



MONETA PORCUPINE MINES INC.

Annual Information Form

For the year ended December 31, 2011

This Annual Information Form ("AIF"), for Moneta Porcupine Mines Inc. ("**Moneta**" or the "**Company**"), is prepared with an effective date of March 29, 2012, 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.

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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.

This AIF should be read in conjunction with the previous 2010 AIF for additional information.

2 HISTORICAL RESOURCE ESTIMATES

Moneta is not treating historical resource estimates as current mineral resources as defined by National Instrument 43-101 ("NI 43-101") as a "qualified person" has not done sufficient work to classify the historical resource estimate as a current mineral resource. Accordingly, the historical resource 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")) originally incorporated pursuant to the laws of the Province of Ontario to hold the former 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 holds a 100% interest in 5 core gold and 4 base metal projects all within the Abitibi Greenstone Belt in Ontario and Quebec with excellent infrastructure including access roads, water, electricity, and mills. The gold projects are strategically located on or along the Destor Porcupine Fault Zone (“Destor”), one of the key structural features in the Abitibi Greenstone belt in Ontario. The Destor is associated with most of the historic gold production in the region, including significant producing gold mines now operated by Porcupine Gold Mines (Goldcorp), Lake Shore Gold, Brigus Gold, and St Andrew Goldfields.

Moneta’s land position is one of the best, and is the fourth largest, in the world class Timmins Camp – after three gold producers – including a commanding position in the emerging Golden Highway Camp with cumulative 3.1 million ounces of gold resources (all categories) in three main zones defined to date (Southwest Zone, Windjammer South, 55 Zone).

Moneta’s exploration strategy is based primarily on sole-risk exploration of its major properties and away from joint ventures with other parties. Exploration expenditures over the last three years have been \$5,094,039 in 2011, \$4,872,803 in 2010, and \$2,230,952 in 2009, reflecting a significant increase in sole-risk activity with a focus on advancement of the Golden Highway Project.

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

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

- On March 27, 2012, Moneta completed an equity financing by issuing 10,000,000 common shares at \$0.30 per share for gross proceeds of \$3,000,000.
- On January 16th, 2012 Moneta filed on SEDAR a NI 43- 101 resource estimate and preliminary pit modelling for the Southwest Zone, Windjammer South, and 55 Zones. Results were previously released December 1st 2011 by press release. P&E Mining Consultants Inc. (“P&E”) calculated a near-surface NI 43-101 resource of 1,071,000 indicated (@ 0.99 g/t) and 2,069,000 (@ 1.35 g/t) inferred ounces of gold. This includes both “in-pit” and “out-of-pit” resources for the three zones.
- In April 2011, the agreement between Moneta and Amador Gold Corporation (“Amador”) went into default and subsequently was cancelled with arrangements to return the properties to Moneta completed in January 2012. The original agreement with Amador was entered into and announced in March 2008, covering 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.
- In March 2011, the Company issued 11,428,571 common shares on a structured flow-through basis at \$0.49 per share for aggregate gross proceeds of \$5,600,000 and 2,857,143 common shares at \$0.35 for aggregate gross proceeds of \$1,000,000. The financing has been completed on a ‘structured’ charity flow-through basis whereby two hard dollar institutional investors held the full 14,285,714 common shares for \$6.6 million upon closing of the financing.
- In October 2010, Moneta completed a non-brokered private placement financing (“Placement”) and issued 7,500,000 Units at \$0.20 per Unit for aggregate gross proceeds of \$1,500,000. Each Unit was comprised of a one common share and one common share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase one common share at an exercise price of \$0.35 for a term of eighteen months following the closing of the Placement;
- 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. 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;

- 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. 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.

4.1 Significant Acquisitions

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

Moneta owns a 100% ownership interest in the *Golden Highway Project* since December 2009 when the Company acquired the remaining 50% ownership interest, with no underlying encumbrances, from its former corporate partner in the now dissolved Michaud Joint Venture.

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 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.

5 DESCRIPTION OF THE BUSINESS

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

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

Moneta's primary focus is gold exploration in Porcupine Camp and Golden Highway Camp (collectively referred to as "**Timmins Camp**") is one of the most prolific gold-producing areas in the world with over 72 million ounces of gold produced primarily from some 26 mines, each of which generated more than 100,000 ounces.

Moneta holds a 100% interest in 5 core gold projects strategically located on or along the Destor Porcupine Fault Zone (“Destor”), one of the key structural features in the Abitibi Greenstone belt in Ontario, with excellent infrastructure including access roads, water, electricity, and mills. 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, Brigus Gold, and St Andrew Goldfields.

Moneta’s land position for gold exploration is one of the best, and is the fourth largest, in the world class Timmins Camp – after three gold producers – including a commanding position in the emerging Golden Highway Camp with 3.1 million ounces of gold resources (all categories) in three main zones (southwest Zone, Windjammer South, 55 Zone).

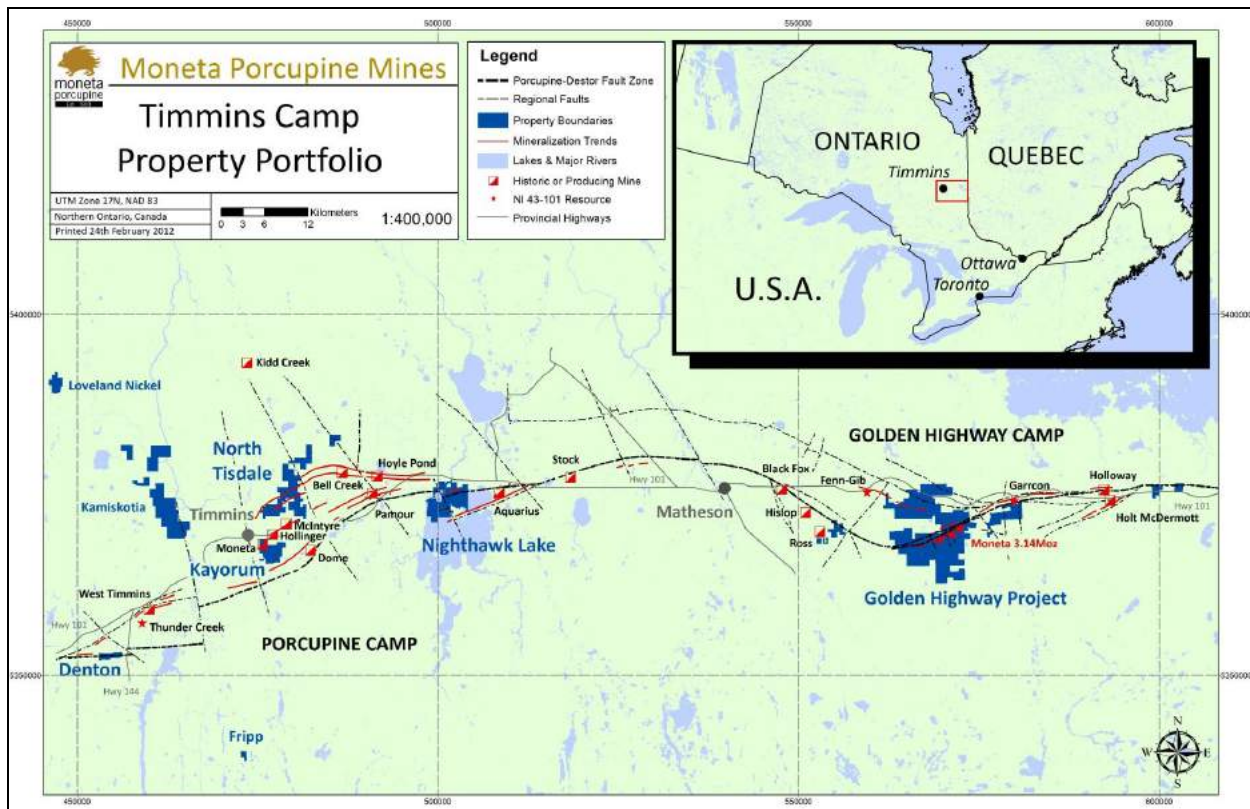


Figure I: Moneta’s Key Gold Exploration Properties

6 PROPERTY SUMMARY AS AT DECEMBER 31, 2011

Moneta has interests in 1,271 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 unsurveyed and out of province townships may be larger or smaller than the standard 16 hectares (40 acres).

