impairment at each period end. A financial asset is considered impaired when there is objective evidence that the estimated future cash flows of the investments have been adversely impacted as a result of one or more events that occurred after the initial recognition.
If an AFS asset is impaired, the change in fair value is transferred to the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) in the period, including cumulative gains or losses previously recognized in other comprehensive income or loss. Reversals of impairment in respect of equity instruments classified as AFS are not recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) but included in other comprehensive income.

All financial instruments measured at fair value subsequent to initial recognition are categorized into one of three hierarchy levels based on the transparency of the inputs used to measure the fair values of assets and liabilities, as follows:

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly;
Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recorded at fair value through loss for the period are recognized immediately in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) for the period.

d) Cash and equivalents
Cash and equivalents include cash in bank and highly liquid investments which are cashable with an original term to maturity of 365 days or less.

e) Exploration and evaluation assets
Acquisition costs related to exploration properties are capitalized as exploration and evaluation assets at fair value at the time of purchase. The acquisition costs are written off when an exploration and evaluation asset is disposed of through sale or abandonment.

Exploration and evaluation expenditures incurred on exploration properties are expensed until such time that a future economic benefit is more likely to be realized than not by the establishment of ore resources. Exploration and evaluation expenditures incurred subsequent to the establishment of commercially viable and technically feasible gold resources on a property are to be capitalized as Property, Plant and Equipment. Exploration and evaluation assets are not depreciated until the properties are in commercial production.

f) Impairment of long-lived assets
The Company reviews its long-lived assets within its cash generating units, consisting primarily of exploration and evaluation assets, at each reporting period end, for any indicators of impairment whenever events or changes in circumstances indicate that such carrying value may not be recoverable.

To determine whether a long-lived mining asset may be impaired, the recoverable amount is compared to the carrying value of the individual asset. If the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down and the impairment loss is recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings). Where it is not possible to estimate the recoverable amount of a specific non-financial asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

A previously recognized impairment loss may be reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount and is recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings). The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset.

g) Income taxes

Income taxes are recognized in Loss (Earnings), except where they relate to items recognized in other comprehensive income or directly in capital stock, in which case the related taxes are recognized in Comprehensive Loss (Earnings) or Capital Stock. Deferred income taxes are calculated using the balance sheet liability method for unused tax losses, unused tax credits and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates enacted or substantively enacted at the Statement of Financial Position date. The effect on deferred income tax assets and liabilities resulting from a change in enacted tax rates is included in income in the period in which the change is enacted or substantively enacted.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Share capital

Common shares issued by the Company are classified as capital stock. Incremental costs directly attributable to the issue of new common shares, such as share issue costs, are recognized under capital stock as a deduction from the share proceeds.

i) Flow-through shares

Under Canadian income tax legislation, the Company may issue flow through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A temporary non-cash deferred flow through premium liability is recognized on the Statement of Financial Position. The liability is reversed upon renunciation of such qualifying expenditures to the flow through investors and reported as a reduction in deferred tax expense on the Statement of Loss (Earnings) and Comprehensive Loss (Earnings).

j) Share based payments

Stock options

The fair value of stock options granted to directors, officers, and employees is measured at grant date using the Black-Scholes valuation model using assumptions for risk-free interest rates, dividend yield, volatility factors of the expected market price of the Company's common shares, expected forfeitures and expected life of the options. The fair value of these share based payments is recognized as a charge to the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) with a corresponding credit to shareholders' equity on the Statement of Financial Position.

The fair value of stock options, subject to a vesting schedule, is recognized using the accelerated method and is measured using Black Scholes and assumptions at the time of vesting. The applicable fair value of any stock options which are exercised are transferred from contributed surplus to capital stock. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Purchase warrants and broker compensation options

Purchase warrants are classified as capital stock and measured at fair value on the date of issue using the Black-Scholes option pricing model. Broker compensation options are classified as issuance costs and a deduction from capital stock and measured at fair value on the date of issue using the Black-Scholes option pricing model. The fair value of the purchase warrants and broker compensation options are not subsequently revalued.

k) Other income recognition

The Company currently has no revenue from active mining operations. Royalty income is recognized in the period in which it is earned in accordance with the terms of the royalty agreement, with collection reasonably assured. Interest revenue is recognized in the period in which it is earned.

l) Other comprehensive loss (earnings)

Other comprehensive loss (earnings) is the change in net assets that results from transactions and events, not included in loss for the period and other than changes in the shareholders' equity. The Company's comprehensive loss (earnings), components of other comprehensive income, and cumulative translation adjustments on foreign currency gains or losses related to foreign operations, are presented in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) and the Statement of Changes in Shareholders' Equity.

m) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings (loss) per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

n) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. If the Company is virtually certain that some or all of a provision will be reimbursed, for example under an insurance contract, such reimbursement is recognized as a separate asset. Provisions may be discounted using a current pre-tax rate that reflects the risks specific to the liability. The expense relating to any provision is presented in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings).

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

4. Key sources of estimation uncertainty and judgement

In the application of the Company's accounting policies described in note 3, management is required to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors considered relevant, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the areas involving estimates made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements.

a) Share based payments

Management measures the fair value of granted stock options using the Black-Scholes option valuation model. The fair value of stock options using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

b) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the property, or where exploration activities are not adequately advanced to support a gold resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the deferral of exploration and evaluation expenditures.

c) Impairment of long-lived assets

The carrying amounts of exploration and evaluation assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on a property by property basis. The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, future capital requirements, resource estimates, and exploration potential. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets.

d) Decommissioning and restoration provision

The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the period in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Statement of Loss (Earnings), Comprehensive Loss (Earnings).

As the Company has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

e) Contingent liabilities

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

4. Recent accounting standards

The Company is currently evaluating the impact on its consolidated financial statements of recent accounting pronouncements, as follows:

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). The mandatory effective date of IFRS 9 is for annual years beginning on or after January 1, 2018.

