



Moneta Porcupine Mines Inc.

ANNUAL INFORMATION FORM

for the year ended December 31, 2009

This Annual Information Form ("AIF"), for Moneta Porcupine Mines Inc. ("Moneta" or the "Company"), is prepared with an effective date of March 31, 2010, unless otherwise indicated. Other continuous disclosure documents, including the Company's press releases and quarterly and annual reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com ("SEDAR") and are also available on the Company's website www.monetaporcupine.com.

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
1. FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT	3
2. HISTORICAL RESOURCE ESTIMATES	3
3. INCORPORATION OR ORGANIZATION OF THE ISSUER	3
4. GENERAL DEVELOPMENT OF THE BUSINESS	3
5. DESCRIPTION OF THE BUSINESS	5
6. MINERAL PROPERTY SUMMARY	8
7. GOLDEN HIGHWAY PROJECT	12
8. NORTH TISDALE PROJECT	25
9. NIGHTHAWK LAKE PROJECT	30
10. DENTON THORNELOE PROJECT	35
11. KAYORUM PROJECT	38
12. CAPITAL STRUCTURE	41
13. MARKET FOR SECURITIES	41
14. DIRECTORS AND OFFICERS	41
15. LEGAL PROCEEDINGS	42
16. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	42
17. TRANSFER AGENT AND REGISTRAR	42
18. MATERIAL CONTRACTS	42
19. INTERESTS OF EXPERTS	42
20. GLOSSARY OF TECHNICAL INFORMATION	43

1. FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

This AIF 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.

2. HISTORICAL RESOURCE ESTIMATES

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

3. INCORPORATION OR ORGANIZATION OF THE ISSUER

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

Moneta's public documents may be accessed at www.sedar.com. For further information on Moneta, please visit our website at www.monetaporcupine.com or email us at info@monetaporcupine.com.

Moneta has two wholly-owned subsidiaries: Wounded Bull Resources Inc., incorporated pursuant to the laws of the State of Nevada; and 508825 Ontario Ltd., incorporated pursuant to the laws of the Province of Ontario.

Moneta owns 50% of the common shares of 2025369 Ontario Inc. (50% owned by Geodex Minerals Inc. ("Geodex")) incorporated pursuant to the laws of the Province of Ontario to hold the mineral rights for the Potter-Stock Project.

4. GENERAL DEVELOPMENT OF THE BUSINESS

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

Moneta's exploration strategy has also shifted to one based primarily on sole-risk exploration of its major properties and away from joint ventures in which it would option such properties to third parties. Exploration expenditures over the last three years have been \$352,482 in 2007, \$1,558,687 in 2008, and \$1,029,800 in 2009, reflecting a significant increase in sole-risk activity with a focus on advancement of the Golden Highway Project.

Over the last three years, several option agreements have resulted in vesting by both Moneta and third parties reflecting the current status of the Golden Highway Project. There were no comparable agreements on properties in the Porcupine Camp other than an advance royalty agreement from the Alaire quarry development in North Tisdale.

Moneta's mineral properties are all in good standing. Moneta has kept current the applicable mining taxes payable on patented and leased claims. Also, adequate exploration expenditures have been incurred and filed for unpatented (staked) claims resulting in banked exploration assessment credits which are appropriately allocated to all contiguous unpatented claims to maintain them in good standing.

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

- In December 2009, Moneta completed a non-brokered private placement financing ("Placement") and issued 12,000,000 structured flow-through units ("Unit") at \$0.45 per share for aggregate gross proceeds of \$4,200,000. Moneta attracted hard/non-flow through dollar investors and converted the otherwise hard dollar financing into "structured" flow through in that final participants in the financing do not hold Moneta common shares at a zero cost base. Each Unit was comprised of a one common share and one-half common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase one common share at an exercise price of \$0.45 for a term of eighteen months following the closing of the Placement. The estimated fair value of these Warrants is \$1,146,187 using the Black Scholes model and was charged as reduction in share capital on the Balance Sheet and credited to contributed surplus in shareholders' equity. The weighted average fair value amounted to \$0.19 per Warrant. Share issue costs associated with this financing were \$120,000 in cash finders' fees and \$52,637 in legal and TSX fees.
- In August 2009, Moneta completed a non-brokered private placement financing ("Placement") and issued 10,788,235 structured flow-through units ("Unit") at \$0.17 per share for aggregate gross proceeds of \$1,834,000. Moneta attracted hard/non-flow through dollar investors and converted the otherwise hard dollar financing into "structured" flow through in that final participants in the financing do not hold Moneta common shares at a zero cost base. Each Unit was comprised of a one common share and one-half common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase one common share at an exercise price of \$0.18 for a term of eighteen months following the closing of the Placement. The estimated fair value of these Warrants is \$399,706 using the Black Scholes model and was charged as reduction in share capital on the Balance Sheet and credited to contributed surplus in shareholders' equity. The weighted average fair value amounted to \$0.07 per Warrant. Share issue costs associated with this financing were \$70,860 in cash finders' fees and \$29,471 in legal and TSX fees.
- On February 19, 2009, a vesting order increased Moneta's interest to 100% in the Windjammer Property from the 50% interest initially acquired from Newmont Canada Limited in November 2007. In March 2009, Moneta completed an updated NI 43-101 resource estimate following a \$1M drill program in 2008 on Windjammer South. The indicated and inferred resources for the Windjammer South zone was significantly upgraded to 517,330 ounces gold (305,379 indicated ounces (7,786,000 tonnes @ 1.22 g/t) and 211,951 inferred ounces (5,834,000 tonnes @ 1.13 g/t)) was significantly upgraded from the initial 154,000 ounces (inferred) announced June 13, 2008, and better classified the resource into indicated and inferred categories.
- In 2008 Moneta completed the acquisition of a patented mining right comprised of 4 units, previously under option, within the Nighthawk Lake project ensuring future mining rights contiguity.
- In March 2008, Moneta announced it entered into an agreement with Amador Gold Corporation ("Amador") for the sale of the Kamiskotia base metal project (Godfrey and Jamieson Townships), Loveland Nickel (Loveland Township), and Fripp (Fripp Township) for staged cash payments totalling \$500,000 and 1.35 million shares over three years. The properties host nickel, copper, and zinc mineralization and are being actively explored. The agreement is in good standing as at December 31, 2009.

- Moneta has maintained its 50/50 joint venture with Geodex established in 2004 on the Potter-Stock Project with one 350 metre drill hole completed in 2008.
- In 2007, St Andrew completed exploration primarily by drilling on the Garrison patent/staked claim group as part of its 2002 Garrison option earn-in program and is vested at 50% with the operatorship. Earn-in requirements were cash payments of \$50,000 to Moneta and minimum exploration expenditures of \$350,000.

Significant Acquisitions

Moneta has not filed a Business Acquisitions Report for any of the acquisitions disclosed in this section.

Moneta acquired, in December 2009, the remaining 50% ownership interest in the Michaud Joint Venture ground ("Michaud JV") for \$1 million, and has terminated the Michaud JV. The Michaud JV covered 68 claim units located in the southern portion of Michaud Township which extends west from the hanging wall of Windjammer South, south of the Southwest Zone, and contains the 55 Zone, Dymont 3, and Western Zone gold zones. The ground primarily covers the belt of Timiskaming sediments with variably developed banded iron formation partially tracking ultramafics of the Destor Porcupine Fault/Deformation Zone. This Timiskaming setting hosts much of the Golden Highway Project gold mineralization discovered to date which include Moneta's Southwest Zone historical resource (624,500 oz) and Windjammer South NI 43-101 resource (305,000 oz indicated and 212,000 oz inferred).

Moneta announced, in October 2009, the execution of an agreement ("Agreement") to transfer certain claims with St Andrew Goldfields ("St Andrew"). The Agreement granted Moneta a 100% interest in 29 claim units in Cody Township, a 100% interest in 3 claim units in Guibord Township, and a \$50,000 cash payment from St Andrew. In return, and, in order to address St Andrew expenditure commitments, the Agreement grants St Andrew a 75% vested interest in the Guibord Property and 50% vested interest in and operatorship of the Barnet Joint Venture. The Cody Township claims are contiguous to Moneta's Nighthawk Lake project and, based on previous drilling, suggest a westerly strike extension to Moneta's Collins Zone by at least 200 meters, increasing the total strike length to 700 meters, with additional untested potential continuing westerly.

In November 2007, Moneta announced that it had entered into an agreement with a subsidiary of Newmont Mining Corporation to acquire 50% interest and operatorship in a joint venture known as the *Windjammer Property* ("*Windjammer*") comprised of two mining leases covering 356 hectares or 22 mining claims in Garrison and Michaud Townships. Moneta issued 4,380,000 common shares to Newmont as consideration for the acquisition. *Windjammer* is located immediately east and contiguous to the Golden Highway Project and hosts the *Windjammer North* and *Windjammer South* gold zones from drilling by Noranda Inc. in the mid-late 1980s.

5. DESCRIPTION OF THE BUSINESS

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

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

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

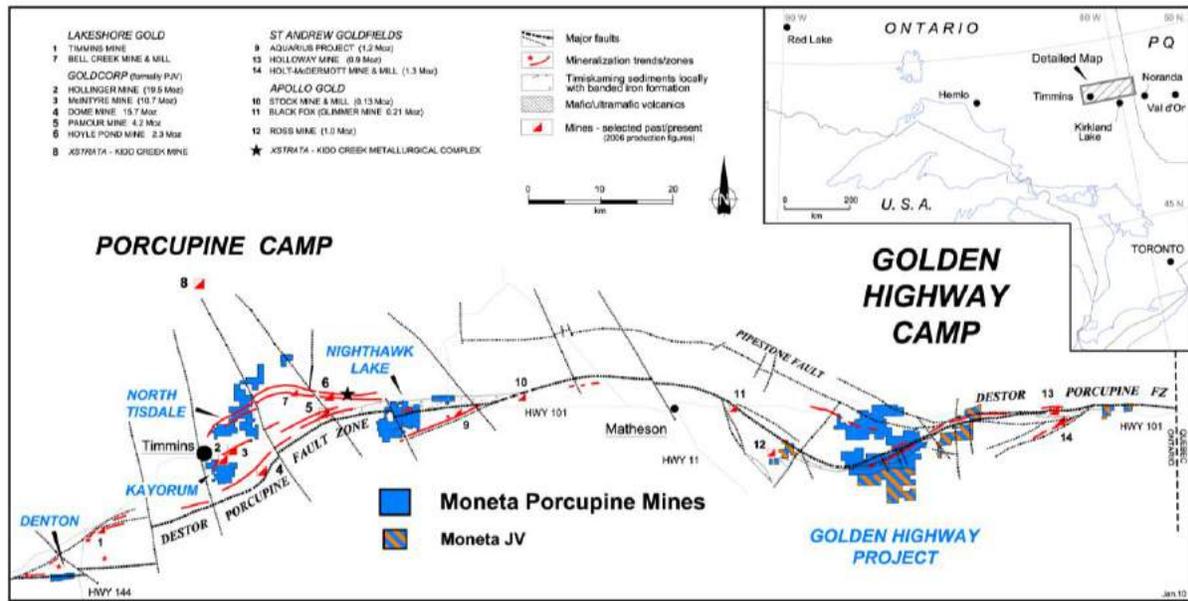


Figure I: Moneta's Key Exploration Properties

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

Moneta's primary gold exploration focus is the *Golden Highway Project* which is centered in Michaud Township, 100 km east of Timmins, Ontario along Highway 101, a major all-season route. The *Golden Highway Project* hosts numerous gold-bearing zones and intersections along a 12km mineralized corridor and is a largely contiguous land package consisting of 669 claim units or approximately 10,600 hectares.

The *Golden Highway Project* includes certain non-core joint ventures or options. All claims are 100%-owned by Moneta except for the properties subject to option agreements, all of which have vested. These are various participating interests with St Andrew including, the 50/50 *Garrison* and *Barnet* joint ventures, the *Dyment 3* joint venture (Moneta 75% / St Andrew 25%), and the *Guibord* joint venture (Moneta 25% / St Andrew 75%).

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

The area is largely covered with overburden, mostly sands associated with the Munro Esker complex with rare outcrop located in the centre of the Michaud Parcel to the southeast marking the southern limit of the Pike River valley. The south to south-western area is primarily muskeg and generally poorly drained by the Pike River and its tributaries. Vegetation consists of low stands of black spruce, alder, birch, and pine.

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

The *Golden Highway Project* is located in the western Archean Abitibi Greenstone Belt centered on the Destor. This regional deformation zone is a key geological feature hosting numerous and geologically varied gold deposits in this part of the Abitibi Greenstone Belt.

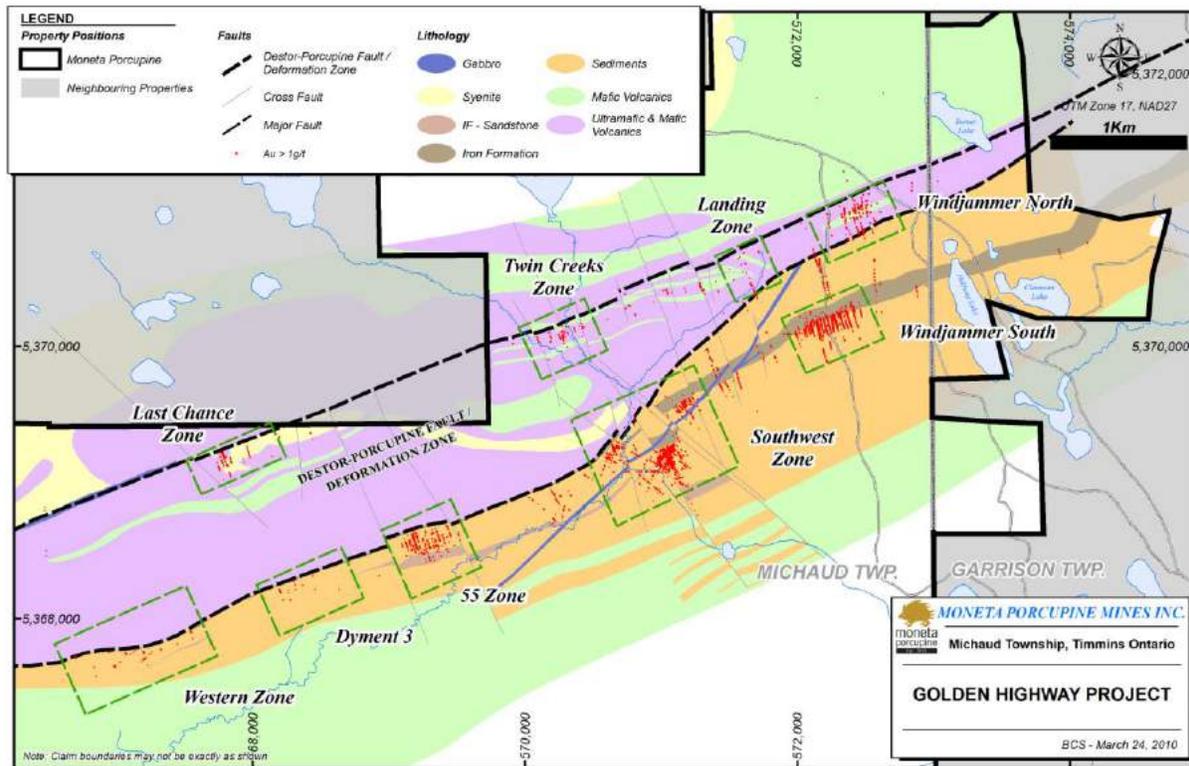


Figure II - Golden Highway Project: Exploration Area Geology and Gold Intercepts / Zone Locations

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

- 1) Mineralization hosted by altered ultramafic and mafic volcanic rocks occurs along the Destor and associated splays. This includes the *Perry Lake Property*, *North Zone* (collectively the *Twin Creeks*, *Miller* and *Landing Zones*), and *Windjammer North*. Typically, the zones in volcanics exhibit quartz carbonate veining in high strain zones usually silicified and carbonatized (ankerite) with subordinate hematite, sericite, and albite.
- 2) Mineralization associated with sediments and/or BIF in the *Southern Corridor* is principally in the *Windjammer South and Southwest Zone* (*South*, *Southwest*, *04*, and *04 Extension Zones*). Also included are the *Independence*, *55*, *Dymont3* and *Western Zones*. Variably intense silicification, ankeritization and sericitization with hematization is common within mineralized zones that are also characterized by veins, brecciation and fractures filled quartz-pyrite stringers and stockworks.
- 3) Mineralization hosted in a porphyritic syenite intrusive in contact with ultramafic and mafic rocks on the south side of the Destor on the Nufort Leases (*Last Chance Zone*). The syenite has a bleached and albitized core enveloped by a hematized zone. Gold mineralization is hosted in zones of narrow quartz carbonate stringers.