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

The Company’s gold projects are located in the *Porcupine Camp* and *Golden Highway Camps* (see Figure I above). Base metal properties in the *Porcupine Camp* include Kamiskotia (Zn-Cu), Fripp (Cu), and Loveland Nickel (Ni-Cu), all formerly under agreement to Amador Gold, as well as the Kelly Lake (Ni-Cu-PGM) deposit near Belleterre,

Quebec.

Only the *Golden Highway Project* includes certain non-core joint ventures. All claims are 100%-owned by Moneta except for the properties subject to joint venture agreements, all of which have vested. These are various participating interests with St Andrew Goldfields including the 2 part *Garrison* (Moneta 50% / St Andrew 50% on staked and Moneta 8.78% / St Andrew 91.22% on patented units) and *Barnet* (Moneta 50% / St Andrew 50%) joint ventures, the *Dymont 3* joint venture (Moneta 75% / St Andrew 25%), the *Guibord* joint venture (Moneta 25% / St Andrew 75%), and 2 eastern patent groups in Holloway and Marriott Townships (Moneta 17.56% / St Andrew 82.44%).

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 anniversary cycle.

6.2 Drilling, Sampling, Analysis and Security

Drilling in 2011 totalled 25,210 metres and was carried out by Bradley Bros. Drilling (Timmins and Rouyn-Noranda, PQ) now part of the Major Drilling group. Primary analytical work has been by Laboratoire Expert Inc. (Rouyn-Noranda, Quebec) with check/duplicate analyses by Activation Labs (Timmins/Ancaster).

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

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

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

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

Sample lengths are determined by the geological logging with samples ranging from 0.20 to 1.5 metres in length. 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 bonded commercial carrier from secure lockups, 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 rolls crusher. The jaws and rolls are cleaned with a wire brush and air jet and processing barren material. A Jones

riffle is used to take a 300-400-gram sub-sample for pulverizing. The remaining reject portion is bagged and stored. After reducing a nominal –100 or -200 mesh with a pulverizer, the sample is thoroughly blended and sent to the fire assay department. A 1-assay ton portion (29.166 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 other laboratories (Activation Labs 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.

6.4 Mineral Exploration and Development Activities

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

6.5 Uncertainty of Mineral Resources

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

The Company's mineral projects are in the exploration stage. Until mineral resources on these exploration properties are categorized as "mineral reserves" under NI 43-101, the 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.

6.6 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.

6.7 Fluctuation of Mineral Prices

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

6.8 Currency fluctuations

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

6.9 History of Net Losses

To date, the Company has not recorded any significant revenues from operations. The Company has no properties in current production and no production revenues at the present time. Fees are earned from the rental of its core shack facility, core storage, and from management fees as the operator of joint venture exploration programs. 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.

6.10 Possible Loss of Interests in Mineral Properties

Moneta must spend certain minimum amounts on mineral exploration to satisfy ongoing assessment work required on staked claims as well mining taxes on patented and leased claims. 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.

6.11 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.

6.12 Environmental Risks

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

6.13 Risks Associated with Joint Venture Agreements

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

6.14 Risks Relating to Statutory and Regulatory Requirements

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

6.15 Competition

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

6.16 Dependence on Key Management and Employees

The success of the operations and activities of Moneta is dependent to a large extent on the efforts and abilities of its management and outside consultants. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside consultants. 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.

6.17 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.

6.18 Market Price Volatility

The market price of securities of many junior exploration companies, particularly those that are not yet in commercial production like Moneta, have experienced a high level of price and volume volatility in recent years and have experienced wide fluctuations in prices 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

Moneta's primary gold exploration and resource development focus is the *Golden Highway Project* which contains a largely contiguous land package of 692 claim units or approximately 10,600 hectares, and is centered in Michaud Township, 100 km east of Timmins, Ontario along Highway 101, a major all-season route.

Moneta has a 100% ownership interest in the *Golden Highway Project* since December 2009 when the Company acquired the remaining 50% ownership interest, with no underlying encumbrances, from its former corporate partner in the now dissolved Michaud Joint Venture that covered the southern portion of the project and

contained the Southwest Zone, 55 Zone, Dymont 3, and Western Zone (See Figure II).

The *Golden Highway Project* currently hosts ten distinct gold-bearing zones (namely *Windjammer South*, *Gap Zone*, *Southwest Zone*, *55 Zone*, *Dymont 3*, *Western Zone*, *Windjammer North*, *Landing Zone*, *Twin Creeks Zone*, and *Last Chance Zone*) along with numerous gold intersections along a 12km mineralized corridor which contains two highly prospective geological settings: a northern corridor with mafic and ultramafic volcanic units and syenite intrusive complexes; and a southern corridor defined by Timiskaming sediments and banded iron formation (BIF).

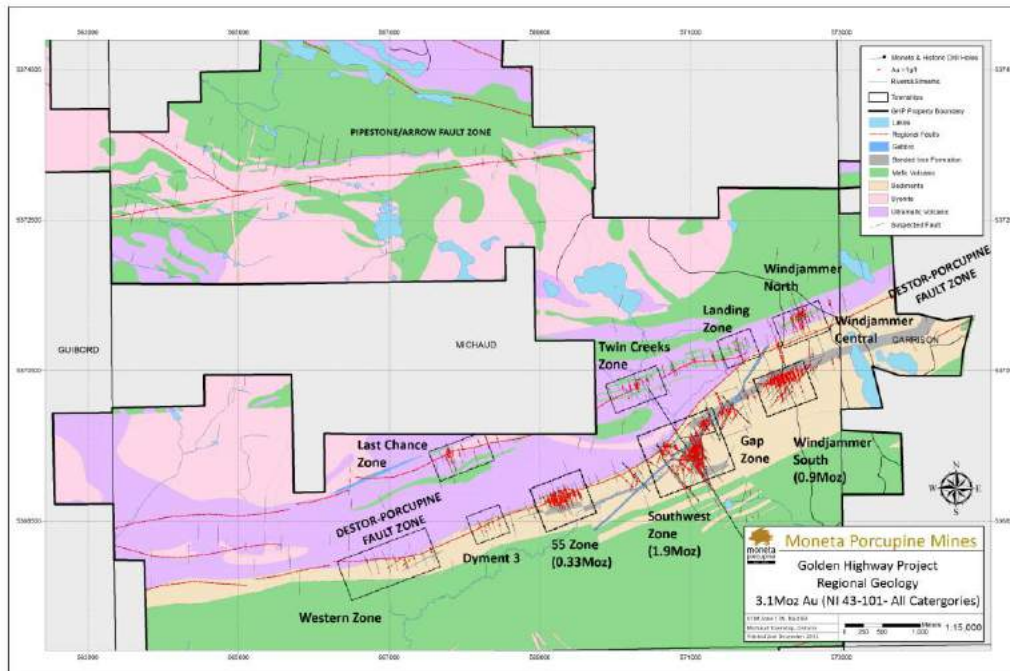


Figure II - Golden Highway Project: Exploration Area Geology and Zone Locations

Detailed technical information, primarily on exploration and resource work completed on the *Golden Highway Property* is available on SEDAR and referenced as follows;