5. Exploration and evaluation assets

As at December 31,	2015 $	2014 $
Acquisition costs:		
Balance, beginning of year	**1,852,746**	1,743,537
Acquisition costs	**46,045**	109,209
Balance, end of year	**1,898,791**	1,852,746

Acquisition costs	Opening January 1, 2015	Additions	December 31, 2015
Golden Highway Project	1,667,576	8,753	**1,676,329**
North Tisdale	40,973	15,661	**56,634**
Kayorum	67,652	16,345	**83,997**
Nighthawk Lake	7,765	227	**7,992**
Denton Thorneloe and other	68,780	5,059	**73,839**
	1,852,746	46,045	**1,898,791**

There were no property disposals and no indications of impairment of exploration and evaluation assets during the year ended December 31, 2015 and 2014. Capitalized acquisition costs were $1,898,791 at December 31, 2015 (2014: $1,852,746). Exploration and evaluation expenditures for the year ended December 31, 2015 of $204,533 (2014: $2,076,416) were charged to the Statements of Loss and Comprehensive Loss.

6. Capital stock

Authorized share capital

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

Capital stock transactions during the year

On November 10, 2015, the Company announced the closing of a non-brokered private placement for total gross proceeds of $1,100,000. A total of 10,000,000 units were issued at a price of $0.11 per unit comprised of one common share and one half of one purchase warrant exercisable at $0.18 per full purchase warrant for a term of twelve months. There were no finder’s fees or commissions paid on the placement. Issue costs, related to standard TSX listing fees and legal fees, were $17,783.

On May 6, 2015, the Company announced the closing of a non-brokered private placement for total gross proceeds of $235,000. A total of 3,200,000 units were issued at a price of $0.05 per unit comprised of one common share and one purchase warrant exercisable at $0.07 for thirty six months for gross proceeds of $160,000, and 1,250,000 flow-through units were issued at a price of $0.06 per unit comprised of one common share issued on a flow-through basis and one purchase warrant exercisable at $0.08 for thirty six months for gross proceeds of $75,000. Insiders of the Company subscribed for 2,000,000 Units and 1,250,000 Flow-Through Units or 75% of the Placement. There were no finders' fees or commissions paid. Issue costs, related to standard TSX listing fees, were $5,945.

There were no equity financings completed for the year ended December 31, 2014.

Stock options

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

The following table summarizes the outstanding stock options:

For the year ended December 31,	**2015**		2014	
	Weighted Average Exercise Price	**No. of Options**	Weighted Average Exercise Price	No. of Options
Outstanding, beginning of year	**$0.13**	**6,555,000**	$0.23	6,520,000
Transactions during the year:				
Granted [1]	**0.12**	**3,425,000**	0.08	4,270,000
Expired [2]	**0.21**	**(2,810,000)**	0.23	(4,235,000)
Outstanding, end of year	**$0.10**	**7,170,000**	$0.13	6,555,000
Weighted average remaining contractual life (years)	**4.06**		2.93	
Exercisable, end of year	**$0.10**	**7,103,332**	$0.14	6,042,474

(1) The Company granted 3,425,000 stock options during 2015 to directors, officers, or employees at an average exercise price of $0.12. The estimated fair value of these options of $264,942, a weighted average fair value at grant date of $0.08 per option, using the Black Scholes valuation model and a five year term with immediate vesting, was charged as share based compensation. The underlying assumptions used in the estimation of fair value are, as follows: risk free rate: 1.0%, remaining life: 5 years, expected volatility: 81%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

(2) The Company granted 4,270,000 stock options during fiscal 2014 to directors, officers, or employees at an average exercise price of $0.08. The estimated fair value of these options of $102,740, a weighted average fair value at grant date of $0.03 per option, using the Black Scholes valuation model, a three or five year term as relevant, and vesting over a period of up to three years, was charged as share based compensation. The underlying assumptions used in the estimation of fair value are, as follows: risk free rate: 1.5%, remaining life: up to 5 years (based on option term), expected volatility: 71% - 77%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

(3) During the year, a total of 2,810,000 (2014: 4,235,000) stock options at an average exercise price of $0.21 (2014: $0.23) expired unexercised.

Warrants

For the year ended December 31,	Exercise Price	Expiry Date	2015 #	2014 #
Issued during the year:				
Purchase Warrants [(1)]	$0.07	May 2018	**3,200,000**	-
Purchase Warrants [(2)]	$0.08	May 2018	**1,250,000**	-
Purchase Warrants [(3)]	$0.18	Nov 2016	**5,000,000**	-
			9,450,000	-
Outstanding, end of year:				
Purchase Warrants	$0.07	May 2018	**3,200,000**	-
Purchase Warrants	$0.08	May 2018	**1,250,000**	-
Purchase Warrants	$0.18	Nov 2016	**5,000,000**	-
			9,450,000	-

(1) In May 2015, 3,200,000 purchase warrants, exercisable at $0.07 and expiring in thirty six months, were issued on the closing of a private placement for $160,000, which formed part of a larger financing of $235,000. The estimated fair value of the warrants using the Black Scholes model was $119,755, a weighted average fair value of $0.037 per warrant, and was charged as reduction in share capital and credited to contributed surplus. The underlying assumptions used in the estimation of fair value are, as follows: Risk free rate 1.00%, Expected life 3.0 years, Expected volatility 83%, Expected dividend yield 0.00%.

(2) In May 2015, 1,250,000 purchase warrants, exercisable at $0.08 and expiring in thirty six months, were issued on the closing of a flow-through private placement for $75,000, which formed part of a larger financing of $235,000. The estimated fair value of the warrants using the Black Scholes model was $44,011, a weighted average fair value of $0.035 per warrant, and was charged as reduction in share capital and credited to contributed surplus. The underlying assumptions used in the estimation of fair value are, as follows: Risk free rate 1.00%, Expected life 3.0 years, Expected volatility 83%, Expected dividend yield 0.00%.