These distinct geological settings contain most of the gold zones discovered to date on the property. An extensive digital geological database covering the area has been built and is updated and refined on an ongoing basis facilitating Moneta's activities on the *Golden Highway Project* in 2009.

Moneta spent \$1,029,800 on exploration activities during 2009, primarily on the *Windjammer* portion of the *Golden Highway Project* and *Denton Thornloe / North Tisdale* both located in the Porcupine Camp. Expenditures on other properties and projects were made to maintain the properties in good standing. All material results were published by way of press release, filed on SEDAR and posted on Moneta's website. Further information is also

contained in “Note 3: Mineral properties and deferred costs” of the 2009 Audited Consolidated Financial Statements.

6. PROPERTY SUMMARY AS AT DECEMBER 31, 2009

Moneta has interests in a total of 1,299 claim units each approximately 16 hectares in area (total area ~20,000 hectares) in the form of patents, leases and staked claims. Certain claim units in un-surveyed and out of province townships may be larger or smaller than the standard 16 hectares (40 acres).

Main property groups are primarily located in the *Porcupine* and *Golden Highway Gold Camps* and are identified in Figure I above.

6.1 Land Tenure

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

6.2 Drilling, Sampling, Analysis and Security

Drilling for 2009 and 2008 has been carried out by Norex Drilling headquartered in Timmins, Ontario and Bradley Bros. Drilling based in Timmins and Rouyn-Noranda, PQ. Primary analytical work and check/duplicate analyses has been by both Swastika Laboratories Ltd. in Swastika, Ontario and by Laboratoire Expert Inc. in Rouyn-Noranda, Quebec. GeoVector Management Inc., based in Nepean, Ontario, provided geological consulting services in 2008. In Q4 2009 SRK Consulting was engaged to provide in depth property assessment and interpretive support. All drill intersections are being reported using *drilled widths* and gold values that may include averaged duplicate, second cuts, and metallic assays.

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

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

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

Sample lengths are determined by the geological logging with samples ranging from 0.20 to 1.5 metres in length. Typical sample lengths are 0.5 to 1.0 metres. All mineralized sections of drill core considered significant are split using a diamond saw after being marked and tagged with one-half being retained as a reference sample and the other being used for assay purposes as directed by the project geologist and “Qualified Person”. Sample intervals and corresponding sample numbers are entered into the standardized core log sheets by computer. The samples selected for assay are individually bagged and shipped by bus from secure lockups, to Swastika Laboratories Ltd. in Swastika, Ontario near Kirkland Lake and by bonded carrier to Laboratoire Expert in Rouyn-Noranda, Quebec, or other labs as required.

Typically core samples are dried, crushed by jaw crusher and further reduced to approximately 6 to 10 mesh using a roll crusher. The jaws and rolls are cleaned with a wire brush and air jet and processing barren material. A Jones riffle is used to take a 300-400-gram sub-sample for pulverizing. The remaining reject portion is bagged and stored.

After reducing a nominal -100 or -200 mesh with a pulverizer, the sample is thoroughly blended and sent to the fire assay department. A 1-assay ton portion (29.166 g) is used for fire assaying. This process results in a particle of gold that, in the normal assay method, is weighed (gravimetric).

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

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

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

6.3 Risk Factors

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

Mineral Exploration and Development Activities

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

Uncertainty of Mineral Resources

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

The Company's mineral projects are in the exploration stage. Until mineral resources on these exploration properties are categorized as "mineral reserves" under NI 43-101, the known mineralization at these projects is not determined to be economic. The Company's ability to put these properties into production will be dependent upon the results of further drilling and evaluation. There is no certainty that expenditure made in the exploration of the Company's mineral properties will result in identification of commercially recoverable quantities of ore or that mineral reserves will be mined or processed profitably. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine at each of these projects is likely to be economic.

Current Global Financial Condition

Current global financial conditions have been characterized by increased volatility. Several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both the rapid decline in value of sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of its common shares may be adversely affected.

Fluctuation of Mineral Prices

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

Currency fluctuations

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

History of Net Losses

To date, the Company has not recorded any significant revenues from operations. The Company has no properties in current production and no production revenues at the present time. Fees are earned from the rental of its core shack facility, core storage, and from management fees as the operator of joint venture exploration programs. In addition, royalty income is generated by an Idaho perlite operation.

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

The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the exploration and development of its properties and/or the realization of proceeds from the sale of its properties.

Possible Loss of Interests in Mineral Properties

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

Title Risks

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

Environmental Risks

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

Risks Associated with Joint Venture Agreements

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

Risks Relating to Statutory and Regulatory Requirements

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

Competition

The Company competes with other gold exploration and development companies. The business is intensely competitive and many other gold companies have greater financial and technical resources and experience. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees, or acquire the capital necessary to fund its operations and explore and develop its properties. The Company's inability to compete with other gold exploration and development companies could have a material

adverse effect on the Company's results of operations.

Dependence on Key Management and Employees

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

Market Price of Securities

There can be no assurance that an active and sustainable market for the securities of the Company. Securities of junior exploration companies have experienced substantial volatility in the past. The price of the securities of the Company is likely to be significantly affected by short-term changes in commodity prices and other precious metal prices or other mineral prices.

Market Price Volatility

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

7. GOLDEN HIGHWAY PROJECT

7.1 Introduction

The *Golden Highway Project* continues to be the primary focus of Moneta's exploration programs. Detailed information is available on SEDAR and referenced as follows;

- Geological Report On The Michaud Gold Property Michaud Township, Ontario, by Henry M. Meixner, P.Geol., dated November 5, 2001;
- 2002 Drilling Report On The Michaud Gold Property Michaud Township, Ontario by Henry M. Meixner, P.Geol., dated March 28, 2003;
- 2003-2004 Drilling Report On The Michaud Gold Property Michaud Township, Ontario, by Henry M. Meixner, P.Geol., dated April 8, 2004, filed by Moneta on SEDAR April 22, 2005;

Additional technical information, primarily on exploration and resource work completed by Moneta on the *Windjammer Property* is available on SEDAR and referenced as follows;

- Initial NI 43-101 Technical Report On The Windjammer Project, Michaud And Garrison Townships, Ontario dated July 28th, 2008, by D. George Cargill, Ph.D. P.Eng., of Cargill Consulting Geologists Limited;
- Updated NI 43-101 report by D. George Cargill, Ph.D. P.Eng., of Cargill Consulting Geologists Limited, expected to be filed by April 25th, 2009.

Exploration of the current central core and contiguous land position (537 claim units or ~8,500 hectares) in Michaud, Barnet, Guibord and Garrison Townships, is ongoing as sole-risk exploration and three active joint ventures with St Andrew Goldfields. The Michaud JV with Acrex Ventures was terminated by year end 2009 with all interests reverting back to Moneta.

The currently dominant identified gold mineralization is found in Timiskaming sediments associated with iron formation and includes the *Windjammer South Zone, Southwest Zone* (collectively the former *South, Southwest, 04, and 04 Extension Zones*) *55 Zone, Dymont 3, and Western Zone*.

Past drill programs (2004) on the *Western Zone*, the *Dymont 3* claims (2006-2007) and the *55 Zone* (2005-2008) during the *Michaud Joint Venture* have confirmed the continued significant gold potential of this geological setting.

The *Golden Highway Project* has the potential to develop significant gold resources through exploration. Drilling completed in fiscal 2007/2008 on the *Windjammer Property* resulting in updated NI 43-101 resource estimate completed by D. George Cargill, Ph.D. P.Eng., of Cargill Consulting Geologists Limited Cargill (“Cargill”), of a 305,379 indicated plus 211,951 inferred ounce gold resource.

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

The *Southwest Zone* has an inferred historical resource of 624,500 ounces gold (non NI 43-101 compliant) as modelled by Barrick Gold (2003 - 2004 Drilling Report On The Michaud Gold Property Michaud Township, Ontario, by Henry M. Meixner, P.Geo. April 8, 2004 filed by Moneta on SEDAR, April 22, 2005).

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

7.2 Property Description and Location

The *Golden Highway Project* is located in northeastern Ontario within NTS block 42 A/09 and consists of a large mining claims package concentrated in Guibord, Michaud, Barnet, and Garrison Townships with scattered property interests in Hislop, Guibord, Holloway, and Marriott Townships. The project now encompasses 669 claim units totalling approximately 10,600 hectares. Only the leases (79 units) and patents (22) in Michaud Township include surface rights.

Moneta acquired, in December 2009, the remaining 50% ownership interest in the Michaud Joint Venture ground (“Michaud JV”) for \$1 million, and has terminated the Michaud JV. The Michaud JV covered 68 claim units located in the southern portion of Michaud Township which extends west from the hanging wall of Windjammer South, south of the Southwest Zone, and contains the 55 Zone, Dymont 3, and Western Zone gold zones. The ground primarily covers the belt of Timiskaming sediments with variably developed banded iron formation partially tracking ultramafics of the Destor Porcupine Fault/Deformation Zone. This Timiskaming setting hosts much of the Golden Highway Project gold mineralization discovered to date which include Moneta’s Southwest Zone historical resource (624,500 oz) and Windjammer South NI 43-101 resource (305,000 oz indicated and 212,000 oz inferred).

Moneta announced, in October 2009, the execution of an agreement (“Agreement”) to transfer certain claims with St Andrew Goldfields (“St Andrew”). The Agreement granted Moneta a 100% interest in 29 claim units in Cody Township, a 100% interest in 3 claim units in Guibord Township, and a \$50,000 cash payment from St Andrew. In return, and, in order to address St Andrew expenditure commitments, the Agreement grants St Andrew a 75% vested interest in the *Guibord Property* and 50% vested interest in and operatorship of the Barnet Joint Venture. The Cody Township claims are contiguous to Moneta’s Nighthawk Lake project and, based on previous drilling, suggest a westerly strike extension to Moneta’s Collins Zone by at least 200 meters, increasing the total strike length to 700 meters, with additional untested potential continuing westerly.

Included in the *Golden Highway Project* are two properties originally optioned by Moneta being *Turner Lake* and *Dymont 3* as well as the November 2007 acquisition of the *Windjammer Property*.

All claims are 100%-owned by Moneta except for the few of joint ownership and those subject to joint ventures. Included is the former Newmont joint venture in Holloway and Marriott Townships in which Moneta holds a 17.56% participating interest. St Andrew has a vested 50% interest in the *Garrison JV* and 50% ownership of 4 staked claim units also in *Garrison Township*. The former Michaud JV was 50/50 with Acrex and had a 75% interest in the *Dymont 3* property with St Andrew holding the balance. With the termination of the Michaud JV the properties revert back 100% to Moneta and in the case of *Dymont 3*, to a 75% interest.

In Michaud Township, the underlying royalties are a 10% net profits interest (“NPI”) on 12 claim units and 0.5% net smelter royalty (“NSR”) on 27 claim units. In Garrison Township (St Andrew JV), there is a 0.5% NSR on 52 claim units, while in Barnet Township, 76 units are subject to a 0.5% NSR. *Turner Lake* is subject to an annual advance royalty of C\$5,000 starting in 2008. Similarly, *Dyment 3*, is subject to a (75%) shared C\$1,200 annual advance royalty with St Andrew and an underlying 2% NSR. A listing and details of Moneta’s staked claims is available from the Ontario Mining Recorder.

Moneta is not aware of any environmental liabilities within the *Golden Highway Project* area and of any restrictions beyond those covered by existing legislation and regulation with respect to potential tailings and disposal sites should future development take place.

7.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The *Golden Highway Project* property lies approximately 35 kilometres east along Highway 101 from Matheson, Ontario and is accessed southerly over an extensive network of logging and drilling roads of varying quality. The southern and southwestern area is primarily muskeg and generally poorly drained with primary drainage by way of the Pike River and its tributaries.

The climate is typical of northeastern Ontario with below freezing temperatures (-5⁰ to -40⁰ C) from November to April and brief periods of hot weather in the summer from 10⁰ to 30⁰ C. Precipitation averages 80 centimetres a year, with a substantial portion falling in the form of snow averaging 2.4 metres per year.

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

Vegetation consists of low stands of black spruce, alder, birch, poplar, and pine. Exploration, including drilling operations, is possible throughout the year although some areas are better accessed during the winter. Topography is generally flat with less than 25 metres of relief. The southern portion of the property is swampy whereas the northern and eastern portion, overlain by sands and outwash from the Munro Esker, has higher relief.

7.4 History

Property

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

In 1946 Moneta and Mining Corporation of Canada formed a joint venture on the 42 patents in Garrison, Holloway, and Marriott Townships which have seen various changes of ownership and percentage interests. Moneta is currently in joint venture with St Andrew Goldfields on these 3 claim groups and has a residual 8.8% interest in *Garrison* and a 17.6% interest in *Holloway* and *Marriott*.

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

In 2007, Moneta acquired Newmont’s interest in the *Windjammer Property* consisting of 22 claim units in 2 mining leases. Moneta also staked an additional 3 units in 2008 and in 2009 acquired 3 claim units in Guibord through a property swap with St Andrew, for a total of 669 claim units under the *Golden Highway Project*.

Exploration

Between 1945 and 1947, Moneta carried out magnetic and geological surveys and completed 15 diamond drill holes, totalling 11,402 feet (3,475 metres), on the *Miller Occurrence*. This prospect is located to the east of, and alongside the present *Twin Creek Zone*, and both are located geologically within the *North Zone*, which tracks the Destor in altered mafic/ultramafic volcanics. Local high-grade gold mineralization is present in drilled intercepts over relatively narrow widths. Some of the better intervals include 19.2 g/t Au over 0.8 metres and 6.9 g/t Au over 1.8 metres. From the late 1940s to the 1980s, there was little work carried out in this area.