- Geological Report On The Michaud Gold Property Michaud Township, Ontario, by Henry M. Meixner, P.Geo. , dated November 5, 2001;
- 2002 Drilling Report On The Michaud Gold Property Michaud Township, Ontario by Henry M. Meixner, P.Geo. , dated March 28, 2003;
- 2003-2004 Drilling Report On The Michaud Gold Property Michaud Township, Ontario, by Henry M. Meixner, P.Geo., dated April 8, 2004, filed by Moneta on SEDAR April 22, 2005;
- 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, dated March 30th , 2009.

- Technical Report And Resource Estimates On The Windjammer South, Southwest Zone And 55 Zone Golden Highway Project Michaud And Garrison Townships North-eastern Ontario, Canada, report by P&E Mining Consultants Inc., dated December 1st, 2011.

The 2011 program culminated in a new NI 43-101 resource estimate for the three main Golden Highway gold zones (*Southwest Zone, Windjammer South, and 55 Zone.*) These contain combined near-surface NI 43-101 resources (December 1, 2011) as calculated by P&E Mining Consultants Inc. ("P&E"), of 1,071,000 indicated (@ 0.99 g/t) and 2,069,000 (@ 1.35 g/t) inferred ounces of gold as detailed below and broken down as both "in-pit" and "out-of-pit" resources:

| TOTAL RESOURCE ESTIMATE ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ | | | | | | |
|---|-------------------|-------------|------------------|-------------------|-------------|------------------|
| Classification | Indicated | | | Inferred | | |
| Cut-Off Au g/t | Tonnes | Au g/t | Au oz | Tonnes | Au g/t | Au oz |
| In Pit: 0.35 g/t | 32,884,000 | 0.95 | 1,002,000 | 40,640,000 | 0.98 | 1,280,000 |
| Out of Pit: 2.0 g/t | 649,000 | 3.33 | 69,000 | 7,197,000 | 3.41 | 789,000 |
| Total | 33,533,000 | 0.99 | 1,071,000 | 47,837,000 | 1.35 | 2,069,000 |

- (1) *The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
- (2) *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the estimated Mineral Resources will be converted into Mineral Reserves.*
- (3) *The Mineral Resources are based on 313 diamond drill holes over approximately 2km of the Golden Highway Project's 55 Zone, Southwest Zone and Windjammer South gold zones and includes drilling from historical operators Lac Minerals (a subsidiary of Barrick Gold) during the period 1994 - 1997, and Noranda Exploration during the period 1983 - 1989.*
- (4) *Values in the table above may differ due to rounding.*

7.2 Property Description and Location

The *Golden Highway Project* is located in northeast 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 currently encompasses 692 claim units comprised of staked (515 claim units), leased (101 claim units), and patented (76 claim units) mining rights totalling approximately 10,600 hectares. Only 2 leases (79 units) and patents (22 units) in Michaud Township include surface rights. Of the total claim units, 402 cover the Moneta controlled portion of the GHP centred in Michaud Township.

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

Underlying royalties are limited the following claims:

- 10% NPI on a 12 claim unit block in Michaud Township;
- 0.5% NSR on a 27 claim unit block in Michaud Township;
- 0.5% NSR on 52 claim units in Garrison Township and 0.5% NSR on 76 units in Barnet Township, both part

- of the St Andrew JV;
- advance royalty of \$5,000 (annual) on *Turner Lake* (10 claim units) which began in 2008;
- 2% NSR and advance royalty \$1,200 (annual) on *Dyment 3* (3 claim units, 75% interest with remaining 25% interest owned by St Andrew).

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

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

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 (-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 centimetres a year, with a substantial portion falling in the form of snow averaging 2.4 metres per year.

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

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

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 8.78% interest in *Garrison* and a 17.56% interest in *Holloway* and *Marriott*.

Prior to 1998, Moneta held a northern parcel of claims called the *Michaud Parcel*, and a southern block of claims under option from Nufort Resources Inc., known as the *Nufort Leases*. Moneta's land position was primarily acquired through staking and by a series of joint venture agreements in the late 1980s. Subsequent to 1998, Moneta assumed a 100% interest in both the *Michaud Parcel* and the *Nufort Leases*, extinguishing all underlying

encumbrances. In 2004, Acrex vested in a portion of the *Nufort Leases* by meeting earn-in requirements and both companies formed the *Michaud Joint Venture*. Also in 2004, the *Perry Lake* property was staked (68 claim units) and two properties were optioned – *Turner Lake* (10 claim units) and *Dyment 3* (3 claim units). In 2006, an additional 10 claim units were staked adjoining the *Perry Lake* block to the north.

In 2007, Moneta acquired 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 67 claim units under the *Golden Highway Project*.

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

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

In 2011 Moneta staked an additional 2 claim units in Michaud Township and successfully renewed three mining leases within the Golden Highway project for a further 21 years.

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 *O4 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 non NI 43-101 compliant and 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°.

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.

In 2005, Moneta began the 1,000 metre earn-in drill program on Turner Lake completed in 2007. Two drill holes and an extension were completed.

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. Final results were released in early 2006 indicating 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 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.

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

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

Also in 2010 a 3D downhole IP and EM survey (Abitibi Geophysics) was undertaken on the *Southwest Zone* to delineate areas of potential alteration zones and sulphide enriched gold mineralization.

7.5 Regional Geology

The *Golden Highway Project* is located in the western Archean Abitibi Greenstone Belt, comprised of mafic to

ultramafic volcanic assemblages which contain or are bounded by sedimentary basins. Syn-volcanic to post-tectonic felsic to ultramafic intrusives are common in the volcano-sedimentary assemblage. Late Proterozoic dykes cut all units.

The Abitibi Greenstone Belt in this region can be subdivided into 3 main stratigraphic groups: the Kidd-Munro (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 to the east, are St Andrew Goldfields Holloway and Holt Mines (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) and Northern Gold's Garrison Project (. In addition to the Destor, other documented structures in the Michaud Township area are the Pipestone/Munro/Contact faults/splays trending northwest then east, north of the Destor with Lakeshore Gold's Fenn-Gib deposit (, and the Arrow Fault trending east-west. On a local scale, numerous faults have been interpreted from core and geophysical interpretations with minor strike displacements – slip displacements remain unknown. These faults can typically be east-westerly and at high angles to the Destor. Folds are not well defined, however, multiple BIF horizons and changes in dip from drill information suggests isoclinal folds of unknown scale in the Timiskaming sediments and BIF.

7.6 Property Geology

The core project area is best described as the North and South corridors representing the Destor Porcupine 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, Gap, 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.