(3) In November 2015, 5,000,000 purchase warrants, exercisable at $0.18 and expiring in twelve months, were issued on the closing of a private placement for $1,100,000. The estimated fair value of the warrants using the Black Scholes model was $132,820, a weighted average fair value of $0.027 per warrant, and was charged as reduction in share capital and credited to contributed surplus. The underlying assumptions used in the estimation of fair value are, as follows: Risk free rate 1.00%, Expected life 1.0 year, Expected volatility 99.6%, Expected dividend yield 0.00%.

Broker Compensation Options

For the year ended December 31,	Exercise Price	Expiry Date	2015 #	2014 #
Outstanding, beginning of year:				
Broker compensation options [(1)]	$0.30	March 2014	-	700,000
Broker compensation options [(1)]	$0.28	June 2014	-	1,079,998
			-	1,779,998
Expired during the year:				
Broker compensation options [(2)]	$0.30	March 2014	-	(700,000)
Broker compensation options [(2)]	$0.30	June 2014	-	(1,079,998)
			-	(1,779,998)
Outstanding, end of year:				
Broker compensation options	$0.30	March 2014	-	-
Broker compensation options	$0.28	June 2014	-	-
			-	-

(1) In March 2012, upon completion of the $3,000,000 private placement financing, broker compensation options were issued entitling Underwriters to purchase up to 700,000 common shares of the Company at a price of

$0.30 per common share until March 2014. In December 2012, upon completion of the $8,067,277 private placement financing, broker compensation options were issued entitling Underwriters to purchase up to 1,079,998 common shares of the Company at a price of $0.28 per common share until June 2014.

(2) In March and June 2014, a total of 700,000 and 1,079,998 in broker compensation options expired unexercised.

7. Income taxes

The Company's effective tax rate, which differs from the combined federal and provincial statutory income tax rates for the year ended December 31, 2015 (26.5%) and 2014 (26.5%), has been reconciled as follows:

For the year ended December 31,	**2015**	2014
	$	$
Income tax recovery at statutory rates	**186,803**	674,586
Increase (decrease) related to:		
Flow-through expense renunciation	**(19,875)**	-
Shared based compensation	**(70,827)**	(31,665)
Non-capital losses expired	**(63,865)**	(86,125)
Other	**6,279**	59,941
	38,515	152,612
Valuation allowance	**(38,515)**	(152,612)
Deferred taxes (recovery)	**-**	-

The Company's deferred tax assets and liabilities are comprised of the following:

For the year ended December 31,	**2015**	2014
	$	$
Deferred tax assets:		
Net operating loss carry forwards	**1,580,000**	1,524,000
Net capital loss carry forwards	**527,000**	527,000
Resource deductions	**3,325,000**	3,290,000
Other	**99,000**	151,000
	5,531,000	5,492,000
Less: Valuation allowance	**(5,531,000)**	(5,492,000)
	-	-

The Company has recorded a valuation allowance as the Company does not consider it more likely than not that the deferred tax assets will be realized in the foreseeable future. The Company has non-capital losses of $5,963,000 (2014 - $5,751,000) available for deduction against future taxable income, the balances of which will expire as follows:

For the year ended December 31,	**2015**	2014
Year of expiry	**$**	$
2015	**-**	241,000
2026	**307,000**	307,000
2027	**317,000**	317,000
2028	**652,000**	652,000
2029	**618,000**	618,000
2030	**694,000**	694,000
2031	**671,000**	671,000
2032	**943,000**	943,000
2033	**732,000**	732,000
2034	**576,000**	576,000
2035	**453,000**	-
	5,963,000	5,751,000

The potential tax benefit of the above losses has not been recognized in these financial statements. The Company has approximately $3,974,113 (2014 – $3,974,113) in capital losses available to apply against future capital gains.

8. Related party transactions

The Company reported a salary of $NIL (2014: $NIL) to an officer and director for the year ended December 31, 2015, for CFO services provided to the Company. The Company paid a salary of $162,500 (2014: $200,000) to an officer and director for the year ended December 31, 2015 for CEO and other services provided to the Company under an ongoing employment agreement. The same officer and director invested $75,000 in the May 6, 2015 private placement and voluntarily reduced his annual compensation by 25% effective April 1, 2015 until market conditions improve.

Directors' fees of $NIL (2014: $NIL) were expensed during the year ended December 31, 2015 as directors agreed to waive cash fees until market conditions improve. Two independent directors invested a total of $100,000 in the May 6, 2015 private placement.

A total of 3,050,000 stock options were issued during the year to directors at an exercise price of $0.12, subject to a five year term. A Black Scholes fair value of $235,934 was charged to (non-cash) share based compensation.

All related party transactions were completed in the normal course of business. There were no loans to Directors or Officers during the year (2014: $NIL).

9. Contingent liabilities

Order to file closure plan on Moneta Mine

Pursuant to an Order received from the Mining and Lands Commissioner related to the Company's historic Moneta Mine, located on the Company's Kayorum project in 2011, the Company undertook necessary steps and submitted a mine closure plan. The Company received written approval from the Ministry of Northern Development and Mines on March 17, 2015 that the Closure Plan for the historic Moneta Mine was accepted as filed. There are no significant financial or other obligations on the part of the Company going forward.

Civil lawsuits

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

10. Capital management

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the year ended December 31, 2015. As at December 31, 2015, the Company has a net working capital balance of $1,008,403 (2014: $180,822).

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

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

11. Financial instruments and risk management

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

Fair value

The carrying values for primary financial instruments, including cash and equivalents, royalty income receivable, sales taxes recoverable, interest receivable, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash and equivalents held with Canadian financial institutions.