In 1978, Redstone Resources Inc. staked most of the area of what became the *Nufort Leases*. Redstone and Nahanni Mines Ltd. carried out a series of geophysical surveys and short drilling programs. A total of 2,743 metres of drilling in 28 reverse circulation and diamond drill holes was completed. Moneta obtained the option on the *Nufort Leases* in 1987.

In 1987, Moneta carried out magnetometer, induced polarization and VLF - EM surveys which were followed by diamond drilling as well as reverse circulation drilling. By February 1988, some 93 cored holes and 125 RC holes had been completed (UNOCAL 1989). As a result of this work, Moneta discovered the *Southwest Zone* gold mineralization as well as the two adjacent mineralized zones named the *South Zone* (immediately northeast of *Southwest Zone*) and the *04 Zone* (immediately southwest of *Southwest Zone*) within Timiskaming sediments and adjacent to a chert-hematite iron formation. These zones are now collectively referred to as the *Southwest Zone*. MPH Consulting Ltd. compiled and interpreted the geophysical data in a report written in March 1988.

In 1989, UNOCAL Canada Ltd. optioned the property and completed two phases of drilling comprising 9,246 metres in 44 holes. Some power stripping, hydraulic washing, mapping and limited sampling were also carried out. This work outlined three new discoveries of gold mineralization along the Destor named the *Landing and Twin Creeks Zone* (now collectively the *North Zone*) within altered mafic/ultramafic volcanics and the *Last Chance Zone* (albitized syenite porphyry within ultramafic volcanics). The best values encountered included 11.3 g/t over 3.7m, 20.6 g/t over 1.2m, 8.6 g/t over 2.5m, 13.0 g/t over 3.1m, and 13.0 g/t over 1.8m. UNOCAL dropped its option in the same year.

In 1990, Independence Mining Corporation optioned the property and carried out additional IP, VLF – EM, and magnetic surveys followed by drilling 12 holes on the *Michaud Parcel (North Zone)* totalling of 3,439 metres.

Lac North America Ltd. (a subsidiary of Barrick Gold Inc. (“Barrick”)) optioned the Michaud Parcel from Moneta in 1994 and then optioned the *Nufort Leases* in 1995 in a separate agreement. From December 1994 to April 1995, Barrick drilled 4,583 metres in 11 holes on the Michaud Parcel. Three of the holes were drilled on mineralized zones (*North Zone*) associated with the Destor, and the remaining eight holes were drilled on the *Southwest Zone*.

In 1996, Barrick prepared a preliminary and now historical resource estimate for the *Southwest Zone* of 2.4 million tonnes averaging 6.07 g/t gold over a 6.4 metre width for a total of 468,400 ounces of gold. The estimate was based on information from approximately 65 drill holes from Moneta’s 1987 drilling and Barrick’s drilling in 1995 and 1996. Initial metallurgical tests indicated that gold recoveries to 95% were possible and that the free gold and minor low-sulfide ore could be readily processed at Barrick’s former (now St Andrew’s) Holt–McDermott Mill nearby.

In 1997, Barrick drilled an additional 44 holes (22,270 metres), primarily on the greater *Southwest Zone*. Information from this drilling was not integrated into the (1996) preliminary historical resource estimate, and the property was returned to Moneta in 1998 as Barrick began to focus on large international projects. In late 2003, Moneta reviewed additional project files received from Barrick which contained an updated internal resource calculation based on a re-interpretation of the collective *Southwest Zone (South, Southwest, and 04 Zones)* and incorporating relevant data from the last phase of drilling completed in 1997. Using the same methodology and modified parameters reflecting an alternative interpretation, Barrick calculated a total historical resource of 3.25 million tonnes @ 5.98 g/t or 624,500 oz. The major change was use of a different zone width (3.8m) and modelling of several en-echelon vein sets with an orientation of approximately 310°. These resources are historical and not NI 43-101 compliant.

In 2001, Moneta completed two diamond drill holes totalling 385 metres on the *Twin Creek* and *Landing Zones*, both within the *North Zone*. Gold mineralization was intersected in both holes. An IP survey was also conducted with the objective of determining the relationship of mineralization to north-northwest trending structures in the area immediately north of the *Southwest Zone*.

In 2002, three historical drill holes were extended into areas believed to hold additional potential for gold mineralization, either at depth and/or along the southern contact of the *North Zone* against talc-chlorite schist for a total of 350 metres leading to the discovery of the *Independence Zone*. The other two extensions did not intersect significant gold values. In the *Independence Zone* area, an orientation gradient IP survey was also completed.

In 2003, a second follow-up drill phase was completed consisting of four drill holes totalling 1,250 metres – two in the *Independence Zone* area and two on the 1946 *Miller Zone* area, located between the *Twin Creek* and *Landing Zones*.

In 2004, two diamond drill holes (545 metres) were completed on 100% Moneta *Golden Highway Project* mining claims. Both targeted a west-northwest trending magnetic low starting immediately north of the *04 Zone Extension* iron formation and terminating at the intersection of the north branch of the Destor some 1.2 km to the west-northwest. This feature has been termed the *Last Chance Extension*.

In 2004, Falconbridge completed due diligence ground truthing on a portion of the most northerly *Golden Highway Project* claims assessing the validity of several MegaTEM airborne EM anomalies. It became apparent that these had been tested historically with negative results and the program was terminated.

From 2001 to 2004, Acrex completed diamond drilling (*Southwest Zone*, *55 Zone* and *Western Zone* areas) and ground geophysics (magnetics and IP on the *55 Zone* and *Western Zone*). The details of this work and results are documented in Meixner NI 43-101 technical reports posted on SEDAR under both Acrex and Moneta.

In 2005, the Michaud Joint Venture drilled additional holes on the *55 Zone* (2,142 metres in six holes) increasing to 18 the total number of holes into the zone. Moneta also drilled 1,039 metres in two holes on the Turner Lake property.

An exploration methodology research profile under the 2005 Discover Abitibi Initiative Program was laid out, reaching from south of the *South Zone* (sub-unit of the *Southwest Zone*) north-northwest across the central mafic/ultramafic belt through the *Miller Zone* area and terminating south of Emens Lake and east of Emens Creek. This geo-scientific profile is one of several in the Discover Abitibi program to catalogue responses of modern exploration techniques (geophysical and geochemical) to different geological/overburden gold mineralization settings and the final results were released in early 2006. It generated the “104” geochemical anomaly between the *North Zone* and *Southwest Zone*. This area was detailed by Moneta with additional gradient IP survey lines and remains to be drill tested.

Moneta also had an Insight Geophysics tuned gradient IP survey completed in winter 2005/2006 over a portion of the *Perry Lake* ground. It focused on the contact area between mafic and ultramafic volcanics along the Munro/Pipestone fault zone, a splay off the Destor. Targets generated remain to be drilled.

In 2006, the *Michaud Joint Venture* continued exploration starting with the earn-in on *Dyment 3* by way of a diamond drill program. Due to the late start to winter drilling, only limited drilling (302 metres in three partially-completed drill holes) could be completed. An additional drill hole was completed between *Dyment 3* and the *55 Zone*, as well as a “scissor hole” in the *55 Zone*. Drilling on *Dyment 3* was completed in early 2007 with 5 holes totalling 1,426 metres intersecting scattered gold mineralization.

In November 2007, Moneta acquired Newmont’s operating interest *Windjammer* and, subsequently, in December 2007, completed three drill holes totalling 988 metres on *Windjammer South* to audit historical (Noranda) data and facilitate an initial NI 43-101 resource estimate by Cargill. that resulted in a 154,000 ounce (2.1 million tonnes @ 2.3 g/t, 1.0 g/t cutoff) inferred gold resource. The report recommended a follow-up infill drill program.

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

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

During Q2 and Q3 2009, Moneta commissioned a tuned gradient Induced Polarization (“IP”) survey with several detailed sections on the eastern area of the Golden Highway project in order to better define the exploration potential of the Windjammer property. In addition, a total of 4,753 metres were drilled in 9 drill holes and as 2 drill hole extensions (281 metres) in the *Windjammer South, Central, and North* zone area.

7.5 Geological Setting

Regional Geology

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

The Abitibi Greenstone Belt in this region can be subdivided into 3 main stratigraphic groups: the Kidd-Munroe (north), Porcupine (central) and the Kinojevis (south). The Kidd-Munro Group consists primarily of ultramafic and iron tholeiite. The Porcupine Group is composed of sediments including sandstone, siltstone, conglomerate and iron formation. The Kinojevis Group is characterized by Mg and Fe rich basalts overlying the Porcupine sediments. The contacts between these groups are usually defined by major structures such as the Destor. This regional deformation zone is a key geological feature hosting numerous and geologically varied gold deposits in this part of the Abitibi Greenstone Belt.

Within and around Michaud Township, three sequences of strata are predominant, together with an alkalic intrusive suite of plutons, consisting of syenite, monzonite and granite. All rock types have been metamorphosed to greenschist facies.

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

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

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

The property straddles the Destor, the most prolific gold – bearing structure in this part of the belt, and numerous splays associated with it. In the vicinity, are the Holt-McDermott Mine (1.37 million ounces gold production to

2004/2006 from 7.28 million tonnes grading 5.84 g/t), and the Holloway Mine (930,000 ounces gold production to April 2006 from 4.94 million tonnes grading 5.87 g/t). The Holloway Mine Complex (including Holt-McDermott) and surrounding mining lands were sold to St Andrew in late 2006 which has advanced the Blacktop Zone of the Holloway Mine into production. In addition to the Destor, other documented structures in the Michaud Township area are the Pipestone/Munro/Contact faults/splays trending northwest then east, north of the Destor, and the Arrow Fault trending east-west. On a local scale, numerous faults have been interpreted from core and geophysical interpretations with minor strike displacements – slip displacements remain unknown. These faults can typically be east-westerly and at high angles to the Destor. Folds are not well defined, however, multiple BIF horizons and changes in dip from drill information suggests isoclinal folds of unknown scale in the Timiskaming sediments and BIF.

Property Geology

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

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

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

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

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

To the south, the *Southern Corridor* is well defined by the belt of Timiskaming sediments trending along the Destor and includes the main gold zones discovered to date on the property. This corridor has a strike length of approximately 12 kilometres crossing Michaud and continuing north-easterly into Garrison Townships hosting the *Western, 55 Zone, Dymont 3, Southwest, and Windjammer South* gold zones. The sediments consist of a series of alternating sandstone and greywacke units with subordinate argillite and conglomerate. Conglomerate is typically found along the south contact of a chert-hematite-magnetite iron formation. This oxide facies iron-formation is much more massive to the east while to the west it thins quickly containing primarily hematite. The sediments are bounded to the north by the dominantly ultramafic volcanics sequence locally altered to talc chlorite schist.

The area is largely covered with overburden, mostly sands associated with the Munro Esker complex. A few outcrops are located in the centre of the *Michaud Parcel (Miller Zone area)* and on the southeast portion of the Nufort Leases south of the Pike River.

Target Mineralization

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

- Mineralization hosted by altered ultramafic and mafic volcanic rocks occurs along the Destor. This includes the *Perry Lake* property, *Twin Creeks to the Landing Zones*, and *Windjammer North* (collectively the *North Zones*). Typically, the zones in volcanics exhibit quartz carbonate veining in high strain zones usually silicified and carbonatized with subordinate hematite, sericite, and albite. Calcite is commonly replaced by ankerite which can also define an alteration halo enclosing the main structures. Gold values may be erratic and are typically associated with 2% to 5% very fine pyrite and occasional visible gold has been noted. Of particular interest in this setting is the *Lightning Zone* (*Holloway Mine*) style of mineralization consisting primarily of a massive or pervasive quartz-albite-pyrite alteration core surrounded by intensely foliated sericite-ankerite schists. Gold is associated with fine grained clustered pyrite averaging 5-10% occurring in albitic stringers, veinlets and fine disseminations.
- Mineralization associated with clastic sediments and/or banded oxide facies iron formation in the *Southern Corridor* is principally in the *Windjammer South, Southwest Zone* (*South, Southwest, 04, and 04 Extension Zones*). Also included are the *55 Zone, Dymont 3* and *Western Zones*. Variably intense silicification, ankeritization, and sericitization with hematitization is common within mineralized zones that may also exhibit local brecciation and fractures filled by quartz-pyrite stringers, quartz and quartz-carbonates veins up to 3 metre widths, and stockworks. Elevated gold values have been found in these mineralized breccia zones and several vein orientations documented reflecting the complexities of this mineralization. Sulphidization of the iron formation in contact with vein systems and brecciation frequently results in significantly elevated high grade mineralization.
- Mineralization hosted by syenite is found in the lower of two porphyritic syenite intrusives in contact with variably altered ultramafic and mafic rocks on the south side of the Destor on the *Nufort Leases* (*Last Chance Zone*). The syenite has a bleached and albitized core enveloped by a hematized zone. Scattered clots and disseminations of pyrite up to 5% are common. Gold is concentrated in zones of narrow quartz carbonate stringers. Less pervasively altered but tectonized syenite has now been documented as the *Last Chance Extension*. The contact zone of the porphyry to the ultramafics was characterized by a 24-metre wide microfractured breccia zone with abundant disseminated and stringer pyrite with scattered only weakly anomalous gold values.

7.6 Exploration Programs (2009)

In 2009 Moneta's exploration efforts focused on the *Windjammer Property*. *Windjammer South* lies one kilometre easterly along strike from the *Southwest Zone*. *Windjammer South* combined with Moneta's *Southwest, 55*, and *Western Zones* represent a strike length of approximately six kilometres of the *Southern Corridor* with gold mineralization found along the entire length. *Windjammer North* is easterly along strike from the *Moneta North Zone* (*Last Chance, Twin Creek, Miller and Landing Zones*).

7.6.1 Michaud Township

The *Southwest Zone* remains a key *Golden Highway Project* asset and a priority for advanced exploration and interpretation. Moneta has begun selective drilling in Q1 2010 on the *Southwest Zone* initially focusing on the potential of the deep mineralization encountered in Barrick drill hole MN96-162 and mineralization developed along the iron formation contact which when sulphidized returns significantly elevated high grade mineralization. Additional and ongoing interpretive work is focused on identifying high grade vein systems to be drilled tested in 2010.

Detailed modelling was initiated in late 2009 to refine the Barrick interpretation, determine additional potential, and develop a comprehensive drill program to establish a NI 43-101 compliant higher grade resource.

As part of the *Southern Corridor*, the area between the *Windjammer South* and *Southwest Zone* has indicated potential to host significant gold mineralization. Previous drilling in the area is sparse with a significant section of deeper scissor holes completed by Barrick approximately halfway between the two zones, containing numerous occurrences of gold mineralization in the sediments both north and south of the main iron formation. A single 437

metre drill hole M08-259 was completed as a 100m eastern stepout from this Barrick section with numerous gold intersections of moderate grade including several wider low grade alteration zones including 1.06 g/t Au over 16.50 metres. This drill hole is also a 800 metre westerly stepout from the *Windjammer South* zone centre. More drilling in this area is warranted both along strike and to depth.

