

**NEW  
RECOMMENDATION  
MONETA PORCUPINE  
MINES**

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When it comes to buying real estate or building a mine, only three things matter: location, location, location. Of course, miners have known this since the beginning of time, which explains why many new mines are often found next door to old mines.

Arguably one of the best places in North America to look for new gold mines is the famous Destor Porcupine Fault Zone near Timmins, Ontario. The Destor has yielded more than 70 million ounces of gold from some 26 mines, earning the 120-kilometer-long zone its apt nickname, The Golden Highway. If you don't mind paying C\$5.50-C\$6.00 for a gallon of gas, you can see many of these operations from Highway 101, which roughly follows the zone and provides an easy connection to nearby infrastructure.

The Destor's mines are mostly operated by big companies like Goldcorp. But what's caught my attention recently is Moneta Porcupine Mines, a small company that for 20 years has beavered away, as only a Canadian exploration company can, assembling a large, attractive land package along the Destor.

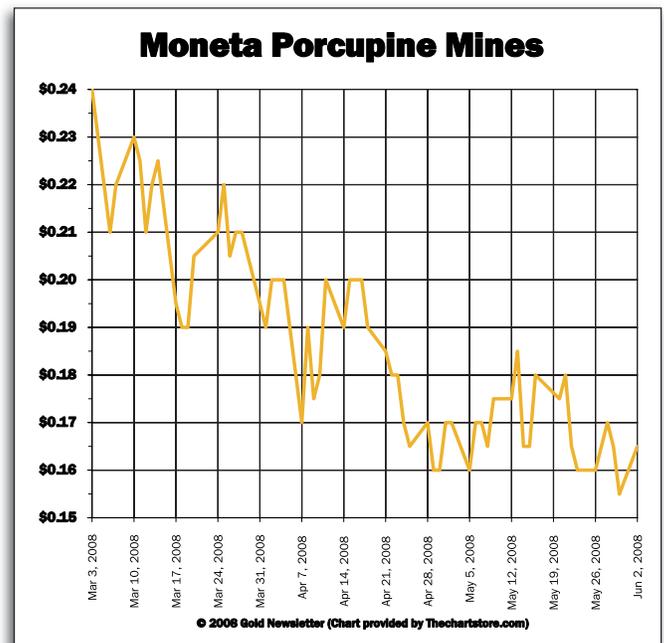
An especially interesting project lies at the eastern end of the Destor trend, The Golden Highway Project. This mainly contiguous land package covers

more than 100 square kilometers and three key properties: Windjammer, Southwest and the Michaud Joint Venture with 50/50 partner Acrex Ventures Ltd. (AKV.V).

The 100%-owned Southwest property was discovered by Moneta in the late 1980s and later joint ventured with Barrick, which was seeking high-grade mill feed for its Holt-McDermott Mill. The now dissolved partnership outlined a zone containing a non-compliant inferred gold resource of 625,000 ounces (3.0 million tonnes averaging 6.0 g/t gold over an average six-meter width). This resource, however, was calculated at a cut-off grade of 3.0 g/t when gold was below \$300 per ounce. At today's prices, it's fair to say the cut-off grade would be much lower and the resource much higher.

Moving about a kilometer along strike from the Southwest property, we come to the contiguous Windjammer property with its two identified gold zones, Windjammer South and Windjammer North. Moneta acquired Newmont Mining's 50% interest and operatorship in Windjammer for stock in November 2007, adding 356 hectares and extending the mineralized strike length on its properties to four kilometers.

Importantly, this acquisition



provided a vast amount of property-specific and regional geological information. This treasure chest includes geological, geophysical and geochemical data, drill logs and assays from some 300 drill holes on Moneta's properties and about 1,200 holes in the immediate area.

Moneta has now digitized this information into an integrated database. Using powerful analytical and visualization tools, including 3D imaging, Moneta now believes the 625,000-ounce historical resource at the Southwest property could rise dramatically.

In fact, new geological modeling suggests that Windjammer South may be part of the same system as the Southwest property and the Michaud Joint Venture's 55 zone. What we know for sure is that earlier drilling by Noranda at Windjammer South outlined a zone with 400 meters of strike

(Continued...)

and a depth of at least 350 meters. A single hole hit mineralization as deep as 1,000 meters.

These historical results and the recent modeling gave Moneta the confidence to push ahead with a first-ever 43-101 compliant resource estimate for Windjammer South. This estimate is expected mid-June.

As part of the resource estimate, Moneta drilled three holes at Windjammer South to verify earlier drilling. Results were very encouraging: The assays confirmed the historical drilling, which intersected frequent, wide alteration zones with typical gold values ranging between 0.5 and 2.0 g/t. Notably, Hole WMJ07-03 drilled into an untested area in the center of Windjammer South returned 47.3 meters grading 2.21 g/t gold. Mineralized zones in Windjammer South usually contain intervals with higher gold values, such as 46.6 g/t over 0.7 metres intersected in Hole MWJ07-01.

You may now be wondering where Windjammer North fits in. Well, it's in a different geological setting and not an immediate priority. Noranda also drilled this zone and outlined gold mineralization over 400 meters of strike length that's similar to the Holloway Mine located 20 kilometers away. A typical drill intersection was 6.4 g/t gold over 6.0 meters. The quartz carbonate zone is open in all directions and at depth.

For now, Moneta is focused on the Southern Corridor of the Golden Highway Project, which

includes Windjammer South, Southwest and the Michaud Joint Venture, which has also been active. The partners recently completed an eight-hole drill program at the 55 zone, and results should be available soon. But of 18 previous holes, the best intersections included Hole MA-04-25, which assayed 12.76 g/t gold over 4.30 meters within 11.50 meters of 5.86 g/t gold.

As you can see, there's considerable news pending from the Windjammer South resource estimate and from assays at the 55 zone. All going well, the news flow will continue for the balance of the year, as Moneta plans new resource estimates for the Southwest zone and maybe even the 55 zone. It also intends to keep one and possibly two drills occupied for the balance of the year.

The company recently sold off most of its base metals property portfolio for more than \$1 million so it could concentrate its efforts and financial resources on gold, with the Golden Highway Project being the primary beneficiary of this shift. The goal for 2008 is to increase the resource within the Southern Corridor of the project to 1.5 million ounces.

Moneta has impressive leadership for a small company. The directors include John Larche, co-founder of the Hemlo Golden Giant deposit, Michael Coulson, who the company describes as the semi-retired dean of London mining analysts, and Rod Whyte, who has over 30 years of diverse mining industry experience.

The company has a good chunk of shares outstanding — 107 million fully diluted. But at current prices the stock represents outstanding value, especially considering that the market is placing a value of only \$27 per ounce on Moneta's gold resource (albeit non-compliant, at least for now).

I expect the new resource estimate will change all this for the better, though. So, with the expectation that the upcoming and following resource estimates will establish a much higher valuation for the company, Moneta is a buy.

### Moneta Porcupine Mines Inc.

Recent Share Price: .....C\$0.16  
Shares Outstanding: ...99.5 million  
Market Cap: .....C\$15.9 million  
Shares Outstanding  
Fully Diluted: .....107.7 million  
Market Cap  
Fully Diluted: .....C\$17.2 million

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