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

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

Credit risk

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

The Company's exposure to credit risk is concentrated in three specific areas: the credit risk on operating balances including sales taxes recoverable, interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at December 31, 2015 was $1,100,671 (2014 - $315,323), and was comprised of $1,076,167 (2014 - $282,286) in cash and equivalents held with Canadian financial institutions with an "AA-" credit rating, $10,713 (2014: $NIL) in royalty income receivable, $12,209 (2014 - $30,288) in sales taxes recoverable, and $1,582 (2014 - $2,749) in interest receivable.

Market risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States ("US") dollars. The Company has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity price risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. This risk is not applicable as the Company is not currently in commercial gold production. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

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

MONETA PORCUPINE MINES INC.

Management Discussion and Analysis

For the year ended December 31, 2015

This Management Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of operations of Moneta Porcupine Mines Inc. ("**Moneta**" or the "**Company**") to enable a reader to assess material changes in the financial condition and results of operations of the Company as at and for the year ended December 31, 2015. This MD&A should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2015. All amounts included in this MD&A are in Canadian Dollars.

The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Company operates in one segment, defined as the cash generating unit, which is Canada. This MD&A has an effective date of March 29, 2016, the date this MD&A was reviewed by the Audit Committee and approved by the Board of Directors.

MONETA PORCUPINE MINES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2015

Additional information related to the Company is available in Moneta's Annual Information Form dated March 29, 2016 for the year ended December 31, 2015 ("**AIF**"). The AIF and other continuous disclosure documents, including the Company's press releases and quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and the Company's website at www.monetaporcupine.com.

The MD&A is presented in the following sections:

FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

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

OUTLOOK

Market conditions for gold have improved in Q1 2016 and the Company's share price has outperformed the GDX exchange traded fund and tripled since December 2014. Merger and acquisition activity within the junior gold sector is strong with most of the Company's peer group in Ontario being acquired in the last twenty four months. This is particularly the case in the Timmins Camp where many of Moneta's peers have been acquired including Brigus Gold, Lake Shore Gold, St Andrew Goldfields, Northern Gold, and Temex Resources.

Moneta remains one of the last remaining gold assets of scale in Ontario with a land position of 200km^2 in the world class Timmins mining camp. With a NI 43-101 resource of 4.3 million ounces gold, a strong working capital position adequate for up to two years, an industry low annual burn rate (see **FINANCIAL REVIEW** section below), and a large share position by Management and Directors of the Company aligned with shareholders' interest, the Company is well positioned to raise additional funds in the near term for drilling or for acquisition of strategic assets. Moneta may also be an acquisition target if the intrinsic value is fair to Moneta shareholders and the acquirer is able to contribute meaningful funding to advance the Golden Highway project.

The Company has seen multiple corporate approaches in the last twenty four months but has not identified a partner willing to offer a reasonable intrinsic valuation for the assets and/or able to bring adequate funding to significantly advance the Golden Highway project. 'Asset-accumulator' or 'consolidator' companies strategically acquire undervalued assets with the primary intention of re-selling the assets to a third party only when the sentiment in the gold sector improves. The Board does not see the benefit to shareholders of pooling Moneta's geo-politically safe assets in the world class Timmins Camp with the multi-jurisdictional assets and associated risk contained within the asset-accumulator companies.

The drill-ready targets on our Golden Highway project are highly prospective. In 2014, the Discovery Zone (2.02g/t Au over 114.5m at 87m depth) was the first drilling success of a series of drill-ready targets within the 8+ km long volcanic package of the Destor Porcupine Fault Zone. Treasury funds were inadequate at the time to fund additional work on the Discovery Zone and the Company elected to suspend drilling despite the zone being open with untested potential. Moneta believes that any similar, new gold zone discoveries along the 8+ km long volcanic package adjacent to the NI 43-101 gold has the potential to significantly improve the Golden Highway project economics.

CORPORATE OVERVIEW

Moneta Porcupine Mines Inc. ("**Moneta**" or the "**Company**") is a mineral 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 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 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 primarily outside the Golden Highway project.

Moneta holds a 100% interest in 5 core gold projects strategically located on or along the Destor Porcupine Fault Zone ("**Destor**"), one of the key mineralized structures in the Abitibi Greenstone belt in Ontario, with world class infrastructure including access roads, water, electricity, and mills. Most gold mineralization in the region is associated with the Destor, including significant resources and producing mines now operated by Porcupine Gold Mines (Goldcorp) and several others such as Lake Shore Gold, Primero Mining (formerly Brigus Gold), and St Andrew Goldfields. The Golden Highway Camp has experienced rapid advancement of large bulk tonnage gold resources by Moneta and others, reflecting the strong regional gold potential.

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).

The Porcupine Camp and Golden Highway Camp (here 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.