7.6.2 Windjammer

Drilling on *Windjammer* in the 1980s by Noranda resulted in two separate gold discoveries, *Windjammer South* and *Windjammer North*, which have not had any further development in the intervening period with only 58 holes drilled to-date. *Windjammer* comprises two mining leases covering 356 hectares or 22 mining claims in Garrison and Michaud Townships. It is immediately adjacent and contiguous to the eastern *Golden Highway Project*.

During Q2 and Q3 2009, Moneta completed a tuned gradient Induced Polarization ("IP") survey with several detailed sections, on the eastern area of the Golden Highway project in order to better define the exploration potential of the *Windjammer* property. Of particular interest are those areas between and peripheral to the *Windjammer North* and *Windjammer South* zones, as well as any potential linkage of the *Windjammer South* gold system westerly along strike and to depth to that of the *Southwest Zone*.

The bulk of the survey area covered ground north and south along 1,600m of strike of the *Windjammer South* banded iron formation including the zone itself. A total of 3.85km of sectional and 20km of gradient were completed. The IP survey results showed significant correlation between gold mineralization from previous drilling with significant new geophysical targets defined immediately north of the iron formation, both to the east and west, and to the south primarily in the *Windjammer South* area.

Drill testing of several of these newly delineated IP and other exploration targets on the *Windjammer* project began in September 2009 and is expected to continue into 2010. A total of 4,753 metres were drilled in 9 drill holes and as 2 drill hole extensions primarily in the *Windjammer South* zone area.

The program objectives consisted of testing several tuned gradient IP anomalies/features, expanding the potential for a *Windjammer South* hanging wall resource, and testing for continuity and confirmation of the *Windjammer North* mineralization, all with orientated core to generate structural data. The program was modified and included testing the north contact of the iron formation and completing a fence across the sediments between *Windjammer South* iron formation and the volcanics to the north hosting *Windjammer North*. These results have added *Windjammer Central* reflecting gold mineralization discovered in the sediments north of the main iron formation (WJS) and south of the volcanics (WJN).

Windjammer North

The *Windjammer North* discovery is located one kilometre north of *Windjammer South* on the northern boundary of the Destor and is on strike with Moneta's *North Zone (Last Chance, Twin Creek, Miller and Landing Zones)* which has returned erratic but encouraging gold intersections including 11.3 g/t over 3.7 metres, 20.6 g/t over 1.2 metres, 8.6 g/t over 2.5 metres, 13.0 g/t over 3.1 metres and 13.0 g/t over 1.8 metres.

In total, this area represents an under-explored strike length of 4.5 kilometres. *Windjammer North* has been defined by 21 drill holes over 400 metres along strike with intersections including 6.37 g/t over 5.9m core length. Mineralization occurs in two gold bearing environments hosted in altered ultramafic to mafic volcanics or altered mafic volcanics. The first typically consists of quartz carbonate veining in high strain zones with carbonate, silica, fuchsite, and sericite alteration. The second is characterized by auriferous, strongly carbonatized, sericitized, and pyritized, mafic volcanic rocks. Both environments contain visible gold in quartz veins.

Moneta undertook preliminary modeling in Q4 2009 and completed a three hole (1,388 m) drill program to assess the historical Noranda work. Extensive alteration with gold mineralization was intersected, all similar to the historical data. Drill holes MWJ09-26/27/28 were drilled grid north to south and continued into the sediments that were found to be strongly altered (ankerite/pyrite) and cut by numerous quartz veins and stringers. Gold mineralization in the sediments included veining that returned 12.31 g/t over 0.55 metres, 8.16 g/t over 0.35 metres (both from MWJ09-26), and 6.59 g/t Au over 0.80m (MWJ09-27). A more pervasive mineralized alteration zone grading 0.70 g/t Au over 30.0 metres (MWJ09-27) was also intersected in these sediments.

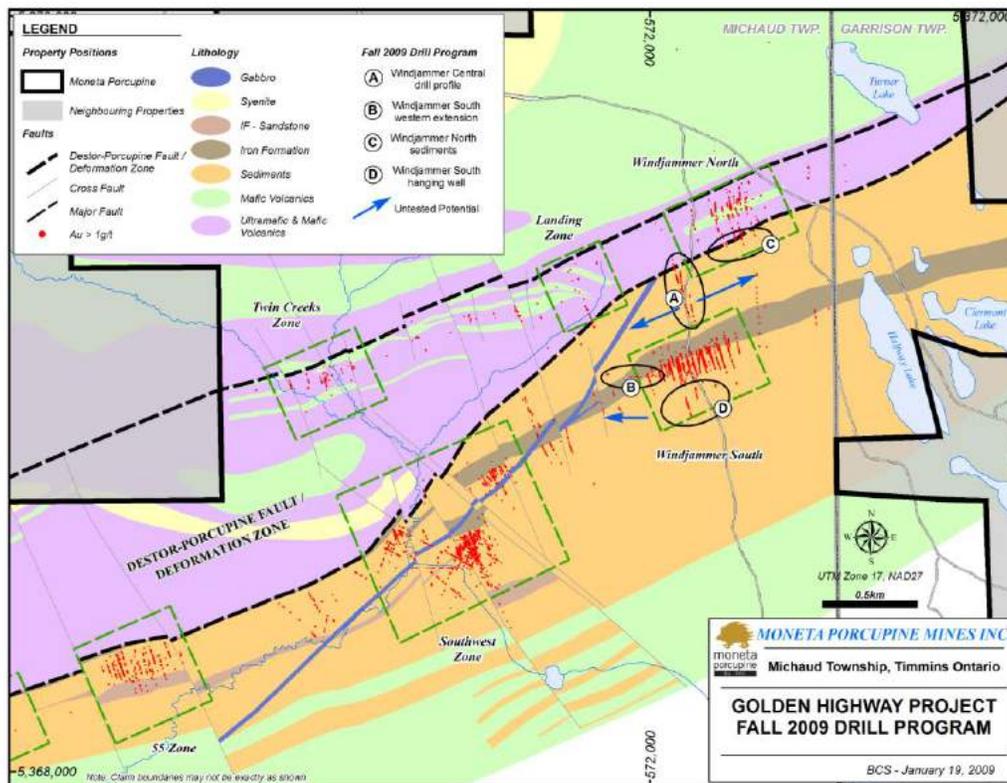


Figure III - Golden Highway Project: 2009 Exploration Program

Windjammer Central

Windjammer Central is now used to describe area containing the sediments found between *Windjammer North* and the iron formation of *Windjammer South*. In this area the drilling (1,747 metres) completed north of the *Windjammer South* iron formation intersected several alteration zones and quartz veins returning a wide range of gold values. In MWJ09-25 higher grade gold include 13.40 g/t Au over 0.55m within 2.35 g/t over 6.10m, 5.53 g/t and 4.47 g/t both over 0.65m, and broader gold zones of 1.76 g/t over 8.60 metres and 0.55 g/t over 18.20 metres. MWJ09-29 returned 6.12 g/t over 0.33m and 4.56 g/t over 0.48m as well as 0.70 g/t over 18.07 metres, while MWJ09-30 contained and 4.85 g/t over 0.70m, 0.76 over 13.96 metres, and 0.79 g/t over 21.26m.

The discovery of gold mineralization in this area confirms the continued potential of the sediments to host significant gold mineralization and, in this case, the potential of untested areas east, including towards *Windjammer North*, and west between the iron-formation and volcanics to the north, as well as the scale of the gold mineralizing system in the project area.

Windjammer South

Prior drilling on *Windjammer South* consisted of 23 drill holes that identified several gold-bearing zones within a mineralized system currently known to extend for 500 metres along strike to a depth of 350 metres. The system was found to dip moderately to the southeast and remained open in both directions along strike and to depth. *Windjammer South* closely resembles the style of mineralization in the nearby *Southwest Zone* where gold mineralization is typically hosted by fine quartz stringers and veining found within variably altered (hematite, silica, ankerite, and sericite) Timiskaming sediments. These sediments form the hanging wall to a thick sequence of banded oxide facies iron formation whose contact area to the veining may be well mineralized due to sulphidization. All are associated with the southern portion of the Destor.

Moneta completed a short drill program during the winter 2007/2008 on the *Windjammer South* consisting of three diamond drill holes totalling 988 metres. This program evaluated and confirmed historical drill holes representative of the gold mineralization, generated comparative geological information, and filled gaps in the

historical drilling. Drill holes MWJ07-01 and MWJ07-02 verified assays from prior drill holes while MWJ07-03 drilled into a historically untested area in the centre of *Windjammer South* returning 47.3 metres (drilled width) grading 2.21 g/t gold.

Subsequently a summer/fall 2008 drill program was undertaken completing 6,914 metres of diamond drilling in 21 holes. Included is one hole abandoned in an area of difficult overburden and three holes drilled as step-outs from the *Windjammer South* zone. One step-out hole was drilled 1200 metres to the east and intersected weak gold mineralization. The remaining two step-out holes were drilled 200 and 800 metres to the west along strike returning several low grade intersections and confirming the continuation of the gold system. The 800 metre step-out hole (M08-259) is located approximately halfway between the *Windjammer South* and *Southwest Zones* and 100 metres east of a set of scissor holes completed by Barrick with several gold intersections.

Within the *Windjammer South* zone, wide and locally well mineralized intercepts included 3.40 g/t Au over 27.0 metres in MWJ08-11, 2.59 g/t Au over 12.90 metres in MWJ08-07, and 2.02 g/t Au over 45.45 metres in MWJ08-18. Holes MWJ08-07 and MWJ08-17, were both stepped back approximately 150m from the known mineralization and intersected mineralization in areas not previously tested similar to that found uppermost in historical step-back Noranda drill hole WJ88-40. Further down-hole, MWJ08-17 returned 18.60m @ 2.19 g/t gold from 297.4m to 316.0m, representing another possible new zone in the hanging wall of the *Windjammer South* zone.

In Q3 2009, Moneta began a phased drill program to test several targets in the *Windjammer South* area based on the recently completed tuned gradient IP survey. Five drill holes including two extensions of previously completed drill holes (1,618m) tested the hanging wall potential and specific IP anomalies, as well as a magnetic low and roll in the iron formation in the western portion of *Windjammer South*.

In the hanging wall overall patchy alteration was observed with stringer development. Scattered throughout the drilled intervals are several isolated higher grade intersections such as 7.03 g/t over 0.60 metres (MWJ09-23) and 6.42 g/t over 1.00 metres (MWJ09-24) and an alteration zone grading 1.04 g/t Au over 8.80m (MWJ09-23). In addition the general recognition of potentially more substantial vein systems at poorly tested orientations continues to establish additional resource potential.

Drill hole MWJ09-25 was collared close to the WJS iron formation, drilling through it and continuing northerly into the sediments. Blocky and weathered core was found in the WJS hanging wall with a generally low gold tenor with scattered quartz stringer zones up to 2.98 g/t over 1.0 metres. Gold mineralization intersected north of the iron formation is noted under *Windjammer Central*.

Drill hole MW08-17 was extended to test for additional mineralization in the hanging wall of the *Windjammer South Zone* with no new mineralization intersected. Historical drill hole WJ88-18 was extended to test the *Windjammer South* iron formation and its northern contact following-up on a historically described brecciated iron formation intersection and the potential presence of mafic volcanics at the north contact in 1983 drill hole MPH-01. No mineralization of significance or mafic volcanics were intersected.

Hole MWJ09-31 was drilled westerly through the magnetic low intersected high angle vein system/structures of significant width and several alteration zones. Vein zone results are 1.54 g/t Au over 5.79m, 1.47 g/t Au over 5.81m including an individual vein with 5.28 g/t Au over 0.68m, and 0.74 g/t over 10.94m. A stringer zone with elevated pyrite returned 8.27 g/t over 0.57m within the iron formation. Mineralized alteration zones were intersected both near the south contact to the iron formation with 0.95 g/t over 5.11m and 2.45 g/t over 4.00m, and near the north contact to the iron formation with 2.97 g/t over 2.66m. Additional potential has been established for *Windjammer South* zone expansion westerly along the iron formation as well as in the sediments to the north of the iron formation.

Additional IP anomalies remain to be tested including those continuing southerly from the *Windjammer South* hanging wall and the stronger responses north of the iron formation but east of *Windjammer South*. The response in this area may be due to magnetite rich sediments however there are several local and much stronger responses within this area that remain priority drill targets.

Windjammer South Resource

An updated NI 43-101 resource estimate of 305,379 indicated (7,786,000 tonnes @ 1.22 g/t) plus 211,951 inferred (5,834,000 tonnes @ 1.13 g/t) ounces of gold, using a 0.7 g/t cut-off grade, was completed by Cargill and released March 11, 2009.

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

7.6.3 Michaud Joint Venture (now 100% owned)

Moneta acquired the remaining 50% ownership interest in the Michaud Joint Venture ground ("Michaud JV") for \$1 million, and has terminated the Michaud JV. The Michaud JV covered 68 claim units located in the southern portion of Michaud Township which extends west from the hanging wall of Windjammer South, south of the Southwest Zone, and contains the 55 Zone, Dymont 3, and Western Zone gold zones. The ground primarily covers the belt of Timiskaming sediments with variably developed banded iron formation partially tracking ultramafics of the Destor Porcupine Fault/Deformation Zone. This Timiskaming setting hosts much of the Golden Highway Project gold mineralization discovered to date which include Moneta's Southwest Zone historical resource (624,500 oz) and Windjammer South NI 43-101 resource (305,000 oz indicated and 212,000 oz inferred).

Drilling in 2008 concentrated on the 55 Zone with no additional work completed in 2009.

In 2006 the Michaud Joint Venture had completed five drill holes totalling 1,117 metres on Dymont 3, the area between Dymont 3 and the 55 Zone, and on the 55 Zone itself. This was followed in 2007 by five drill holes totalling 1,426 metres on Dymont 3 fulfilling the option requirements and vesting at 75% split equally at that time between the JV partners. St Andrew Goldfields still holds the remaining 25% interest.

The Western Zone was discovered during the 2003-2004 winter drilling program and 14 drill holes were completed for a total of 4,147 metres. No additional drilling has taken place.

55 Zone

The 55 Zone drill program continues to follow up on encouraging results from previous drilling (2002-2008) that intersecting multiple gold mineralized alteration zones. These zones occur within a mineralized system currently extending for 350 metres along strike, and in a corridor of variably altered Timiskaming sediments along ultramafics of the Destor immediately to the north. Scattered narrow syenite dykes have also been intersected within this window. This northern contact is typically marked by narrow hematite and magnetite variably developed iron formation while the southern limit appears to be a relatively unaltered and intercalated purplish hematitic iron formation/chloritic greywacke-sandstone hanging-wall sequence.

Gold zones may contain a combination of quartz and quartz/carbonate/feldspar stringers, veins and stockworks with variable orientations ranging from sub-parallel to high-angle relative to the core axis. The altered wall rock is predominantly and pervasively sericitized and ankeritized. Pyrite is often 3% to 5% up to 10% locally finely disseminated and as coarser grained sub-hedral aggregates, often localized along micro-fractures, quartz stringers and boudins. Visible gold and accessory molybdenite and chalcopyrite has been noted. Gold tenor, notwithstanding the essential presence of quartz veining, is generally determined by alteration intensity and pyrite content.