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

7.7 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* as known 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 hematization is common within mineralized zones that may also exhibit local brecciation and fractures filled by quartz-pyrite stringers, quartz and quartz-carbonates veins up to several metre widths, and extensive stockworks. Elevated gold values have been found in these mineralized breccia zones and several vein orientations documented reflecting the complexities of this mineralization. Dominant vein and vein zone orientations are both shallow extensional and steeper northwest to north trending. Sulphidization of the iron formation in contact with vein systems and brecciation frequently results in significantly elevated high grade mineralization.
- Mineralization hosted by syenite is found in the lower of two porphyritic syenite intrusives in contact with variably altered ultramafic and mafic rocks on the south side of the Destor 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*, where a 24 metres wide contact zone to the ultramafics is a microfractured breccia with abundant disseminated and stringer pyrite with scattered and only weakly anomalous gold values.

7.8 NI 43-101 Compliant Resource Estimate

In Q4 2011 Moneta commissioned P&E Mining Consultants to complete an independent NI 43-101 technical report and resource estimate for the three main Golden Highway Project gold zones; Southwest Zone, Windjammer South, and 55 Zone. The report encompassed the most recent drill data in order to prepare an initial Resource Estimate on the Southwest Zone and the 55 Zone as well as an updated Resource Estimate on the Windjammer South. This Windjammer South resource now supersedes the previous updated NI 43-101 Resource Estimate prepared by Cargill Consulting Geologist Limited in 2009. The reader is urged to refer to the report filed on SEDAR January 16th 2012 for greater detail than that in the summary below.

Resource Estimate Summary

The Gemcom database for this estimate was constructed from 313 surface drill holes of which 274 were utilized in the resource calculation. All remaining data were not in the area that was modeled for the resource estimate. Verification of 39,903 assay database values was performed with original laboratory and electronically issued certificates.

Seven domains or mineralized zones were created named 55, SW Central Block, SW Central Block Lower, SW East Block, SW East Block Lower, SW West Block and Windjammer South. These were determined from lithology, structure and grade boundary interpretation from visual inspection of drill hole sections followed by computer screen digitizing on the drill hole sections. On each section, interpretations were digitized from drill hole to drill hole but not typically extended more than 50 metres into untested territory, and then “wireframed” in Gemcom into 3-D domains. The resulting solids (domains) were then used for statistical analysis, grade interpolation, rock coding and resource reporting purposes.

Length weighted composites were generated for the drill hole data that fell within the domains. These composites were calculated for Au over 1.5 metre lengths. Un-assayed intervals were set to 0.23 g/t Au which was deemed to represent the prolific low grade background gold value within the deposits, but at the same time did not introduce any mineralization above the open pit resource cut-off grade.

Statistical analysis of the data indicated robust behaviour and predictability of the mineralization. Grade capping on the 1.5m composite values was evaluated using log-normal histograms which indicated that only limited

capping was required. Variography was used to evaluate ranges of the spherical search ellipse parameters required for grade interpolation.

The bulk density used for the creation of a density block models was derived from 20 site visit samples whose average was determined to be 2.74 tonnes per cubic metre.

The resource model was divided into a block model framework using 10x10x10 metre blocks. Separate block models were created for rock type, density, percent, class and Au. Inverse distance cubed (ID3) grade interpolation was utilized with the first grade interpolation pass utilized for the Indicated classification and the second for Inferred. Grade blocks were interpolated within the domains using the following parameters;

| Au Block Model Interpolation Parameters (Spherical) | | | | | | |
|---|---------------|------------------|----------------------|----------------|--------------|--------------|
| All Domains | Dip Range (m) | Strike Range (m) | Across Dip Range (m) | Max # per Hole | Min # Sample | Max # Sample |
| Indicated | 35 | 35 | 35 | 2 | 3 | 20 |
| Inferred | 250 | 250 | 250 | 2 | 1 | 20 |

The resource estimate was derived by applying a gold cut-off grade to the block model and reporting the resulting tons and grade for potentially mineable areas subject to general mining cost parameters. In order for the constrained open pit mineralization to be considered potentially economic, a first pass Whittle 4X pit optimization was carried out to create pit shells with the following total results;

| TOTAL RESOURCE ESTIMATE ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ | | | | | | |
|---|-------------------|-------------|------------------|-------------------|-------------|------------------|
| Classification | Indicated | | | Inferred | | |
| Cut-Off Au g/t | Tonnes | Au g/t | Au oz | Tonnes | Au g/t | Au oz |
| In Pit: 0.35 g/t | 32,884,000 | 0.95 | 1,002,000 | 40,640,000 | 0.98 | 1,280,000 |
| Out of Pit: 2.0 g/t | 649,000 | 3.33 | 69,000 | 7,197,000 | 3.41 | 789,000 |
| Total | 33,533,000 | 0.99 | 1,071,000 | 47,837,000 | 1.35 | 2,069,000 |

- (1) The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (2) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the estimated Mineral Resources will be converted into Mineral Reserves.
- (3) The Mineral Resources are based on 313 diamond drill holes over approximately 2km of the Golden Highway Project's 55 Zone, Southwest Zone and Windjammer South gold zones and includes drilling from historical operators Lac Minerals (a subsidiary of Barrick Gold) during the period 1994 - 1997, and Noranda Exploration during the period 1983 - 1989.
- (4) Values in the table above may differ due to rounding.