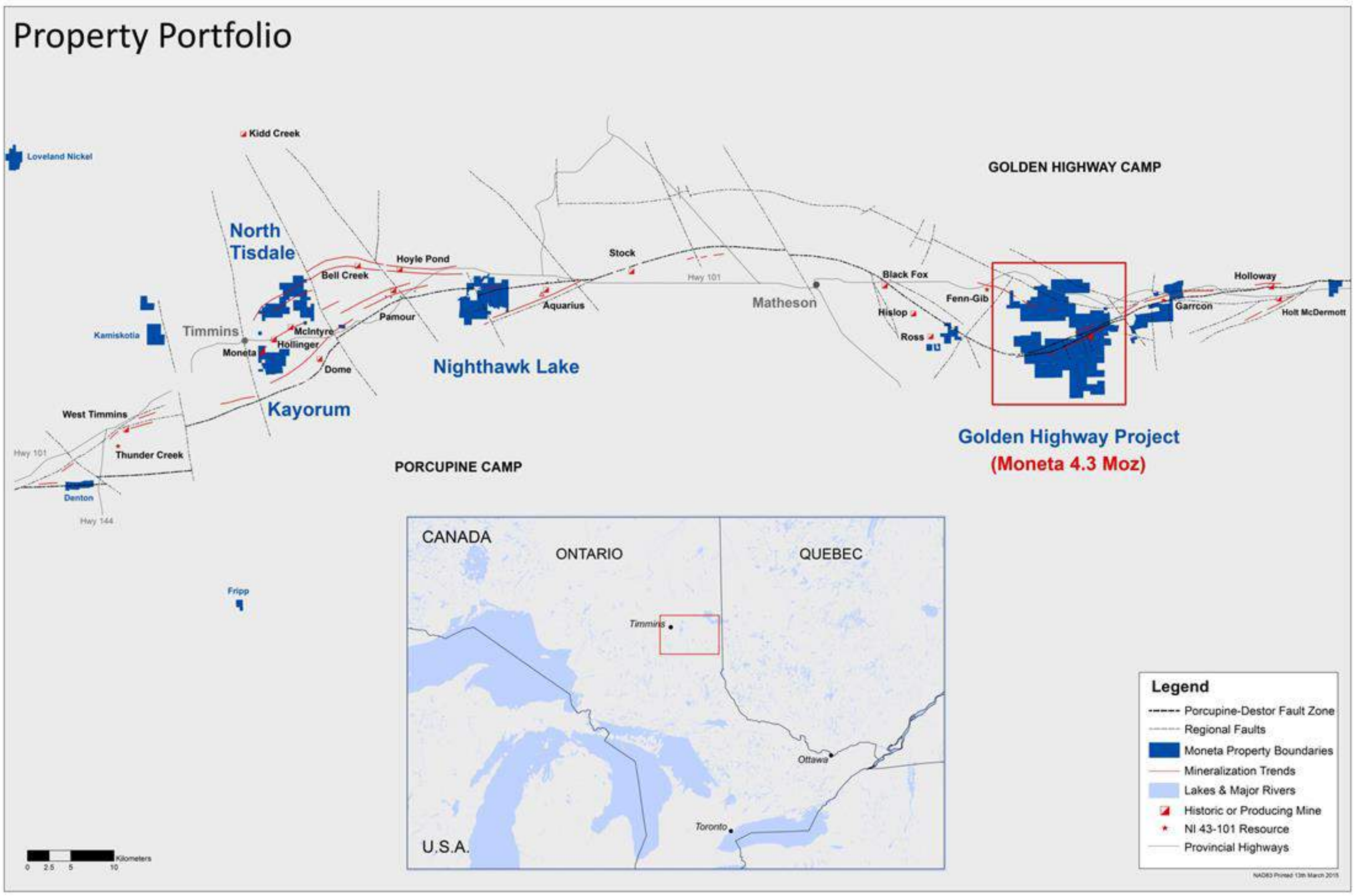


Figure I: Moneta's Key Gold Exploration Properties

Moneta's primary gold exploration and resource development focus is the *Golden Highway* centered in Michaud Township 100 km east of Timmins, Ontario along Highway 101, a major all-season route. Moneta has a 100% ownership interest in the largely contiguous land package of 689 claim units or approximately 11,000 hectares that contain a significant NI 43-101 4.3 million ounce (all categories) gold resource.

Moneta's additional property interests include a base metal portfolio, with some properties containing nickel-copper and copper zones.