With the completion of the 2008 drill program a total of 27 drill holes (9,523 metres), have been drilled in the 55 Zone by the Michaud Joint Venture (15 holes), Barrick (5 holes) and Acrex (7 holes), with significant gold mineralized intervals encountered. Numerous instances of visible gold have been noted and metallic assays completed.

In 2008, eight drill holes totalling 2,449 metres were completed increasing the data density within the zone by completing sections and drilling between sections. One hole stepped out to the east. All drill holes intersected gold mineralization, with best results from holes MA-08-43, MA-08-44 and MA-08-49, drilled in the more central portion of the zone. Highlights from this drilling include the zones intersected in MA08-43 and MA08-49. Notable in MA08-49 is an intersection of 9.68 g/t Au over 27.75 metres drilled width with a peak value of 49.03 g/t Au over 1.00 metres. Within this zone are five narrow quartz vein or stringer intercepts intersecting the drill core at variable but generally very low core angles with significant down dip components as well as intervals of intense ankerite/pyrite alteration and gold values typically ranging from 2 to 5 g/t gold. A similar orientated vein carrying visible gold in the same geological setting was intersected in MA08-43 returning 42.09 g/t Au over 2.90 metres drilled width, with a peak vein value of 187.99 g/t Au over 0.50 metres. The results confirm the high grade and well mineralized gold tenor of these narrow veins systems.

In Q1 2010 and in preparation for the winter drilling, a downhole televiewer program was completed on selected holes representing various gold zones. The results from the 55 Zone were particularly revealing resulting in the identification of a preferred vein orientation and style within the 55 Zone. A significant drill program was initiated and continues to define vein orientations and gold mineralization. To date 28 drill holes (~7,500 meters) have been completed drilled from north to south at a variable stepout density and over a strike length of 1,000 metres. A series of northerly dipping and stacked narrow laminated quartz veins often carrying high grade gold and frequently associated with brecciation continue to be the exploration focus. Additional high grade mineralization has been found to occur in the northern iron formation when intersected by these vein systems leading to local sulphidization of the iron formation.

7.6.4 Other Properties and Exploration

Guibord

Moneta's Guibord land position of 26 claim units, located near the former Ross Mine, was the subject of an option swap (*Dyment 3*) in 2004 with St Andrew. Moneta could earn a 75% interest in the *Dyment 3* property (three claim units), located between the *55 Zone* and *Western Zone*, for an exploration expenditure of \$150,000 over 4 years. The same terms apply to the St Andrew option on Moneta's *Guibord* property.

In 2009, required expenditure commitments by St Andrew to earn a 75% interest in the property were reduced to \$125,000 in exchange for a \$50,000 cash payment to Moneta, granting a 100% interest to Moneta in 29 claim units integral to Moneta's Nighthawk Lake project in Cody Township, and granting Moneta 3 staked claim units in Guibord Township contiguous with Moneta's core Golden Highway Project (press release Oct. 22, 2009).

St Andrew satisfied the revised \$125,000 expenditure commitment in Q4 2009 by completing 1,719 metres of drilling in 6 holes targeting structural and geophysical features including the Destor Porcupine Fault /Deformation Zone ("Destor") crossing the north-easterly portion of the property. Best results were in hole MHG09-01 returning 3.18 g/t gold over 7.5 metres including 10.18 g/t gold over 1.5 metres from the hanging wall of the Destor. Follow-up work has been recommended.

Barnet

Moneta entered into an agreement in 2002 with St Andrew related to certain properties in the Michaud and Barnet Townships. St Andrew is now vested at 50% interest as part of the Guibord property swap described above. No work was completed in 2009 on the property.

Garrison

In Garrison, St Andrew completed (2007) the option and is now being vested with a 50% interest and remains operator. No further work has been completed.

8. NORTH TISDALE

8.1 Introduction

Several projects constitute Moneta's activities in the Porcupine Gold Camp. Moneta continues to maintain a large land holding in North Tisdale. The under explored nature, higher gold price and new activity in the immediate area has enhanced these properties' strategic value in the search for gold mineralization along the highly prospective "New Mine Trend".

Several companies are actively exploring adjacent properties including those along the Destor back towards Timmins. Within the core historical Timmins camp, celebrating its centenary, the Porcupine Camp continues to generate new discoveries and value from former producers. Porcupine Gold Mines (Goldcorp) is deepening Hoyle Pond and advancing permitting of their major Hollinger open pit project adjacent to Moneta's Kayorum property and Lake Shore Gold undertaking aggressive development programs on both the Bell Creek and Timmins West complexes. Bell Creek is easterly and northwest respectively from North Tisdale while the Timmins West complex is 5km northeast of Moneta's West Timmins / Denton Thorneloe property.

Significant corporate activity around Moneta's North Tisdale property includes Lake Shore's purchase of Bell Creek West for \$20M adjoining to the NE, Osisko optioning 50% of Mountjoy property for \$4.25M (3km to the west), and San Gold acquiring 31.5% of the Davidson Tisdale project for \$4M (adjoining to SE).

8.2 Property Description and Location

North Tisdale consists of 36 patented, 9 leased, and 121 unpatented mining claim units for a total of 166, located in Tisdale, Murphy and Hoyle Townships, all north of Timmins and covering approximately 2,650 hectares. The property can be subdivided into four general areas, West Tisdale, North Tisdale, Murphy/Hoyle and Porcupine Prime. All claims are 100%-owned by Moneta subject to underlying encumbrances as follows; 32 single unit patents with a 2% NSR, one four-unit patent with a 10% NPI, nine staked units with a production royalty of \$1/ton, 51 staked units with a 15% NPI, eight staked units with a 2% NSR, and three staked units with a 1% NSR. A listing of the staked claims is available from the Ontario Mining Recorder.

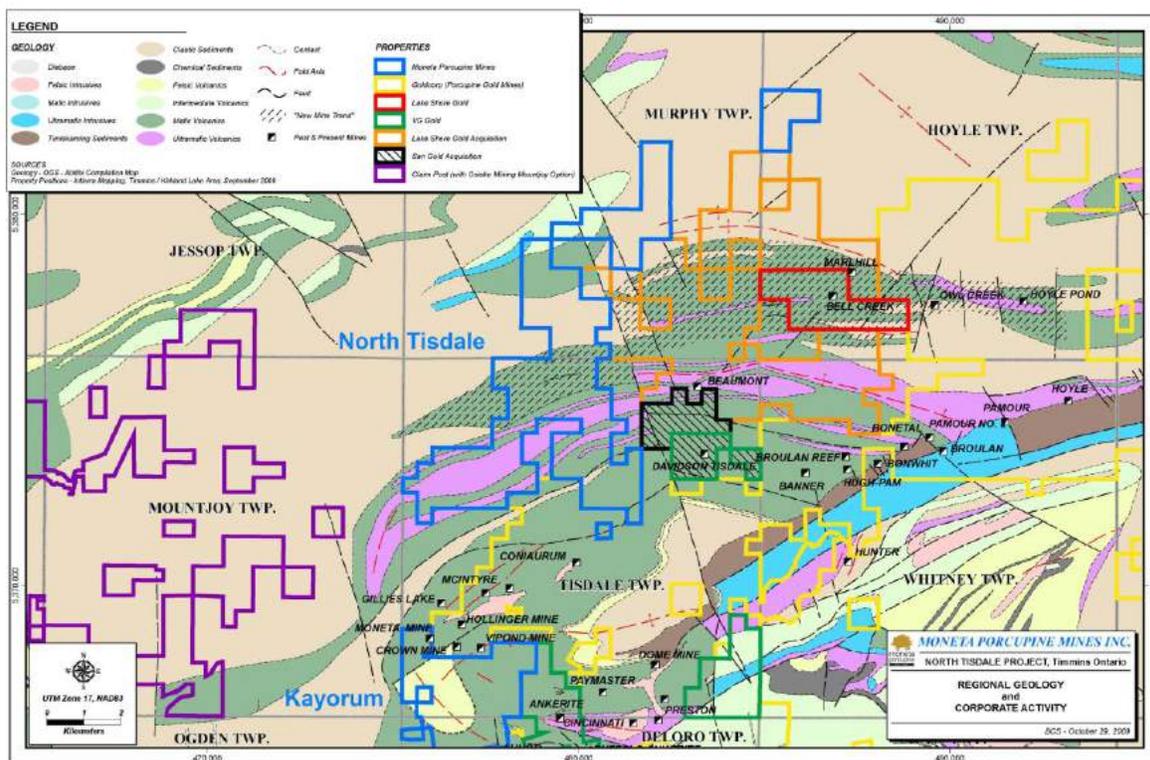


Figure IV – North Tisdale and Kayorum Projects

Several patented surface rights are also owned by Moneta, specifically, lands adjoining and containing the core logging facility (approximately 13 hectares), those with underlying aggregate royalties (approximately 60 hectares), and 16 hectares within the Porcupine Prime block. Moneta is not aware of any environmental liabilities within the project area.

8.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

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

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

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

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

8.4 History

Historical work is described by subgroups within the project. More recent work (since 1995) is on the consolidated property. Unless otherwise indicated, all drill intersections are drilled widths.

North Tisdale Claim Group

Keevil Exploration performed limited exploration consisting of ground magnetic and electromagnetic surveys on one claim from 1964 to 1965. Also in that time period, Inco drill tested one electromagnetic anomaly intersecting mafic volcanics with interflow graphitic horizons.

In 1982, Esso Minerals Canada conducted a VLF-EM survey on several claims finding weak conductors thought to be conductive overburden and/or geological noise. The same survey was carried out on additional claims, outlining five to six conductors. In 1983, Esso Minerals Canada conducted a VLF-EM and ground magnetometer survey on 2 claims but did not define any probable gold-bearing targets. Hollinger Argus Ltd. completed a geological survey in 1984 on work performed in 1981 and 1982 on ten north Tisdale claims. An IP-resistivity survey in August 1984 over several claims confirmed the HEM anomalies previously found but did not detect any VLF-EM anomalies. Finally, in 1985, Labrador Mining & Exploration (Hollinger) completed four diamond drill holes (637 metres) testing IP anomalies with poor results.

Moneta performed ground geophysics (magnetometer and VLF-EM) over the Murphy-Tisdale block, reverse circulation overburden holes (175 reverse circulation drill ("RCD") holes totalling 14,269 ft.) and diamond drilling in 1987 (19 holes totalling 14,089 ft.). Of the total, 28 RCD holes were completed in 1988 with basal till anomalies identified and partially followed up.. Diamond drilling returned several low-grade gold intercepts primarily related to intercalated mafic/ultramafic/graphitic argillite units containing quartz vein zones and "grey zone" carbonaceous alteration. Moneta drilled one hole in 1989 defining a shear zone between basalt and an ultramafic unit. A total field magnetic survey was completed on 10 claims in north central Tisdale Township identifying a significant northeast-southwest feature crossing the property and now defined as an ultramafic 'zone'. This work was part of the program completed by Independence Mining Company Inc. which also included linecutting, MaxMin EM and IP surveys and preliminary diamond drilling from late 1989 to early 1990. The IP surveys were completed identifying moderate chargeability anomaly and graphitic conductor. Three drill holes were completed, one in 1989 and two in 1990 without significant gold results.

Porcupine Prime

The most intense exploration was carried out by Porcupine Prime Gold Mines from 1944 to 1951, a total of 27 drill holes (10,589 metres). Several high-grade but very narrow gold intercepts with little continuity were documented.

A 1981 EM survey discovered four anomalies concordant with the strike of the area (lithological boundaries) while the magnetic survey defined two major structures. In 1982, Esso Minerals/Hollinger completed three drill holes totalling 791 ft. with poor results.

In 1983, Newmont Exploration of Canada Ltd. conducted line cutting, surface mapping, magnetometer and IP-resistivity surveys. Newmont also completed 3 drill holes in 1984 of which one drilled a diorite dyke while the remaining holes intersected interflow graphitic argillite within basalts.

In 1987, Moneta conducted a reverse circulation drilling program, consisting of 121 holes totalling 8,227 ft. No significant mineralization was detected. The same year, 12 diamond drill holes (8,365 ft.) were completed and six trenches mapped. In 1991, a VLF EM and magnetic survey was conducted over one claim..

Murphy/Hoyle

Broulan Reef Mines drilled two holes on their property in South Murphy. One hole contained quartz carbonate stringers in an argillite to graphitic argillite.

Renzy Mines conducted an IP survey in 1966. The survey identified a 60 to 100-metre wide anomaly tested with a drill hole in 1968 intersecting greywacke with minor graphite beds. No assays were filed.

In 1981, Comstate Resources Limited/D. R. Pyke performed airborne magnetic and EM surveys over the South Murphy property as well as completing a small overburden sampling program.

In 1982, Amax Minerals Exploration geologically mapped their claim group although no outcrops were found.

Line cutting, total field magnetics and a VLF-EM survey were conducted by Moneta on the Murphy package in 1987. The underlying rocks were interpreted to be greywackes and argillites with the more conductive area composed of graphite and sulphide beds.

Moneta drilled 15 RCD holes (1,527 ft.) on South Murphy, 37 RCD holes (2,950 ft.) on Goose Lake, and six RCD holes (593 ft.) on North Murphy land packages in December 1988. The bedrock chip samples indicate the area is underlain by argillite and argillaceous greywacke. No significant mineralization was found. A total of 3 diamond drill holes were completed (2,401 ft.).

Moneta also completed an IP survey (1994) and one drill hole (345.5 metres) on the Hoyle portion immediately northeast of the Kidd Creek railroad with no significant results.

West Tisdale

The earliest significant work from assessment file records is from 1932/41 on the Jones/McMahon claims, former patents near the western boundary of the property. A shallow shaft (43 ft.) and several test pits were sunk on a "blue quartz" vein carrying some chalcopyrite and pyrite, striking easterly over some 300 ft. and ranging in width from 1.3 to 4.0 ft. with a steep southerly to vertical dip. Hollinger sampling returned poor results from the shaft and surface sampling (memo 1941). A 1932 memo however documented eight gold samples ranging from trace to 23.9 g/t.

Pamour Mines explored this area from 1981 to 1985, undertaking geological mapping and a geophysical program of VLF-EM and magnetometer surveys, followed by reverse circulation drilling (17 holes, 1,131 ft.) and limited diamond drilling. One RCD anomaly (4,905 ppb) was followed up by one diamond drill hole (501 ft.). No significant gold mineralization was found but the program did confirm the presence of steeply south dipping ultramafic volcanics.

In 1982 and 1984, additional VLF-EM and magnetometer surveys were completed by Esso Minerals, but did not detect probable gold bearing targets.

In 1987, Moneta completed one diamond drill hole east of Hwy 655 intersecting narrow quartz tourmaline veins with minor gold values.