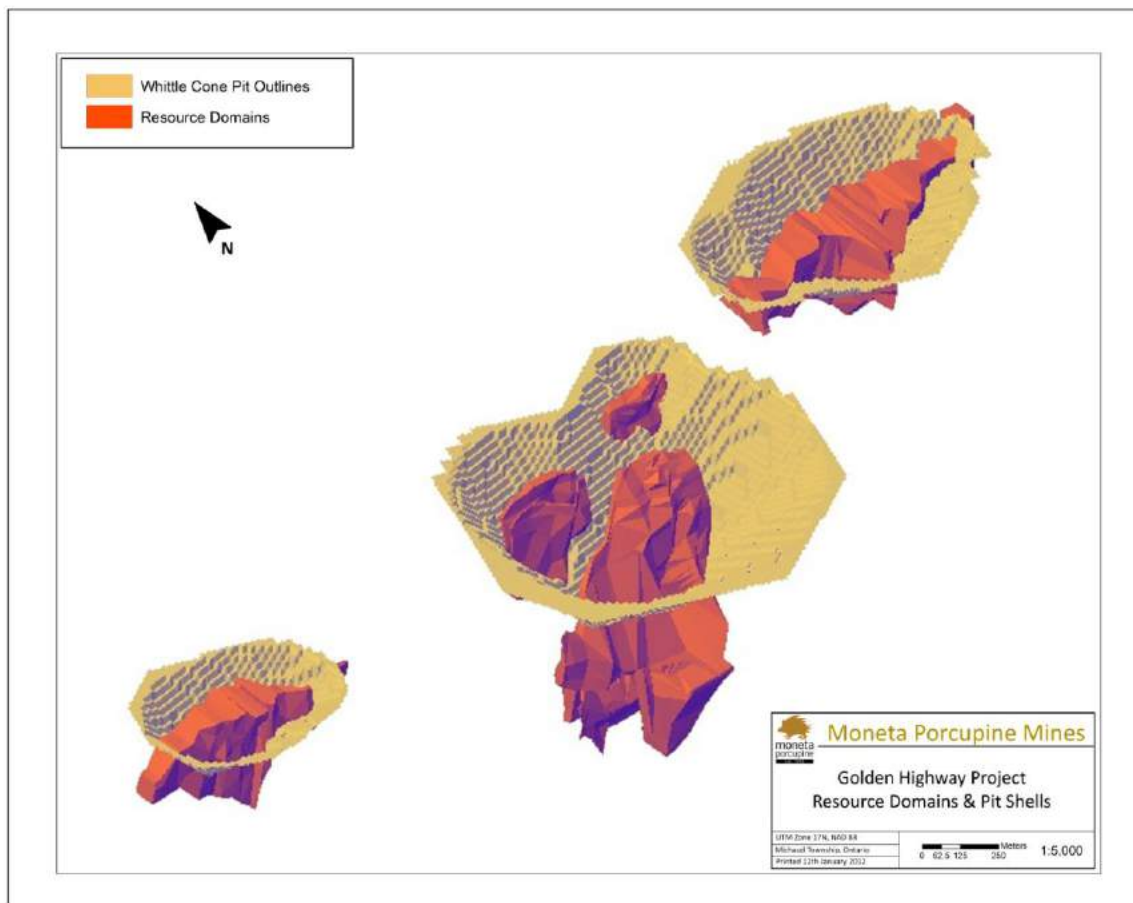


Figure III - Golden Highway Project: Resource Domains & Pit Shells

The detailed breakdown of both “in-pit” and “out-of-pit” resource estimates on a gold zone basis is as follows;

| TABLE 1: MINERAL RESOURCE ESTIMATE (1), (2), (3), (4) | | | | | |
|--|-----------------|---------------------------|-------------------|-----------------|------------------|
| Category | Location | Cutoff Grade (g/t) | Tonnes | Au (g/t) | Au (oz) |
| Indicated | | | | | |
| Windjammer South | In Pit | 0.35 | 16,177,400 | 0.86 | 445,800 |
| Southwest Zone | In Pit | 0.35 | 10,708,300 | 0.97 | 333,300 |
| 55 Zone | In Pit | 0.35 | 5,997,800 | 1.15 | 222,600 |
| | | | 32,883,500 | 0.95 | 1,001,600 |
| Windjammer South | Out of Pit | 2.0 | 36,200 | 3.06 | 3,600 |
| Southwest Zone | Out of Pit | 2.0 | 556,200 | 3.41 | 61,100 |
| 55 Zone | Out of Pit | 2.0 | 56,300 | 2.65 | 4,800 |
| | | | 648,600 | 3.33 | 69,400 |
| | | TOTAL INDICATED | 33,532,100 | 1.00 | 1,071,100 |
| Inferred | | | | | |
| Windjammer South | In Pit | 0.35 | 16,766,400 | 0.79 | 427,500 |
| Southwest Zone | In Pit | 0.35 | 20,455,300 | 1.17 | 766,300 |
| 55 Zone | In Pit | 0.35 | 3,417,900 | 0.78 | 86,200 |
| | | | 40,639,600 | 0.98 | 1,280,000 |

| | | | | | |
|--|------------|-----|-------------------|-------------|------------------|
| Windjammer South Southwest Zone 55 Zone | Out of Pit | 2.0 | 76,900 | 2.72 | 6,700 |
| | Out of Pit | 2.0 | 6,980,800 | 3.43 | 770,400 |
| | Out of Pit | 2.0 | 139,100 | 2.83 | 12,700 |
| | | | 7,196,800 | 3.41 | 789,700 |
| TOTAL INFERRED | | | 47,836,400 | 1.35 | 2,069,700 |

- (1) *The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
- (2) *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the estimated Mineral Resources will be converted into Mineral Reserves.*
- (3) *The Mineral Resources are based on 313 diamond drill holes over approximately 2km of the Golden Highway Project's 55 Zone, Southwest Zone and Windjammer South gold zones and includes drilling from historical operators Lac Minerals (a subsidiary of Barrick Gold) during the period 1994 - 1997, and Noranda Exploration during the period 1983 - 1989.*
- (4) *Values in the table above may differ due to rounding.*

| TABLE 2: IN-PIT RESOURCE AT 0.35 G/T CUTOFF AND SENSITIVITY | | | | | | |
|--|-------------------|-----------------|------------------|-------------------|-----------------|------------------|
| Cutoff Grade (g/t) | INDICATED | | | INFERRED | | |
| | Tonnes | Au (g/t) | Au (oz) | Tonnes | Au (g/t) | Au (oz) |
| 0.50 | 23,116,500 | 1.17 | 869,500 | 28,312,500 | 1.22 | 1,114,900 |
| 0.45 | 26,078,200 | 1.09 | 914,800 | 31,579,500 | 1.15 | 1,164,600 |
| 0.40 | 29,157,800 | 1.02 | 956,800 | 35,809,000 | 1.06 | 1,222,300 |
| 0.35 | 32,883,500 | 0.95 | 1,001,600 | 40,639,600 | 0.98 | 1,279,900 |
| 0.30 | 37,359,800 | 0.87 | 1,048,200 | 46,487,600 | 0.90 | 1,341,600 |
| 0.25 | 43,209,500 | 0.79 | 1,099,900 | 53,850,000 | 0.81 | 1,406,400 |

| TABLE 3: OUT OF PIT RESOURCE AT 2.0 G/T CUTOFF AND SENSITIVITY | | | | | | |
|---|------------------|-----------------|----------------|------------------|-----------------|----------------|
| Cutoff Grade (g/t) | INDICATED | | | INFERRED | | |
| | Tonnes | Au (g/t) | Au (oz) | Tonnes | Au (g/t) | Au (oz) |
| 2.20 | 554,800 | 3.54 | 63,100 | 6,089,400 | 3.65 | 715,000 |
| 2.00 | 648,600 | 3.33 | 69,400 | 7,196,800 | 3.41 | 789,700 |
| 1.50 | 1,043,600 | 2.72 | 91,300 | 13,103,100 | 2.65 | 1,117,000 |
| 1.00 | 1,825,800 | 2.08 | 121,800 | 22,576,000 | 2.05 | 1,487,000 |

P&E has the following conclusions and opinions:

- The geological interpretations are reasonable.
- In P&E's opinion, the core sampling, sample preparation, security and analyses and overall quality of sampling are adequate and the drill hole database is reasonable and acceptable for estimation of Indicated and Inferred Resources.
- The In Pit cut-off value of 0.35 g/t Au and the Out of Pit cut-off value of 2.0 g/t, Au based on deposit grade distributions and preliminary economics, is reasonable.
- The interpolation domains are reasonable.
- Grade capping is at reasonable thresholds.
- The block model validation results are reasonable.
- The resource reporting methodology has been designed to support a preliminary economic assessment and is reasonable.

P&E has also concluded that there is significant potential to further develop existing and additional gold resources on the Golden Highway Project. This potential exists both within the three Whittle Cone optimized pit shells, as well as outside the pit shells along strike and to depth over the 12 km of similar and favourable geological setting.

P&E has proposed recommended work in two phases. Phase I includes additional drilling to expand the current resource estimate, additional metallurgical tests, and baseline environmental studies as initiated in Q4 2011. Phase II recommendations are for additional drilling to upgrade the resource category of existing resources, with a move towards the completion of a Preliminary Economic Assessment (PEA).