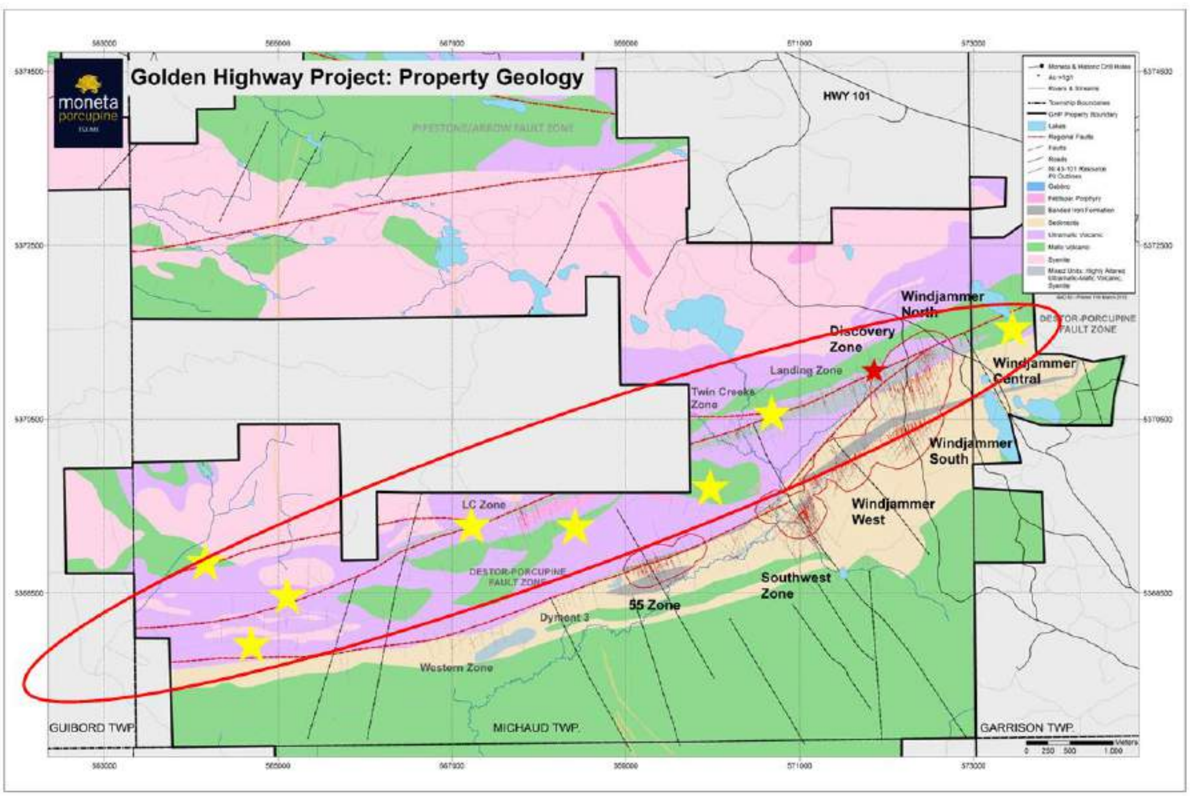
OVERALL PERFORMANCE

Golden Highway Project

There was no drilling on the Golden Highway project during the year in order to preserve cash during the protracted gold sector downturn.

Focus during 2015 instead continued with the review of historic drill core, stored at the Company's drill core farm, to interpret and identify similarities to the known styles of mineralization contained within and outside the NI 43-101 resource areas. Work in 2015 was also completed on interpretation of the high resolution airborne magnetics available for the Golden Highway. In addition to internal interpretation, the Company outsourced the mag interpretation to independent expert consultants. The consultants first ran multiple layers of interpretation to identify mag anomalies without having access to the extensive drilling on the property. The drilling database was then layered on top of the mag anomalies to provide a higher level of confidence on where the many undrilled anomalies could yield high grade gold.

The historical core review and mag target generation have supported the internal three-dimensional (3D) modeling efforts. Striking similarities have been identified and confirm that the same gold mineralized structures exist along the Golden Highway's 8+ km long volcanic package, contained within the Destor Porcupine Fault Zone (see red ellipse below).



The now drill-ready targets on the Golden Highway project are highly prospective. In 2014, the Discovery Zone (2.02g/t Au over 114.5m at 87m depth) was the first, and highly successful drilling success of a series of drill-ready targets in the 8+ km long volcanic package. A drill program consisting of approximately 15 holes in the Discovery Zone returned impressive grade over significant widths, along strike and to depth, and confirmed that the zone remains open with untested potential for expansion. Additional drilling was planned but not completed given the treasury position of the Company at the time.

Additional funding will allow the Company to advance the Discovery Zone and drill several highly prospective drill-ready volcanic targets on the Golden Highway. Continued success in the volcanics has the potential to dramatically add to the adjacent NI 43-101: 4.3 million ounce gold resource and overall *Golden Highway* project economics.

Updated PEA and NI 43-101 Resource Estimate

In-house modeling to update the internal resource continued during the year in preparation for a possible update to the Preliminary Economic Assessment (PEA) and NI 43-101 Resource Estimate on *Golden Highway,* when investor sentiment improves for the gold sector.

The Company is currently evaluating the potential of a standalone underground mining scenario of the identified high grade gold within and below the proposed open pit, as reported in the latest Golden Highway Preliminary Economic Analysis (PEA) and NI 43-101 resource estimate (2012). This standalone underground scenario would utilize a ramp system and selectively mine the higher grade blocks. Preliminary modeling suggests significantly lower upfront and ongoing capital expenditures (capex), with a robust Net Present Value (NPV) and Internal Rate of Return (IRR), and with a reduced surface footprint and environmental impact.

There has been 50,000 metres of primarily in-fill drilling since the (2012) NI 43-101 resource estimate which is expected to materially improve the category of ounces in the next resource update, irrespective of the mining approach. The standalone underground mining scenario provides a potential alternative, and does not preclude or invalidate the 2012 PEA and NI 43-101 resource estimate which proposed a combined open pit and underground mine development.

Readers are cautioned that the standalone underground mining scenario is not supported by a PEA and this differs from the existing 2012 PEA which assumed a joint open pit and underground mining approach.

PORCUPINE CAMP

Moneta continues to maintain a large land holding in *Porcupine Gold Camp* which includes the gold properties North Tisdale, Nighthawk Lake, Kayorum, and Denton-Thorneloe. Additional properties with strategic value are historical base metal projects and include Loveland Nickel, Kamiskotia, and Fripp and Kelly Lake in Quebec. Only the core mining lands consisting primarily of mining leases within these base metal projects, are being kept in good standing and require minimal annual assessment (Loveland).

Moneta Mine – Tailings Site

The Company is required to re-contour the few tailings mounds around hydro poles which remain within the tailings site. Hydro One, as surface rights holder, had planned to complete this effort in 2015. The cost to the Company is expected to be insignificant. There was no activity during the year.

FINANCIAL REVIEW

The consolidated financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("**IFRS**") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and the Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

This section discusses significant changes in the Consolidated Statements of Financial Position, Statements of Changes in Shareholders' Equity, Statements of Loss (Earnings) Comprehensive Loss (Earnings) and Deficit, and Statements of Cash Flows for the year ended December 31, 2015.

SELECTED ANNUAL INFORMATION

Highlights **December 31,** **($ except per share data)**	**2015**	2014	2013
Revenue	**-**	-	-
Loss (earnings) and comprehensive loss (earnings)	**(704,916)**	(2,545,609)	(4,590,174)
Earnings (loss) per share	**($0.01)**	($0.01)	($0.02)
Total Assets	**3,015,980**	2,185,999	5,376,653
Total Long-term liabilities	**Nil**	Nil	Nil

SUMMARY OF QUARTERLY RESULTS

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

Highlights	**2015**				2014			
($ except per share data)	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	Dec 31	Sep 30	Jun 30	Mar 31
Revenue	**-**	**-**	**-**	**-**	-	-	-	-
Loss (earnings) and comprehensive loss (earnings)	**396,189**	**97,332**	**106,512**	**104,883**	363,120	193,451	840,174	1,148,864
Loss (earnings) per share	**$0.01**	**$0.00**	**$0.00**	**$0.00**	$0.01	$0.01	$0.01	$0.01

SIGNIFICANT EVENTS DURING Q4 2015

On November 10, 2015, the Company announced the closing of a private placement for total gross proceeds of $1,100,000. A total of 10,000,000 units were issued at a price of $0.11 per unit comprised of one common share and one half of one purchase warrant exercisable at $0.18 per full purchase warrant for a term of twelve months. The cumulative estimated fair value of the warrants using the Black Scholes model was $132,820 and was charged as reduction in share capital and credited to contributed surplus. There were no finder's fees or commissions paid.