More Recent Project Area Work

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

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

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

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

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

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

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

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

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

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

8.5 Geological setting

Regional Geology

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

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

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

Virtually all of the gold production (70 million ounces) in the area has been from quartz carbonate veins in metavolcanic/metasedimentary rocks and quartz stringers in porphyries north of the Destor in the Tisdale Group. Most of the auriferous veins tend to be controlled by anticlinal fold axis.

Property Geology

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

Target Mineralization

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

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

g/t gold over 1.18 metres including a narrow quartz vein returning 10.0 g/t over 0.22 metres. More recent drill holes along strike to the east and north-south across the greater target stratigraphy returned no significant gold values.

8.6 Exploration Program (2009)

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

The North Tisdale property is currently subject to compilation and a comprehensive review that is expected to delineate target areas requiring drilling to greater depth in 2010. These areas are expected to be found primarily in the central portion of the property where the “New Mine Trend” and its host volcanics are believed to cross-trending west-southwest.

The *West Tisdale* area remains of particular interest from the results of the 2006 IP/mag ground survey. Results indicate a central east-westerly trending series of IP anomalies that appear to be offset by faulting and at the western end and include the historical McMahan shaft and Pentland diamond drill hole. The shaft area has a documented east-west trending quartz vein while the drill hole to the west intersected three “grey zones” and quartz-carbonate veining. Additionally, the historical overburden drilling anomalies are concentrated south of this IP trend.

8.7 Quarry Development

In 2006, public information and stakeholder meetings were held to address the potential impact of the Alaire quarry development. Continued consultations were planned for 2007, but to date there has been no further development or advancement of the project and the option has been returned to Moneta.

9. NIGHTHAWK LAKE PROJECT

9.1 Introduction

The *Nighthawk Lake Project* (“*Nighthawk Lake*”) is found at the eastern end of the Porcupine Camp on Nighthawk Lake immediately south of Hwy. 101 primarily in Cody Township.

The primary focus of Moneta’s exploration remains the *Collins Group*. To-date, in the 1996/7, 2002, and 2006/2007 drilling programs, a total of 6,038 metres of “BQ” and 1,077 metres of “NQ” core has been drilled and several gold intersections of economic merit intersected.

The previously reported 3-hole drill program in 2006/2007 filled data gaps and was successful in intersecting gold mineralization similar to that seen in previous drilling. Analytical results have shown notable variability, but have not diminished the tenor of the gold mineralization and zones. Note that unless otherwise indicated, all drill intersections are drilled widths. Digital geological modelling is underway with the objective of evaluating the potential for a resource given the style of gold mineralization, high gold price, proximity to infrastructure and potentially favourable zone geometry.

Further work has been recommended and is expected to be carried out in 2010.

9.2 Property Description and Location

Moneta’s property is primarily in Cody and Matheson Townships and now consists of both patented (30), leased (6) and staked (113) claim units for a total of 149 (~2,350 hectares) of which 17 are in German Township (Nighthawk Lake East) and not contiguous. All mining rights, except those claims staked by Moneta, are subject to underlying NSRs ranging from 0.5 to 3% with partial buyouts. One patent previously subject to an annual option fee of \$1,000 has been purchased.

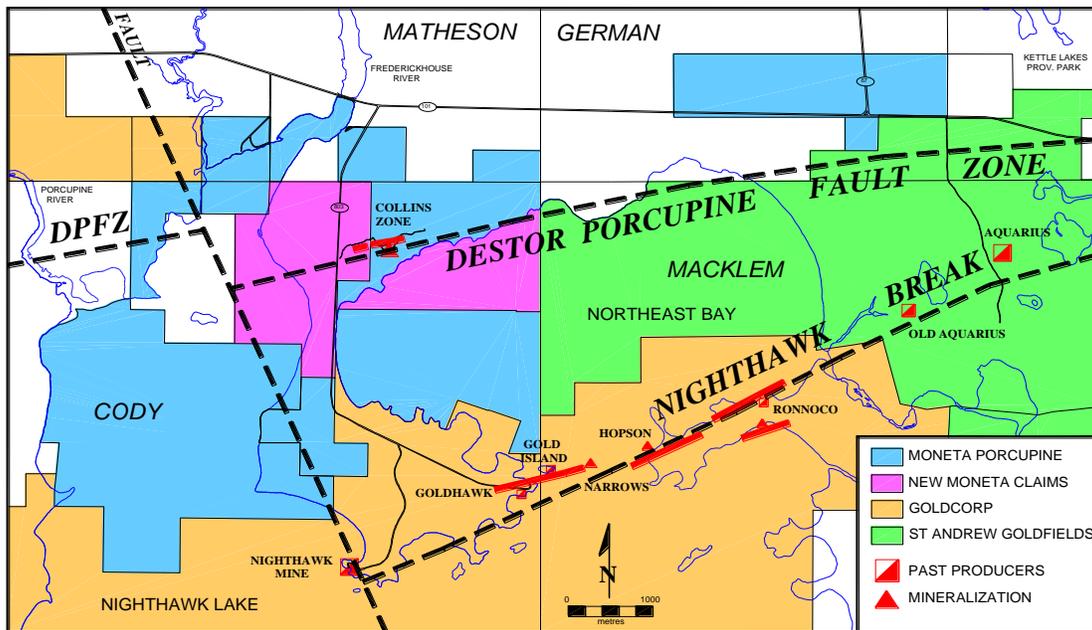


Figure V – Nighthawk Lake Project

Moneta recently acquired a 100% interest in 29 claim units in Cody Township from St Andrew Goldfields. The acquired Cody Township claims as illustrated below, are contiguous to the property and, based on previous drilling, suggest a westerly strike extension to Moneta’s *Collins Zone* by at least 200 metres, increasing the total strike length to 700 metres, with additional untested potential continuing westerly.

9.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

Nighthawk Lake is easily accessible by vehicle and is located within the (greater) City of Timmins approximately 30 km. east along Highway 101 from city centre just past the Frederickhouse bridge, then southerly for 2 km along the Peninsula Road formerly Highway 855. A series of trails and drill roads provides excellent access. Drilling operations are possible throughout the year and some areas are better accessed during the winter although water may be scarce for drilling at that time.

Climate is typical of northeastern Ontario with below freezing temperatures (-5⁰ to -40⁰C) from November to April and brief periods of hot weather in the summer from 10⁰ to 30⁰C. Precipitation averages 80 cm a year, with a substantial portion as snow averaging 2.4 metres.

Topography is generally flat with up to 25 metres of relief due to gullies incised into the bluffs along the shoreline of the northeast bay of Nighthawk Lake. The area is primarily clay overburden covered with local beaver ponds and small steep sided gullies that drain into the northeast bay of Nighthawk Lake. Vegetation is comprised of alder, birch and poplar.

A skilled labour force for mining and exploration is available in Timmins, a major supply and service centre for the mining industry. Communications and power are available along Highway 101 and cell phone coverage extends to the property. Development sites are close by and Moneta is not aware of any environmental liabilities.

9.4 History

Collins Patents

Outcrop in this area is limited to Timiskaming greywacke with minor pebble conglomerate to the north and diabase to the south. Historically, the only reported indication of gold on surface was the discovery of a large boulder of greywacke on the lake shore carrying visible gold. At least two historical exploration programs have been completed on the patents. The bulk of related work took place in the central portion of the patent group (*Wilwood Zone*) just north of the shoreline.

Most historical work ended by 1946 at which time, the Wood-Porcupine Syndicate (1935) had drilled 5 diamond drill holes (1,733 ft) and Wilwood Gold Mines (1937) completed 12 drill holes (4,502 ft.) with an additional program (1945-6) of 14 drill holes (9,949 ft.). This drilling discovered several anomalous gold intersections with two notable intersections, namely 0.12 oz/t over 7.0 ft. and 0.13 oz/t over 3.5 ft. in altered sediments close to, or inter-fingering with the underlying ultramafics. The ultramafics were found to be highly carbonatized with some poorly developed green carbonate and predominately talc-chlorite schist. with several occurrences of narrow highly altered intermediate to felsic intrusives.

Moneta began exploration work in 1996 which consisted of line-cutting and a Real Section IP survey covering the southern portion of the patents testing the sedimentary-ultramafic volcanic contact, the ultramafics themselves, and the area of previous drilling. Several IP sections were completed with a variety of chargeability and resistivity responses. A ground magnetic survey was completed later.

Initial drilling consisted of 3 diamond drill holes (606 metres) to audit the historical geology and results of the Wilwood Zone. Gold was found in the 2 holes drilled to cross both the sedimentary-ultramafic contact and the ultramafics south to the property limit, marked by the main east-northeast trending diabase and a major shear/fault zone with talc-chlorite schist and numerous gouge zones. Best results were from two narrow, weakly altered pyritic greywacke units with minor narrow quartz stringers, inter-bedded with the conglomerate/boulder conglomerate that marks the contact to the ultramafics (1.74 g/t over 1.80 metres including 2.48 g/t over 0.90 metres, 1.78 g/t over 1.37 metres and 1.29 g/t over 1.13 metres). The highest value was 3.05 g/t over 0.51 metres at the hanging wall contact. These intersections appear to correspond reasonably well with the highest historical intersections. Values were also obtained approximately 100 metres to the west in a narrow mafic dyke (1.01 g/t over 0.16 metres) and conglomerate (1.46 g/t over 0.50 metres).

The first phase 1997 program concentrated on the western portion of the Collins Patents where the IP results showed targets, in particular, a resistivity anomaly trending northwest-southeast with an associated chargeability anomaly on the northern flank. A total of 4 holes were completed also testing other IP responses with the strongest reflecting the locally pyritic and chloritic boulder conglomerate at the sedimentary-ultramafic contact.

Best intersections were from an altered intrusive with 5% to 7% coarse pyrite with a value of 3.11 g/t over 2.71 metres, within the fuchsite-altered ultramafic volcanics with 1.37 g/t over 1.02 metres, 1.17 g/t over 1.14 metres and 6.86 g/t over 1.25 metres. An altered intermediate to mafic intrusive returned 2.36 g/t over 2.25 metres and 2.03 g/t over 0.66 metres was found in a brecciated ultramafic in contact with a mineralized intrusive. Within the conglomerate best intersection was 6.0 g/t over 0.59 metres.

The 1997 second phase of follow-up drilling completed 11 drill holes and 3 extensions totalling 2,691 metres. Best results were an intersection averaging 27.3 g/t over 1.80 metres from a moderately well developed quartz-ankerite vein within a section of green-grey carbonate altered ultramafic with 20% quartz veining. Also within the interval is a grey carbonate altered ultramafic locally brecciated with several narrow quartz (ladder) veins and 3% to 5% patchy to banded fine pyrite and minor chalcopyrite blebs. Additional intersections returned 2.17 g/t over 3.43 metres including 4.2 g/t over 1.24 metres from a partially brecciated grey ankerite-altered ultramafic. Significant ankerite and/or green-carbonate/fuchsite alteration zones were in all holes, along with zones of increased brecciation and quartz-veining and elevated gold values in the 0.2-1.0 g/t range.

A third phase of drilling of 3 holes was completed in 1997 totalling 634 metres. One hole (277 metres) was a shared drill hole with Echo Bay Mines, and drilled north-south along the western boundary of the Collins Group.

As part of the past exploration drilling program down-hole surveys with a multi-parameter probe were completed where possible. The prime purpose of this logging was to accurately and digitally survey azimuth and dip of the drill holes. Simple geophysical data was also generated, in particular, magnetic susceptibility, self potential (conductivity and resistivity) and temperature.

The most recent exploration program consisted of a three hole NQ diamond drill program completed in winter 2006/2007 totalling 1,077 metres to fill data gaps from the previous programs. This program added interpretive data for digital modelling to evaluating possible extensions to known gold zones for a more extensive future drill program. Widely distributed gold intercepts greater than 0.25 grams g/t were encountered in all three holes with best intercepts of 2.01 g/t over 9.4 metres which included three short higher-grade zones of 5.77, 4.16 and 7.78 g/t, 2.07 g/t over 3.2 metres and 1.20 g/t over 12.1 metres.

Many additional samples were taken with repeat analyses in order to establish background values and test for lower-grade material primarily from surface down, including sampling of the overlying Timiskaming sediments.

Rio Algom (New Electra) Peninsula Group

This area is contiguous with the *Collins Patents* and consists of several staked claims (Meikle/Anderson Option) and three groups of patents (10) originally optioned from Rio Algom, but now owned by Moneta. The most significant historical work on the patents was a north-south fence of five drill holes (1,713 metres) completed by Pardee Amalgamated Mines in 1946.

Moneta exploration in 1996 consisted of line cutting and a ground magnetic survey on the complete land or peninsula portion of the property. Magnetic responses are muted with several local highs believed to represent north and north-northwest trending diabase dykes.

A single hole (354m) was drilled south to north on the most northerly patent of this group on Nighthawk Peninsula. It extended the 1946 Pardee drill profile to the north and attempted to confirm the historical "visible gold" intersection. A mixture of mafic to ultramafic volcanics and intrusives with minor felsite all with no significant gold values or alteration, were intersected.

In 1997, two IP surveys were attempted/completed on the previously cut grid. Two profiles were completed with poor and inconclusive results hampered by deep clay overburden. Subsequently a Real Section IP survey was completed over the southern 2/3 of the peninsula land package with weak but interpretable results. Several low-priority targets were outlined which remain to be drilled.

Two drill holes (393 metres) were completed on the basis of the magnetic survey and a preliminary IP interpretation with no significant results.

Eastern Group

In 2002, one drill hole (154.3 metres) was completed on the Eastern Group of claims (now 17 claim units) which start immediately northeast of the Collins Group and continue along Hwy 101 for four miles to Hwy. 67. This hole was drilled northerly and located just south of the highway intersection and no significant results were obtained.

9.5 Geological Setting

Regional Geology

The Nighthawk area geology consists predominantly of a variably altered ultramafic volcanic unit of the Tisdale Group that strikes east-southeast parallel to the regional trend as defined by the Destor Porcupine Fault Zone the main regional structure. The ultramafics are typically talc-chlorite schist with local carbonate to green carbonate alteration and in Destor contact with overlying Timiskaming sediments. To the south, the talc-chlorite schists are separated from a belt of altered mafic volcanics of the Deloro Group by the Nighthawk Break striking 070. The sediments, talc-chlorite schists and the mafic volcanics have all been intruded by albitite dikes, altered and unaltered mafic intrusives, and feldspar and quartz-feldspar porphyries.

Property Geology

The *Collins Patents* covers rocks of the immediate hanging wall of the Destor where it dips moderately to the north with an east-west strike. Numerous high angle cross faults striking north-northwest are thought to cut across the main structure.

The northernmost lithology consists of Timiskaming sediments ranging from greywacke to conglomerate/boulder conglomerate that dips to the north at a fairly shallow angle (40-50 deg. East). The sediments overlie a sequence of ultramafic volcanics which host a major diabase dyke (070°) to the south. The ultramafics have undergone moderate to intense degrees of alteration and deformation and form part of the Destor. Talc-chlorite alteration predominates along the hanging and footwall margins (diabase dyke) of the ultramafic unit, gradually grading into a central zone of increasing quartz-ankerite alteration. Within the core of the alteration zone, green carbonate and fuchsite predominate. Sulphide mineralization ranges from large isolated pyrite cubes and anhedral patches within the talc-chlorite zone to 1 mm. stringers along fractures and the margins of quartz veins within the fuchsitic alteration. Patchy disseminated sulphides occur up to 1%.