7.9 Exploration Programs (2011)

An extensive drill program consisting of 24,687 metres in 61 drill holes or drill hole wedges was undertaken in 2011. Drilling was completed on the Southwest Zone, Gap area, Windjammer South, and Windjammer Central building on the 2010 program. Also In 2011 exploration began testing some property wide targets generated by a comprehensive structural review completed in Q1 2011. These target areas include the Pipestone/Arrow Fault (2,475 metres in 9 drill holes) within a mafic volcanic/syenite setting, along the Destor from the Twin Creek Zone to Windjammer North within a mafic-ultramafic volcanic/sedimentary setting, and selected areas in the southwest of the property in both ultramafic/mafic volcanics with associated syenite or in sediments along the volcanics.

Southwest Zone

The Southwest Zone consists of three main blocks displaced from each other by late northwesterly to north-northwesterly faulting. The Central Block (CB) has been displaced southwesterly from 200 to 150m relative to the East Block (EB) and West Block (WB). There are currently 3 main deeper gold zones including the 162 Zone in the immediate CB iron formation contact and hanging wall, the 273 Zones in the EB iron formation hanging wall, and the 267 Vein Zone found 200m into the hanging wall and off the CB iron formation contact.

Drilling of the deeper CB and EB mineralization was brought to a close by early Q2 with the completion of previously reported drill holes (MSW11-279, wedges MSW10-162G and MSW10-267E) and several new holes. This drilling capacity was then added to the ongoing program aimed at expanding and discovering near surface bulk gold zones to support a year end resource estimate.

East Block Area

In 2011, Moneta completed four drill holes and one drill hole extension into the shallower EB Zone targeting northerly trending vein orientations, similar to those identified in the CB and 267 Zone, and potentially not tested by historical drilling.

MSW11-280 intersected 1.27 g/t over 3.20m and 1.39 g/t over 6.40m at shallow depth in the hanging wall sediments. **MSW11-281** was drilled below MSW11-280 and intersected multiple alteration zones near surface with north to northwesterly trending vein zones returning 2.30 g/t over 5.40 m including 7.21 g/t over 1.10m, and 3.82 g/t over 6.50m including 6.15 g/t over 1.60m. MSW11-281 did not reach the targeted and highly prospective (south) iron formation contact area due to a difference in the interpreted location of the main gabbro dyke that cross cuts the Southwest Zone.

MSW11-282 stepped westerly 50m along strike from MSW11-281 and ended at the iron formation contact. Several shallow vein zones were intersected including 4.51 g/t over 2.00m, 2.17 g/t over 6.64m, and 3.59 g/t over 4.89m including 8.03 g/t over 1.34m,.

MSW11-203 EXT was originally drilled north easterly by Barrick in the upper portion of the CB as MN97-203. The hole was extended and ended approximately at 500 metres vertical depth in the EB iron formation. Mineralization intersected included vein zones with 2.50 g/t over 1.80m, 3.35 g/t over 4.00m, 1.24 g/t over 4.10m, and 3.45 g/t over 5.20m with 15.98 g/t over 0.46m.

MSW11-294 tested the sediments north of the EB iron formation and their volcanic-sedimentary contact. Several alteration zones were intersected including 1.25 g/t over 5.07m and 1.05 g/t over 16.20m including 1.89 g/t over 6.85m.

267 Zone

The new and the most significant quartz vein zone (267 Zone) intersected to date was found in the hanging wall sediments approximately 200 metres southerly off the CB iron-formation contact and 100 metres westerly along strike from the 162 Zone. The 267 Zone discovery intersection returned 3.43 g/t over 36.09 metres within a wider 49.75 metre vein/ankerite alteration zone with additional new gold mineralization also intersected in a hanging wall mixed sediment/iron-formation sequence with a sulphidized and quartz vein interval of 4.51 g/t over 7.21 metres. These results and the subsequent drilling confirmed and greatly expanded the potential of more southern hanging wall sediments to host gold mineralization both to depth and along strike.

MSW11-284 and 285 were drilled above the 267 Zone to test its up-dip extension. MSW11-284 was stopped at 253m due to unexpected and excessive deviation while MSW11-285 continued beyond the projection of the 267 Zone and is believed to have crossed above the plunge of the vein projection. Results from MSW11-285 include 4.66 g/t over 1.45 metres, 3.91 g/t over 1.3 metres, and 1.35 g/t over 3.40 metres.

Gap Area

The area east of the *Southwest Zone East Block* towards *Windjammer South* is of continued interest with confirmed potential to host significant gold mineralization. The Gap covers over 500m of strike along the iron formation and both the corridor along the iron formation contact and its (south) hanging wall, as well as recently interpreted north-westerly and northerly trending structures.

Previous drilling in the area consisted of a section of deeper scissor holes completed by Barrick in the central Gap with numerous occurrences of gold mineralization in the sediments both north and south of the main iron formation. In addition Moneta drill hole M08-259 (437 metres) was completed as a 100m eastern stepout towards Windjammer South from this Barrick section returning numerous gold intersections of moderate grade and wider alteration zones including 1.06 g/t Au over 16.50 metres. In 2011, Moneta completed several drill holes in the Gap to delineate potential gold resources.

MSW11-277 was drilled in the eastern Gap area along a north-easterly azimuth between the Barrick section and Windjammer South. Several minor structures were intersected, locally associated with weak to moderate ankerite and sericite alteration as well as narrow veins. Values of interest include two near surface high grade veins/zones of 7.47 g/t over 1.40m and 3.32 g/t over 3.30m including 13.40 g/t over 0.60m, and an additional alteration zone with 1.20 g/t over 7.70m.

MSW11-283 was collared and completed in Q2 2011 in the western Gap Area between a historical drill hole MN96-175 and the East Block of the Southwest Zone and returning a previously reported intersection of 1.06g/t over 117.1m including a large, consistently mineralized zone of 5.15 g/t over 14.3m. The higher grade mineralization was found to correlate with a significant increase in coarser pyrite content with minimal quartz veining/stringers over several metres.

MSW11-286 was subsequently drilled 100m above MSW11-283 and 20m west off section to test for mineralization at a shallower elevation along the iron formation (south) hanging wall sediments. Several alteration zones were intersected including 0.97 g/t over 8.0m, 1.07 g/t over 17.45m, and 1.19 g/t over 12.0m.

MSW11-287 was drilled 200m northeast of MSW11-283 to test for near-surface lateral continuity along the east-westerly trending iron formation. Here weaker alteration zones including 9.65g/t over 0.5m, 4.59/t over 1.1m, 0.89 g/t over 9.0m, and 1.25 g/t over 5.4m were intersected.

MSW11-288 drilled 100m on profile southwesterly behind MSW11-288, intersected several alteration zones, again

similar in style to the MSW11-283 mineralization. Near surface mineralization returned 1.31 g/t over 6.20m including 2.29 g/t over 3.20m followed by a vein with 5.62 g/t over 1.12m. Two wider but lower grade zones at depth assayed 0.97 g/t over 13.0m including 6.45 g/t over 0.50m and 0.77 g/t over 27.0m or 0.96 g/t over 10.0m.

MSW11-289 was drilled to the north from the same collar as MSW11-288. Several alteration zones, again similar in style to MSW11-283 were intersected. Results include 2.51 g/t over 5.90m with 8.01 g/t over 0.70m at intermediate depth and a lower broad low grade zone of 0.57 g/t over 41.0m including 1.10 g/t over 5.50m near iron formation contact.