SIGNIFICANT EVENTS DURING 2015

Exploration and evaluation expenditures, previously capitalized under Canadian GAAP, are now expensed under IFRS. A total of $204,533 in exploration and evaluation expenditures was incurred for the year ended December 31, 2015, reflecting a shift by the Company to preserve cash in a depressed gold market, as compared to $2,076,416 for the year ended December 31, 2014. Exploration was focused on the *Golden Highway Project* as explained above under RESULTS OF OPERATIONS.

On May 6, 2015, the Company announced the closing of a private placement for total gross proceeds of $235,000. A total of 3,200,000 units were issued at a price of $0.05 per unit comprised of one common share and one purchase warrant exercisable at $0.07 for thirty six months for gross proceeds of $160,000, and 1,250,000 flow-through units were issued at a price of $0.06 per unit comprised of one common share issued on a flow-through basis and one purchase warrant exercisable at $0.08 for thirty six months for gross proceeds of $75,000. Insiders of the Company subscribed for 2,000,000 units and 1,250,000 flow-through units or 75% of the placement. The cumulative estimated fair value of the warrants using the Black Scholes model was $163,766 and was charged as reduction in share capital and credited to contributed surplus. There were no finder's fees or commissions paid.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the Consolidated Statements of Loss (Earnings), Comprehensive Loss (Earnings) and Deficit for the year ended December 31, 2015 and 2014 and the corresponding notes thereto. All references to years "2015" or "2014" relate to the year ended December 31 of those years unless stated otherwise.

Moneta has not generated any material operating revenues as it is in the exploration and development stage and, therefore, operating losses are anticipated to continue in the future.

Moneta reported a loss and comprehensive loss of $704,916 for the year ended December 31, 2015 as compared to $2,545,609 in 2014. The annual cash burn rate, excluding non-cash share based compensation of $267,270 (2014: $119,490) and discretionary exploration and evaluation expenditures of $204,553 (2014: $2,076,416), was $233,113 for the year ended December 31, 2015 as compared to $349,703 in 2014 reflecting cost control measures in a difficult market.

Exploration and evaluation expenditures of $204,533 in 2015 on required assessment exploration work on the Nighthawk Lake and North Tisdale projects, as compared to $2,076,416 in 2014 primarily spent on the Golden Highway project. Further details are presented in the following table:

For the year ended December 31,	2015		2014	
	$		$	
Golden Highway Project				
Drilling	-	0%	1,289,201	60%
Lab assay costs	235	0%	201,650	10%
Wages, benefits and contract labour	191,709	94%	576,837	26%
Other	12,589	6%	8,728	4%
Exploration and evaluation expenditures	204,533		2,076,416	

Share based compensation charges, related to options vested during the year, were $267,270 in 2015 as compared to $119,490 in 2014. Wages and benefits were $191,709 in 2015 as compared to $208,769 in 2014. General & administration expenses were $82,777 in 2015 as compared to $114,496 in 2014, with the decrease due to cost containment measures. Legal and audit expenses were $39,261 in 2015, significantly down from $80,784 in 2014.

Other income was $54,282 in 2015 as compared to $39,504 in 2014, representing royalty income from a perlite operation. The unrealized loss on investments held for trading was $NIL in 2015 as compared to $465 in 2014. Interest income was $3,284 in 2015 as compared to $15,307 in 2014, representing interest earned on lower cash balances year over year.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the Consolidated Statements of Financial Position and Statements of Changes in Shareholders' Equity as at December 31, 2015 and 2014 and the corresponding notes thereto.

Consolidated assets

Consolidated assets were $3,015,980 at December 31, 2015 as compared to $2,185,999 as at December 31, 2014. Cash and equivalents were $1,076,167 at December 31, 2015 as compared to $282,286 at December 31, 2014, with the increase due to private placement financings during the year offset by the annual burn rate and required exploration and evaluation expenditures. Interest receivable on short term investments was $1,582 at December 31, 2015 as compared to $2,749 as at December 31, 2014.

Exploration and evaluation assets were $1,898,791 at December 31, 2015 as compared to $1,852,746, at December 31, 2014, representing the capitalization of project acquisition costs. Exploration expenditures are now expensed under IFRS to the Statement of Loss (Earnings) and Comprehensive Loss (Earnings).

Consolidated liabilities

Consolidated liabilities were $108,786 at December 31, 2015 as compared to $152,431 at December 31, 2014.

Shareholders' equity

Shareholders' equity was $2,907,194 at December 31, 2015 as compared to $2,033,568 at December 31, 2014. The increase is due to $1,335,000 in private placement financings completed during the year, offset by the net loss and comprehensive loss for the year of $704,916. The cumulative estimated fair value of the warrants issued on the two private placement financings during the year of $296,586 was charged as a reduction in share capital and credited to contributed surplus.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the Consolidated Statements of Financial Position as at December 31, 2015 and 2014 and the corresponding notes thereto.