The basal sedimentary and diabase dyke contacts appear sub-parallel to the east with some suggestion that these contacts diverge to the west, where the dip of the diabase dyke appears to steepen significantly so that the overall volume of the ultramafic package increases. The grey-carbonate to fuchsitic (green carbonate) alteration zones, within the ultramafics, appear to more closely follow the overlying sedimentary contact trend than that of the diabase dyke. The divergence from east to west significantly increases the thickness of the talc-chlorite footwall. A step-out hole completed by Echo Bay 200 metres west of the shared hole confirmed this analysis and also intersected a deeper but much narrower alteration zone.

The *Collins Zone* is a sub-cropping shallow north dipping mineralized zone trending east-westerly and open to the west, but may be pinched-off to the east where it encounters the northeast-trending diabase dyke. The dip of the ultramafics is inconclusive, with either a sub-vertical or shallow north dip indicated. Thus the gold potential within the volcanic package may only be limited along strike but not by dip.

Altered intermediate to mafic dykes (albitites) occur within the ultramafic volcanics, and generally carry the most concentrated sulphides and often return the highest gold values within and in the immediate surrounding alteration zone. These dykes may be following a late north to north-northwest faulting trend that occurs throughout the area. Similarly a 110° orientation has been noted in the area. The Aquarius interpretation is believed reflective for the area as well.

To the south, the Nighthawk break is a major Destor splay that strikes at 070 degrees and is the common structure for much of the gold mineralization defined to date in this gold camp. The western end of the Nighthawk break is anchored by the Nighthawk Lake Mine (in production under Pamour/Royal Oak) followed by numerous gold zones including Goldhawk, Narrows, Hopson, and Ronnoco, (Porcupine Gold Mines/Goldcorp) to the east and all of economic interest, ending with the Aquarius and Pominex deposits (St Andrew).

9.6 Exploration Program

In 2009 a 5.7 km grid was established and an IP survey completed on the western most portion of *Nighthawk Lake* East claims. Although the overall IP responses were subtle, and to some extent attributable to thicker overburden, a deep broad weak conductive zone corresponding to a build up of resistivity values was identified. Follow-up deeper reaching IP (wider electrode spacing) may be warranted.

No work was completed on the main property in 2009.

10. DENTON THORNELOE PROPERTY

10.1 Introduction

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

Although known primarily for its two historical nickel zones discovered by Hollinger in 1958-60, a gold exploration strategy is being developed given its location along the Destor and documented veining, strong shearing and alteration. Several anomalous gold values were intersected in past Hollinger and Falconbridge drilling that focused on nickel mineralization.

The recently completed IP program in combination with the historical ground magnetic survey has effectively mapped the property geology and generated several priority targets potentially relevant for gold mineralization.

10.2 Property Description and Location

The *Denton-Thorneloe* property consists of a 16 claim unit mining lease running east-west over 3.2 kilometres located 40km southwest of Timmins. The lease covers an area of 281.63 hectares and has recently been renewed for a 21 year term.

10.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is located 40km southwest of Timmins with excellent access by gravel/sand road running westerly from Hwy. 144, only 800m away from the eastern boundary. Numerous logging roads cross the property. Although not direct and historical, additional access is possible from the north and northwest. Exploration, including drilling operations, is possible throughout the year although some areas are better accessed during the winter.

The property is primarily north of the Tatachikapika River which cuts the extreme southeast corner. To the west Cripple Creek cutting the extreme southwest corner and Mahoney Creek cuts north-south splitting the western third of the property. The drainages provide the only significant relief having eroded moderately steep to steep sided watercourses draining local swampy areas. The remaining property is well drained and primarily sand covered with a general increase in elevation to the north. Overburden depths range from nil (outcrop) to approximately 25 metres (drilling). Significant mature timber is found on the property consisting of a mixture of pine, spruce, aspen, birch and poplar with local cedar and alders.

Climate is typical of north-eastern Ontario with below freezing temperatures (-5⁰ to -40⁰C) from November to April and brief periods of hot weather in the summer from 10⁰ to 30⁰C. Precipitation averages 80 cm. a year, with a substantial portion falling in the form of snow averaging 2.4 metres per year.

A skilled labour force for mining and exploration is available in Timmins, a major supply and service centre for the mining industry. Communications and power are available along Highway 144. Potential milling, tailings and disposal sites are already available should future development take place.

10.4 History

Exploration to date has focused on nickel mineralization and its immediate host volcanic stratigraphy dominating the northern half of the property.

Work by Hollinger between 1958 and 1960 included geological, ground magnetic / EM surveys, and 14 drill holes (1,746m) and resulted in the discovery of two narrow zones of nickel mineralization. Additional work in 1966 and 1967 over select portions of the property included ground magnetic and HLEM surveys with an additional 8 holes (922m) drilled.

In 1988 Goldfields Canadian Mining Ltd. Undertook a property review and selective re-sampling (20) of the historical Hollinger core filed in the core library. From 1991-92 Falconbridge Ltd. (Xstrata) established a property wide grid and completed B-horizon soil/humus geochemical, ground magnetic, and MaxMinII surveys with follow-up drilling of 4 holes (870m).

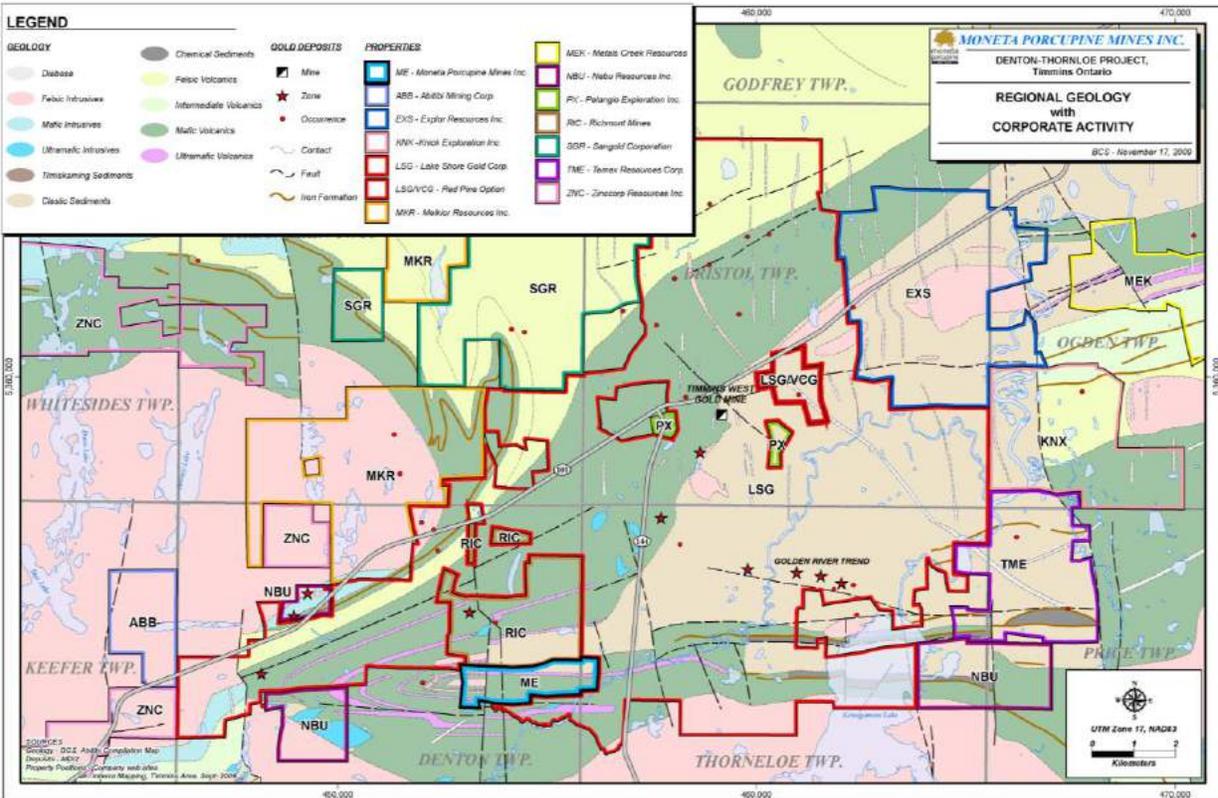


Figure VI – Denton-Thorneloe Project, West Timmins

10.5 Geology

The property is dominated by east-west trending volcanics and sediments, and north-south trending diabase dykes. Interpreted geology is based on diamond drill hole data supplemented by geophysical survey data. Outcrop exposure on the property is very limited. Two small outcrops of sediments dipping both north and south and striking east-west to west-northwest are located near the west northern boundary. Andesitic volcanics with a quartz vein and diabase occur in a cluster of outcrops east of Mahoney Creek near the southern boundary. A larger outcrop area is in the extreme southwest property corner consisting of diabase and andesite tuff locally silicified and with quartz veining. Schistosity is strongly east-west with generally steep north dips (60° to 85°). Similar outcrop is about halfway along the south boundary. The absence of outcrop and complex structure make stratigraphic relationships difficult to model from drill data alone.

The eastern and northern portion of the property appears to be dominated by komatiitic flows, felsic metavolcanics and banded iron formations with minor graphitic argillite. The presence of iron formation is particularly evident from the higher magnetic responses for this portion of the property. It also hosts the known nickel mineralization. Historical Hollinger drilling in the northwest of the property west of Mahoney Creek, intersected similar rocks excluding iron formation. Stratigraphy consists of alternating rhyolitic tuffs locally carbonaceous, chloritic, or sericitic, and variably altered ultramafics, with occasional syenite (dykes?). Overall sulphide was found to sparse and no significant nickel or gold values were found.

At least two narrow peridotitic units have been identified in diamond drill core by Hollinger. These dip 50 to 70° to the north and are schistose in nature. Many of the units, referred to by Hollinger as "chlorite schist derived from a mafic volcanic", appear to be pyroxenitic komatiites or komatiitic basalts. In the vicinity of the two nickel zones the position of the mineralization suggests tops are to the north. Abundant quartz, quartz-carbonate, and carbonate generally medium (<2.0 ft. dw) to small scale (<0.5 ft. dw) veining/stringers as well as highly variable sulphide (pyrite, chalcopyrite, and pyrrhotite) are noted throughout the drill records.

The structure of the property is known to be very complex with the rocks commonly strained, sheared, and refolded. The individual komatiitic flows vary in thickness, from metres to a maximum of 30 metres and may have been significantly structurally attenuated. The variation in thickness and the above structural observations may reflect tight isoclinal folding, thrusting, or a combination of the two. The northerly dips of all the units is consistent with an overturned isoclinal fold with an east to west trend.

Younger faults are indicated by offsets in the magnetic data trends and suggested by topography, have strikes of ranging from NE to NW, and are assumed to be steep dipping.

Mineralization

Gold

The historical exploration of this property has not been for gold mineralization, although the original and more regional work by Hollinger was gold orientated. In the course of this exploration the 2 nickel zones were discovered which then became the focus of all future work and as such gold data is generally limited to these areas. Hollinger routinely assayed for gold given the abundant veining in the tested stratigraphy with few historical hits.

More recent gold values are from Falconbridge drilling intersected anomalous values in a mixed quartz-carbonate vein zone/iron formation interval containing 2 veins over 2.2m and 0.8m drilled width near the end of the hole.

Nickel

The two nickel zones (East and West) found by Hollinger are 1.2km apart and hosted by peridotite associated with komatiites overlying oxide to sulphide facies iron formation. Mineralization consists of high grade massive but narrow sulphide intervals.

The *East Zone* has been tested with 7 Hollinger drill holes (DT-4, 7 to 9, 18, 33, 37) over approximately 125 metres strike and only 80 metres vertical depth excluding DT-18. All holes intersected nickel mineralization with the highest grade intersection recorded (DT-4) grading 17.92% Ni over 0.25metres. The current drilling has not closed the zone along strike or down dip. The sulphides are fine grained, semi-massive and are potentially remobilized based on historical core. Additional drilling was completed immediately to the south (DT-5, DEN46-02) and to the north (DT-34). Hole DT-34 was drilled from the same collar as DT-18 at -72°. Falconbridge drill hole DEN46-02 failed to intersect any anomalous nickel values although komatiitic units were present.

The *West Zone* is historically defined by 7 Hollinger holes (DT 15-17, 28-32) that intersected nickel mineralization over approximately 200 metres strike and to a depth of approximately 80 metres vertical with the best intersection recorded being 7.85% Ni over 0.1m (DT-15). Significant disseminated mineralization of 0.47% Ni over 5.7m (DT-29) was intersected at the base of a peridotite flow. West Zone sulphides are both disseminated and semi-massive. Drilling by Falconbridge (DEN45-01) intersected the mineralized zone some 60m below Dt-15 returning 4.16% Ni over 0.20m from the base of a thicker komatiitic flow overlying footwall felsic volcanics. Sulphides were found to be fracture controlled and semi-massive (pentlandite with millerite) similar to that described by Hollinger.

Hollinger also drilled a single hole (DT 6) approximately halfway between the two nickel zones on an EM anomaly intersecting barren sulphide mineralization associated with iron formation, and an ultramafic unit (DT 36) in the northeast of the property with anomalous nickel values to 0.15%. On strike some 200 metres to the west, Falconbridge hole THOR41-01 tested further south intersecting iron formation with anomalous gold mineralization in a vein zone interval.

10.6 Exploration

In Q4 2009, Moneta carried out line cutting refurbishing (31.5 line kilometres) the Falconbridge grid and completed a pole-dipole IP survey (N=6) on the property. Several zones of interest were delineated and lithology mapped.

The geophysics and drilling to date indicate continued potential for economic nickel mineralization as well as untested gold potential. Comprehensive modeling of all the data, and potential additional IP for detailing and depth definition of some anomalies is underway. Follow-up exploration including drilling is in the planning stages for 2010.

11. KAYORUM PROPERTY

11.1 Summary

The *Kayorum* property is found within the City of Timmins and is located immediately south and southwest of the Hollinger Mine site and includes the former Moneta Mine (Fig. IV under North Tisdale). Since 1990, several exploration programs have been completed under option agreements with Cogema, Cameco, and Placer Dome (Goldcorp).

The adjacent Hollinger Mine project is currently in a permitting and feasibility stage for the development of 3 open pits by Goldcorp based on a 2006 combined inferred and indicated resource of 4.38Mozs using \$603.75 CAN/oz and a cutoff of 0.64g/t. Exploration drill programs have identified several underground mining opportunities for both the Hollinger and McIntyre mines that are being evaluated.

11.2 Property Description and Location

The *Kayorum* property consists of 46 patents and 6 leased claims totalling 52 claim units located immediately south and southwest of the Hollinger mine and is a consolidation of several historical properties. The property is split ~70:30 by the east-west township boundary between Tisdale and Deloro Townships. The former Moneta Mine (314,829 tons @ 0.47 oz/t for 149,250 ozs.) occupies the northwest portion of the property.