MSW11-290 was drilled on section 100m behind MSW11-288 intersecting a near surface alteration zone with 1.18 g/t over 23.00m including 3.43 g/t over 3.70m or 9.09 g/t over 0.50m. This zone is located approximately halfway between East Block and Gap in the hanging wall sediments 200m southeasterly off the iron formation contact. The lower portion of the drill hole intersected a well-defined wide breccia/fault zone returning 0.995 g/t over 53.2m including 2.61 g/t over 4.00m and 1.27 g/t over 29.3m, followed by a significant 5.1m wide vein zone similar to the 267 vein zone with a best interval of 1.47 g/t over 2.7m.

MSW11-290A - In order to better define the 290 vein zone, wedge drill hole MSW11-290A was completed to test to east and upward with a 50m separation intersecting both the fault/breccia and vein zone. The vein zone intersection showed reduced width and grade (<0.5 g/t). The fault hanging wall breccia returned 0.74 g/t over 38.0m with subzones of 0.96 g/t over 16.0m and 1.28 g/t over 5.44m. A deeper footwall zone returned 1.03 g/t over 24.0m including 2.36 g/t over 6.00m.

MSW11-291/291A was collared next to MSW11-290 and drilled on section to test the 290 mineralization and vein zone at depth. The hole was stopped at 339 metres due to significant deviation and continued with drill hole wedge MSW11-291A to 597m for future deepening. Vein zones were intersected in the upper part of the hole including 4.96 g/t over 3.07m, 1.35 g/t over 10.30m, and 4.91 g/t over 4.40m including 9.79 g/t over 0.50m.

MSW11-292 was subsequently drilled on section above MSW11-286 and MSW11-283 to test for mineralization at a shallower elevation along the iron formation (south) hanging wall sediments. Several alteration zones were intersected including 1.25 g/t over 5.07m and 1.05 g/t over 16.20m with 1.89 g/t over 6.85m.

The newly discovered 267 style 290 Vein Zone and associated wide mineralized fault/breccia zone, has confirmed the importance of the NW trending structures to generate gold zones and the continued potential for discovering significant vein zones both along strike and to depth in the iron formation hanging wall sediments. Additional drilling is required in the Gap to better define a near surface to intermediate depth gold resource.

Related to the Gap drilling but significantly displaced to the southeast is exploration drill hole **MSW11-293** (389m) which targeted the potential southeast strike extension of the north-westerly trending Gap structures. Abundant graphitic and weak sericite altered argillite and greywacke cut by a fault were intersected with no associated gold mineralization.

Windjammer

Drilling on *Windjammer* in the 1980s by Noranda (58 holes) defined two separate gold zones, *Windjammer South* and *Windjammer North*. *Windjammer* was acquired in 2007 and is in both Garrison and Michaud Townships immediately adjacent and contiguous to the eastern *Golden Highway Project*.

Of particular interest from the drilling to date is *Windjammer Central* defined by gold mineralization discovered in the sediments north of the main iron formation (WJS) and south of the volcanics (WJN) along the volcanic-sedimentary contact. This is in addition to areas peripheral to *Windjammer North* and *Windjammer South*, as well as any potential linkage of the *Windjammer South* gold system westerly along strike and to depth to that of the *Southwest Zone*.

Windjammer North

Windjammer North 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 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.

Moneta undertook preliminary modeling in 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 in drill holes MWJ09-26/27/28 drilled grid north to south and continued into the sediments now part of *Windjammer Central*. Additional drilling is planned for 2012 to expand the zone.

Windjammer Central

Windjammer Central describes the area containing the sediments found between *Windjammer North* and the iron formation of *Windjammer South*. Historical drilling by Noranda on *Windjammer North* had indicated that the more northern sediments close to, and in contact with the Northern Corridor mafic/ultramafic volcanics of the DPFZ had significant potential for near surface bulk gold mineralization.

The discovery of widespread gold mineralization in this area from the 2009 drilling expanded the potential of the central sediments to host significant gold mineralization over a large untested area to the east, and west between the iron-formation and volcanics to the north. In 2011 wide spaced drilling was initiated to test the potential for bulk near surface mineralization both east and west of the 2009 drill hole profile and drill holes 51 to 59 were completed.

Holes MWJ11-51 to 55 were drilled east of the 2009 profile with MWJ11-53 and MWJ11-55 testing along the volcanic-sedimentary contact and MWJ11-51/52 and 54 testing the more central sediments. To the west of the 2009 profile, MWJ11-56 to 58 tested along the volcanic sedimentary contact while MWJ11-59 was drilled more southerly from the *Windjammer South* iron formation into the central portion of the sediments. MWJ11-56 was abandoned due to technical issues and replaced with MWJ11-58.

Follow-up drilling is underway with MWJ12-60 to 63 east of the 2009 drill profile with final results pending.

| Drill hole | From (m) | To (m) | Width ⁽¹⁾ (m) | Vertical Depth (m) | Au (g/t) |
|--------------|--------------|--------|--------------------------|--------------------|----------|
| MWJ11-51 | 144.00 | 154.00 | 10.00 | 110 | 0.70 |
| | incl. 144.00 | 159.00 | 4.60 | | 0.96 |
| | 291.00 | 300.00 | 9.00 | | 1.05 |
| | incl. 295.00 | 298.00 | 3.00 | | 1.69 |
| | 412.00 | 468.60 | 56.60 | | 0.72 |
| incl. 412.00 | 434.00 | 22.00 | 0.97 | | |
| MWJ11-52 | 107.00 | 109.00 | 2.00 | 85 | 3.26 |
| | 181.00 | 182.00 | 1.00 | | 6.74 |
| | 208.00 | 209.00 | 1.00 | | 5.86 |
| | 302.00 | 313.00 | 11.00 | | 0.79 |
| | 318.00 | 330.00 | 12.00 | | 0.89 |
| | incl. 327.00 | 330.00 | 3.00 | | 2.13 |
| MWJ11-53 | 211.00 | 351.00 | 140.00 | 165 | 0.76 |

| | | | | | | |
|-----------------|-------|--------|--------|-------|-----|-------|
| | incl. | 211.00 | 220.00 | 9.00 | | 1.34 |
| | and | 270.00 | 343.00 | 73.00 | | 1.02 |
| | incl. | 296.00 | 320.00 | 24.00 | | 1.15 |
| | incl. | 328.00 | 343.00 | 15.00 | | 0.96 |
| MWJ11-54 | | | | | | |
| | | 133.70 | 137.52 | 3.82 | 110 | 1.56 |
| | | 368.00 | 376.00 | 17.00 | | 0.71 |
| | incl. | 368.00 | 369.00 | 1.00 | | 5.83 |
| MWJ11-55 | | | | | | |
| | | 139.00 | 145.00 | 6.00 | 105 | 0.78 |
| | | 212.00 | 265.55 | 53.55 | | 0.94 |
| | incl. | 239.42 | 265.55 | 26.13 | | 1.42 |
| | incl. | 265.00 | 265.55 | 0.55 | | 27.67 |
| MWJ11-57 | | | | | | |
| | | 261.00 | 316.00 | 55.00 | 200 | 0.72 |
| | incl. | 294.00 | 316.00 | 22.00 | | 1.06 |
| | incl. | 316.00 | 316.00 | 1.00 | | 6.61 |
| MWJ11-59 | | | | | | |
| | | 143.70 | 145.00 | 1.30 | 110 | 2.23 |
| | | 186.00 | 194.00 | 8.00 | | 0.64 |
| | | 200.00 | 215.00 | 15.00 | | 0.65 |
| | | 223.00 | 225.00 | 2.00 | | 2.09 |

Results to date confirm the gold mineralization potential along the volcanic/sedimentary contact and up to 200 metres into the hanging wall, over a 750 metre strike length. Additional drilling is required to define a potential bulk resource in Windjammer Central that may encompass Windjammer North.