The consolidated working capital ratio at December 31, 2015, was 10.3 : 1 as compared to 2.2 : 1 at December 31, 2014. At December 31, 2015, the Company held cash and equivalents of $1,076,167 (2014: $282,286), royalty income receivable of $10,713 (2014: $NIL), sales taxes recoverable of $12,209 (2014: $30,288), and short term interest receivable of $1,582 (2014: $2,749).

Current liabilities at December 31, 2015 include accounts payable and accrued liabilities of $108,786 (2014: $152,431) primarily related to burn rate expenses incurred during the quarter and payable in the normal course.

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the year ended December 31, 2015.

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

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company reported a salary of $NIL (2014: $NIL) to an officer and director for the year ended December 31, 2015, for CFO services provided to the Company. The Company paid a salary of $162,500 (2014: $200,000) to an officer and director for the year ended December 31, 2015 for CEO and other services provided to the Company under an ongoing employment agreement. The same officer and director invested $75,000 in the May 6, 2015 private placement and voluntarily reduced his annual compensation by 25% effective April 1, 2015 until market conditions improve.

Directors' fees of $NIL (2014: $NIL) were expensed during the year ended December 31, 2015 as directors agreed to waive cash fees until market conditions improve. Two independent directors invested a total of $100,000 in the May 6, 2015 private placement.

A total of 3,050,000 stock options were issued during the year to directors at an exercise price of $0.12, subject to a five year term. A Black Scholes fair value of $235,934 was charged to (non-cash) share based compensation.

All related party transactions were completed in the normal course of business. There were no loans to Directors or Officers during the year (2014: $NIL).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of the Company are responsible for establishing and maintaining the Company's disclosure controls and procedures ("**DC&P**") and for designing internal controls over financial reporting ("**ICFR**"). The objective is to ensure that all transactions are properly authorized, identified and entered into the accounting system on a timely basis to minimize: risk of inaccuracy; failure to fairly reflect transactions; failure to fairly record transactions necessary to present financial statements in accordance with IFRS; unauthorized receipts and expenditures; and the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected. The Company's system of internal controls provides for separation of the duties of receiving, approving, coding and handling invoices and of entering transactions into the accounts, and includes a requirement of two signatures for all payments made by cheque or wire funds.

The CEO and CFO evaluated the design and operating effectiveness of the Company's DC&P and ICFR as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* issued by the Canadian Securities Administrators. Based on that evaluation, it was concluded that as of December 31, 2015, the Company's DC&P and ICFR were effective in providing reasonable assurance that material information regarding this report, and the interim consolidated financial statements and other disclosures, was made known to them on a timely basis and reported as required, and that the financial statements present fairly, in all material aspects, the financial condition, results of operations and cash flows of the Company as of December 31, 2015. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR as at December 31, 2015.

CRITICAL ACCOUNTING ESTIMATES

Moneta's significant accounting policies are summarized in note 3 to the consolidated financial statements for the year ended December 31, 2015. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Significant areas requiring the use of management estimates include, but are not limited to, the determination of carrying value of exploration and evaluation assets, the valuation of share-based compensation transactions, the valuation of purchase warrants issued on financings, deferred income tax assets and liabilities, and accrued liabilities and contingencies. Estimates and assumptions are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

The following are the areas involving estimates made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements.

Share based payments

Management measures the fair value of granted stock options using the Black-Scholes option valuation model. The fair value of stock options using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the property, or where exploration activities are not adequately advanced to support a gold resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the deferral of exploration and evaluation expenditures.

Impairment of long-lived assets

The carrying amounts of exploration and evaluation assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on a property by property basis. The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, future capital requirements, resource estimates, and exploration potential. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets.

Decommissioning and restoration provision

The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the period in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Statement of Loss (Earnings), Comprehensive Loss (Earnings).

As the Company has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

Contingent Liabilities

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

CHANGES IN ACCOUNTING POLICIES

The Consolidated Financial Statements for the year ended December 31, 2015 were prepared in accordance with IFRS, as issued by the International Accounting Standards Board. There were changes in accounting policies during the year.

Recent Accounting Pronouncements

The Company is currently evaluating the impact on its consolidated financial statements of recent accounting pronouncements, as follows:

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). The mandatory effective date of IFRS 9 is for annual years beginning on or after January 1, 2018.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

Fair value

The carrying values for primary financial instruments, including cash and equivalents, sales taxes recoverable, Interest receivable, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash and equivalents held with Canadian financial institutions.

All financial instruments measured at fair value are categorized into one of three hierarchy levels based on the transparency of the inputs used to measure the fair values of assets and liabilities, as follows:

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly;
Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the period. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is concentrated in three specific areas: the credit risk on operating balances including sales taxes recoverable, interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at December 31, 2015 was $1,100,671 (2014 - $315,323), and was comprised of $1,076,167 (2014 - $282,286) in cash and equivalents held with Canadian financial institutions with an "AA-" credit rating, $10,713 (2014: $NIL) in royalty income receivable, $12,209 (2014 - $30,288) in sales taxes recoverable, and $1,582 (2014 - $2,749) in interest receivable.

Market risk

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

Currency risk

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

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

Commodity price risk
Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. This risk is not applicable as the Company is not currently in commercial gold production. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

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

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

CONTINGENT LIABILITIES

Order to file closure plan on Moneta Mine
The Company received written approval from the Ministry of Northern Development and Mines on March 17, 2015 that the Closure Plan for the historic Moneta Mine was accepted as filed. There are no significant financial or other obligations on the part of the Company going forward.

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

OUTSTANDING SHARE DATA

As at December 31, 2015, the Company had a total of 208,092,382 (2014: 193,642,382) common shares outstanding, 7,170,000 (2014: 6,555,000) stock options outstanding at an average exercise price of $0.10 (2014: $0.13) per share, and 9,450,000 (2014: NIL) warrants outstanding at an average exercise price of $0.15. Additional details are available in note 4 to the Consolidated Financial Statements for the year ended December 31, 2015.