11.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is readily accessible year round being within the urban infrastructure of the City of Timmins. It is predominantly covered by a golfcourse and the historical Hollinger tailings pond. There are no environmental liabilities with either. The northeast portion is locally rugged with abundant outcrop while the south is elevated due to the Hollinger tailings site. There are no significant exploration restrictions.

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

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

11.4 History

Previous work on the property is extensive, dating back to the early 1900's focused on the northern (Mace) and northeastern (August Porcupine) part of the property, and includes underground development on the Alma Vein in 1916. Subsequent drill programs through to 1990 were generally shallow, testing the extent of the Alma Vein, various geophysical anomalies and surface showings on the property, as well as 'condemnation' holes in the south-west part of the property where the Hollinger tailings were deposited. Most of the significant assays are from holes in the northern part of the property and are associated with quartz stringers in pyritic and carbonate altered massive mafic flows. Since Moneta's ownership of the property, a total of three significant option programs have been completed starting in 1990 with Cogema, followed by Cameco (1998) and Placer Dome (Goldcorp) in 2003, as well as sole risk work by Moneta (1994). Much of the more recent drilling has been in the north eastern or August Porcupine portion of the property.

On the August Porcupine claims the Triumph shaft was sunk at -62° on the Alma vein in 1916. 45 metres of lateral development was carried out on the 100' level and 95 metres on the 300' level. There are no records from three underground holes. The Alma vein consists of two overlapping parts with the western portion striking 100° and is a 15 metre wide, 115 metre long zone of extension veins with individual veins striking north and flat dipping. The western portion is not gold-bearing. The eastern portion is a single blue quartz vein 5 to 20 centimetres wide that was traced over 170 metres. It swells to 6 metres wide, is folded and auriferous on the east end where it averaged 20.6glt Au over 0.5m along a 35metre strike.

On August Porcupine extensive trenching, power stripping and test pitting were completed between 1923 and 1952. Significant and multiple intersections (given as \$-value over feet drilled) were obtained in five of the 12 drill

holes completed by Porcupine Success Gold Mines in 1923 and 1924 including 6.5 g/t over 2.0 m, 4.3 g/t over 15.9 m, 10.4 g/t over 2.4 m, 5.2 g/t over 6.1 m (all from hole 1923-5), and 9.1 g/t over 1.2 m (hole 1923-7). Details of these holes are missing.

Twenty-eight drill holes were completed by Hollinger (Kayorum Gold Mines) on the Kayorum claims in 1937, believed to be primarily condemnation drilling for the Hollinger tailings. No significant gold values were obtained except for a 0.45 metre interval within Krist Formation felsic volcano-clastics that ran 32g/t Au (DDH K-2). Gold values of 1 g/t to 11.7 g/t Au over 0.3 metres were obtained in carbonate zones and veins within mafic flows and interflow graphites in seven of the twenty-eight holes drilled.

Porcupine Gold Mines Limited drilled 851.5 metres in 8 holes in 1938 on the South Goldtop claims in the eastern central portion of the property. Six holes targeted on the projected intersection of a northwest striking zone of strong foliation with the "99 Flow" and 2 were lost in overburden. The others intersected mineralized carbonaceous argillite on the flow contacts with no significant gold values but 3 holes cut ankerite alteration zones within Central Formation mafic volcanic flows. One hole intersected 1.5 g/t Au over 0.3 metres where quartz veinlets were present in the altered rocks.

August Porcupine Gold Mines Limited drilled five holes totaling 1,503.4 metres in 1945. Four of the five holes were drilled as a north-south fence along the centre line of the August Porcupine claims. No assays are available for any of the holes.

In 1975, Northrim Mines drilled four holes totaling 1,023.2 metres, on August Porcupine in the vicinity of the Alma vein (Triumph Shaft).

On the Meunier-Ristimaki claim west of August Porcupine and formerly known as the North Goldtop claim, one 41.5 metre hole was drilled by Meunier in 1978 intersecting minor quartz-carbonate veinlets and pyrite in mafic volcanic rocks. No assays are reported.

Three short holes were drilled on the South Goldtop claims in 1987. They intersected carbonatized mafic volcanic rocks hosting minor pyrite and quartz-carbonate veinlets. No assays were reported.

Peter Island Resources drilled 1,068.3 metres in three holes in the northeastern claim of the August Porcupine block in 1988. T-88-1 intersected several intervals of anomalous gold values associated with quartz-carbonate veins 1.4 g/t Au over 0.3 metres and 1.0 g/t Au over 3.9 metres. T-88-2 and T-88-3 intersected much lower values.

In October 1990, Cogema Canada Ltd. optioned the property. Orthogonal grids at azimuth 070° and 160°, and 50 metre line spacing, were cut followed by VLF-EM, HLEM and magnetometer surveys on 100 metre line spacing. Detailed geological mapping and lithogeochemical sampling were completed as were IP and gravity surveys over selected areas. Follow-up linecutting, IP, gravity, magnetics and VLF-EM were finished on the Kayorum 92 grid located on the historic Mace and August Porcupine properties in 1992. Cogema drilled 11 holes totaling 4,369 metres on the Kayorum '92 grid in 1992. These holes targeted a coincident gravity-I.P. trend on which a cluster of anomalous lithogeochemical Au and As values occurred. All holes returned anomalous gold values in the 20 to 200ppb range and anomalous arsenic values in the 20 to 400 ppm range. Drill hole KAY-2 intersected 6.17 g/t Au over 3.0 metres in a zone of quartz veinlets and 2 to 15% pyrite in this northwestern trending shear and alteration zone in a massive mafic flow. The property was returned.

In 1994 Moneta Porcupine drilled 927 metres in four holes. KAY94-12A was drilled beneath zones of carbonate alteration and quartz-carbonate veins 150 metres south of the North Thompson (Vipond Mine) Shaft. Locally carbonatized mafic volcanic rocks hosting quartz-carbonate veins with no significant gold values were intersected. KAY94-13 was drilled to test a Cogema IP anomaly in the southeast corner of the Mace claims intersecting up to 5% disseminated pyrite in variably carbonatized and sericitized mafic volcanics without significant gold values. KAY94-14 also tested a Cogema IP anomaly intersecting Krist Formation heterolithic volcanoclastic rocks with several narrow interbedded carbonaceous argillite units as the source of the IP anomaly with no significant gold values. KAY94-15 was drilled on the south side of the Hollinger tailings 200 metres east of where drill hole K-2 (1937)

intersected 32 g/t Au over 0.45 metres. Several narrow quartz-carbonate veins were intersected, but without significant gold values.

Cameco undertook an extensive program in 1998-1999 completing IP surveys, compilation work, field mapping and sampling, as well as diamond drilling 7,151m in 14 holes primarily in the northeastern portion of the property. This program was the first time 'deep' drilling (i.e. 1000m holes) was undertaken on the property, demonstrating that Central Formation Flows, host to the adjacent Hollinger and McIntyre Mines, are present at depth beneath the Vipond Flows, and that favorable alteration mapped at surface extends to depth. Anomalous gold values and alteration zones (ankerite, albite, sericite) in target stratigraphy and structures were intersected. Scattered values include 193 g/t over 0.30 metres (VG in KAY98-02), 2.2 g/t over 0.25 metres (KAY98-01) and 1.95 g/t over 1.0 metre and 1.9 g/t over 0.9 metres (both KAY99-07B). Additional deep targets were proposed.

Placer Dome (Goldcorp) as the operator of the Porcupine Joint Venture optioned the property in 2003 commissioning a detailed structural review, completing a gravity survey, and undertaking 4,177 m of diamond drilling in 5 holes. The previously identified (Cogema) northwestern trending shear and alteration zone was tested to depth returning 6.76 g/t over 0.75 metres and 9.27 g/t over 0.75 metres (KY03-02). Other results were 1.24 g/t over 1.0 metre (KY03-05). Holes KY03-01 and 03 were drilled to test the gravity low in the southeastern portion of the property potentially reflecting a porphyry but intersected only central formation volcanics. Follow-up work was proposed, however the option was terminated.

11.5 Geology

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

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

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

11.6 Exploration

No work has been completed on the property since the Placer Dome JV ended in 2003. The advancement of the Hollinger Pit project has renewed interest in the property and a comprehensive review is to be undertaken in 2010.

PORCUPINE CAMP: OTHER PROPERTIES

Potter Stock property (joint venture)

Geodex Minerals Limited ("Geodex") and Moneta each hold a 50% interest in a small claim group and completed a 360 metre drill hole in Q4 2008 intersecting variably altered granodiorite with no significant assay results.

12. CAPITAL STRUCTURE

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

The issued and outstanding share capital consists of 126,690,027 Common shares.

13. MARKET FOR SECURITIES

Moneta common shares trade through the facilities of the TSX (ME), as well as the Berlin Stock Exchange (MOP) and the Frankfurt Stock Exchange (MOP). Moneta's share trading on the Toronto Stock Exchange for 2009 is presented in the table below:

Month	Price Range		Volume
	High	Low	
January	0.10	0.06	98,000
February	0.13	0.08	104,400
March	0.12	0.09	76,400
April	0.11	0.07	50,200
May	0.12	0.08	47,600
June	0.19	0.10	70,000
July	0.18	0.13	43,100
August	0.18	0.14	56,700
September	0.18	0.15	42,800
October	0.20	0.15	143,600
November	0.35	0.18	614,200
December	0.44	0.27	480,400

14. DIRECTORS AND OFFICERS

The following are Moneta's officers and directors:

Name, Place of Residence and Position with Corporation	Principal Occupation	Period Served as a Director	Common Shares Beneficially Owned or Controlled
ALEX D. HENRY, C.A. ⁽¹⁾⁽²⁾ Toronto, Ontario Director	Chartered Accountant and a Principal of Hampton Metrix - Capital Partners Inc.	Since 6/24/2005	1,920,000
Warren Bates, P.Geo. ⁽²⁾ Toronto, Ontario, Director	Senior Vice President, Exploration of Pelangio Exploration Inc.	Since 6/16/2009	88,235
CHARLES PARSONS, FCA ⁽¹⁾⁽²⁾ Brinkworth, Wiltshire, England Director	Chartered Accountant and Chief Executive Officer of EastWest Timber AS	Since 6/14/2004	305,000
Ian C Peres, CA Toronto, Ontario CEO / CFO and Director	Chief Executive Officer and Chief Financial Officer	Since 8/7/2008	3,357,222
Dr. K Sethu Raman, Ph.D. ⁽²⁾ Toronto, Ontario Director	Independent mining consultant	Since 1/05/2010	1,500,000
ROD WHYTE, BA, B.ECON London, England President and Director	Natural resources financier	Since 7/6/1994	3,540,000

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Independent Director

Other information, including information on the remuneration of senior executives and interests of insiders in material transactions are presented in the 2008 Management Information Circular available on SEDAR.

15. LEGAL PROCEEDINGS

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

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

16. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company recorded fees of \$416,703 (December 31, 2008 - \$289,739) to related individuals and companies controlled by directors, officers and consultants for the year ended December 31, 2009. The fees were for management and consulting services provided to the Company under ongoing contracts for Ian C. Peres (President & CEO), Roderic Whyte (Chairman), and Rainer Skeries (Exploration Manager). All related party expenditures were in the normal course of business at the exchange amounts.

Stock options with an aggregate Black Scholes valuation of \$201,880 (2008 - \$385,576) were issued to directors, officers or consultants during the year ended December 31, 2009.

17. TRANSFER AGENTS AND REGISTRAR

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

18. MATERIAL CONTRACTS

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

19. INTERESTS OF EXPERTS

George Cargill, Ph.D., P.Eng., of Cargill Consulting Geologists Limited, is the author of the technical report on the "Windjammer Project, Michaud and Garrison Townships, Ontario", published on SEDAR on July 28, 2008.

Sievert & Sawrantschuk, LLP are the independent auditors of the Company.

SRK Consulting, of Toronto, Ontario provides services related to structural geology to support the Company's exploration efforts.

Stikeman Elliott, LLP of Toronto, Ontario act as legal counsel for the Company.

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

20. GLOSSARY OF TECHNICAL INFORMATION

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

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

The term “**mineral resources**” means a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. A “**measured mineral resource**” is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. An “**indicated mineral resource**” is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from location such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An “**inferred mineral resource**” is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

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

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

Albite – A plagioclase sodium feldspar.

Alkalic - Containing either sodium or potassium.

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

Andesite – Igneous rock of intermediate composition.

Ankerite - An iron rich carbonate mineral.

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

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

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

Au – Chemical symbol for the element gold.

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

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

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

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

Carbonate - Mineral calcium carbonate (CaCO₃) and often a rock composed principally thereof.

Chalcopyrite – Copper iron sulphide (CuFeS₂).

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

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

Collar - The top of a drill hole.

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

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

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

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

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

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

Epithermal - A hydrothermal deposit formed close to surface at low temperature and pressure.

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

Fe - Chemical symbol for the element iron.

Feldspar - A group of common aluminosilicate minerals.

Felsic - Igneous rock composed principally of feldspars and quartz.

Fluvial/fluvialite - Sedimentary material found in river beds.

Fold - Bend in strata or any planar structure.

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

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

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

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

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

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

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

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

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

Gold – A heavy, soft, ductile, malleable precious metal used in jewelry, dentistry, electronics and as an investment.

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

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

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

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

Hectare - A square of 100 metres on each side.

Hematite - Black to reddish brown, non-magnetic iron oxide (Fe₂O₃).

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

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

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

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

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

Ironstone - A sedimentary rock containing a substantial proportion of iron.

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

JV/Joint venture - business arrangement usually between companies that defines each parties vested interest in an asset.

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

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

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

Magnetite - Black, magnetic iron ore, an iron oxide (Fe_3O_4).

Mapping - The art and science of recording geological observations on a map.

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

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

Mg - Chemical symbol for the element magnesium.

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

Molybdenite - Molybdenum sulphide (MoS_2)

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

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

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

Orogen/Orogeny - Deformation of a belt of rocks through folding and faulting, in many places accompanied by metamorphic and intrusive rocks that form mountains/the process of mountain building.

Outcrop - An exposure of bedrock at the surface.

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

Plunge - The vertical angle an ore body makes between the horizontal plane and the direction along which it extends, longitudinally to depth.

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

ppb - Concentration in parts per billion.

ppm - Concentration in parts per million.

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

Prospecting - The art and science of searching for mineral deposits.

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

Pyrite - Iron sulphide mineral (FeS_2).

Pyroxene - A calcium/sodium ferromagnesium silicate.

Pyrrhotite - A magnetic iron sulphide mineral (FeS).

Quartz - A mineral composed of silicon dioxide.

Rhyolite - Igneous rock of felsic (silica rich) composition.

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

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

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

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

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

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

Siliceous - A rock rich in silica.

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

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

Soil Sampling - Systematic collection of soil samples from a series of different locations in order to study the distribution of its geochemical composition.

Specific gravity - The density of a substance relative to the density of water.

Splay - Branch of a fault.

Stockwork - A local higher density of veins/stringers at numerous orientations

Strike - Direction or trend of a geologic structure.

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

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

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

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

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

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

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

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

Unconformity - A surface of erosion that separates younger rocks from older rocks.

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

Volcanic - Descriptive of rocks originating from volcanic activity.

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