Windjammer South

Prior drilling on *Windjammer South* identified several gold-bearing zones within a mineralized system currently known to extend for 500 metres along strike to a depth of 350 metres with a moderate dip to the southeast and open both 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 forming the hanging wall to a thick banded oxide facies iron formation with potential for sulphidization.

Drilling into 2009 culminated in a near surface Windjammer South NI 43-101 resource estimate (D. George Cargill, Ph.D. P.Eng., of Cargill Consulting Geologists Limited Cargill), of 305,379 indicated and 211,951 inferred ounces of gold (cutoff grade of 0.7 g/t). In Q4 2010, two drill holes (MWJ10-32 and 33) were completed on Windjammer South to expand the Cargill resource westerly and into the hanging wall, and define areas for 2011 follow-up.

Drilling in 2011 focused on resource expansion at shallow depths particularly in the more southerly hanging wall of the iron formation and along its strike, including westerly into the Gap area between Windjammer South and the East Block of the Southwest Zone. Wider spaced drilling (100m step-outs) in the hanging wall sediments was undertaken with mineralization, in the form of both stockwork and high grade quartz veins, intersected in all drill holes. This drilling provided the basis for a new resource estimate completed by P&E and released December 1st, 2011.

MWJ11-35 was drilled 100m north of MWJ10-32 and intersected weak alteration returning 1.13 g/t over 2.00m and 1.09 g/t over 2.45m.

MWJ11-36 was collared 100m east of MWJ10-32 and 325m away from the iron formation intersecting weak alteration and a vein returning 15.12 g/t Au over 1.0m.

MWJ11-37 was completed on section with MSW11-32 but stepped 100m ahead, intersecting 0.98 g/t over 8.80m and 5.28 g/t over 0.80m.

MWJ11-38 was drilled southerly from the Windjammer South iron formation to test for near surface mineralization

and northerly dipping veins in the central portion of main zone intersecting 1.03 g/t over 6.50m, followed by 1.10 g/t over 32.4m and 2.91 g/t over 3.00m.

MWJ11-39 was collared 100m south of the iron formation and 200m west of Windjammer South zone and intersected 0.97 g/t over 34.00m, including 1.22 g/t over 22.50m and 4.47 g/t over 2.60m, and confirmed the continuation of the Windjammer South zone westerly along the iron formation.

MWJ11-40 was stepped back 100m on section under MWJ10-32 and is the furthest southwest drill hole collar of the Windjammer South zone. It intersected several alteration zones in the upper 250m from surface including 11.02 g/t over 0.35m, 0.73 g/t over 9.00m, 0.94 g/t over 15.00m including 8.04 g/t over 1.0m, 1.98 g/t over 2.94m including 8.05 g/t over 0.39m, and 8.59 g/t over 0.66m.

MWJ11-41 was drilled below existing holes and along the iron formation. Results include an upper zone with 0.78 g/t over 20.0m followed by 0.70 g/r over 13.0m and 0.67 g/t over 23.0m.

MWJ11-42 was completed on section above MWJ11-41 intersecting several alteration zones with 0.64 g/t over 15.0m including 0.95 g/t over 7.00m and 0.63 g/t over 25.00m including 1.00 g/t over 7.30m.

MWJ11-43 was collared 100m east of MWJ11-42 as the most easterly hole along the iron formation. Mineralization was intersected near the iron formation contact returned 2.54 g/t over 13.38m including a high grade vein of 18.16 g/t over 1.47m.

MWJ11-44 was collared between MWJ11-42 and MWJ11-43 intersecting a vein at moderate depth with 7.79 g/t over 0.30m within 0.79 g/t over 7.00m.

MWJ11-45 tested for shallow mineralization east and above MWJ08-12 the most easterly historical hole of Windjammer South, intersecting a wide shallow zone of 0.65 g/t over 29.0m followed by a lower zone of 0.92 g/t over 18.00m including 1.55 g/t over 6.00m.

MWJ11-46 also tested the upper Windjammer South zone to the east above MWJ11-42 returning 0.76 g/t over 25.00m including 1.86 g/t over 5.00m.

MSW11-47 was drilled west of MWJ10-32 to test for a shallow westerly extension and intersected a higher grade vein zone of 4.38 g/t over 4.00m including 13.09 g/t over 0.75m as well as scattered low grade values.

MSW11-48 was collared to test easterly of MWJ10-32 intersecting 0.757 g/t over 30.0m which includes 1.09 g/t over 10.0m and 1.03 g/t over 9.0m.

MWJ11-49 is located between MWJ11-39 and MWJ10-33 testing for a southwesterly and shallow extension of the main zone. This hole was lost before completion due to ground conditions.

MSW11-50, similar to MWJ11-49, was collared to expand mineralization to the west at shallow levels along strike and close to the iron-formation near MWJ11-39. Best result was 0.86 g/t Au over 5.00m with additional but isolated low grade intercepts.

The 2011 Windjammer South drilling expanded the gold mineralization into the main zone hanging wall and both easterly and westerly along the iron formation with a new NI 43-101 resource estimate completed in Q4 by P&E.

Windjammer East

Windjammer East is the most easterly Windjammer portion of the GHP in Garrison Township along the main iron formation. Hole MWJ11-34 (462.6 m) was drilled near the eastern property boundary targeting a prominent offset

in the Windjammer South main iron formation potentially due to a north-westerly trending structure, and potential alteration/gold mineralization commonly found in the iron formation hanging wall sediments.

The drill hole intersected pillowed to massive mafic metavolcanics and gabbro intrusives followed by sediments, all cut by quartz feldspar porphyry dykes with two narrow breccia zones. Minor and weak gold mineralization was limited to rare narrow quartz stringers associated with locally elevated pyrite. Minor ankerite alteration zones were observed in the sediments with no significant associated gold values. The targeted iron formation/sedimentary contact was not reached. Additional exploration of this eastern setting is under review.

55 Zone

With the completion of the 2010 drill program, a total of 64 drill holes (19,393 metres) were drilled in the 55 Zone by the Moneta (36 holes), the Michaud Joint Venture (10 holes), Acrex (13 holes), and Lac Minerals (Barrick) (5 holes). Significant and multiple gold mineralized veins and vein alteration zones were intersected defining a mineralized system currently extending for over 350 metres along strike. The system is within 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. The northern contact was typically marked by narrow hematite and magnetite variably developed iron formation while the southern limit is a relatively unaltered and intercalated purplish hematitic iron formation/chloritic greywacke-sandstone sequence.

The 55 Zone contains a combination of quartz and quartz/carbonate/feldspar stringers, veins and stockworks with variable orientations. The altered wall rock is predominantly and pervasively sericitized and ankeritized with pyrite 3% to 5% and up to 10% locally. The 2010 drilling targeted the higher grade series of northerly dipping and stacked (en echelon) laminated quartz veins with widths up to 3 metres and frequently associated with brecciation. Additional high grade mineralization was found to occur in the northern iron formation when intersected by these vein systems resulting in local sulphidization of the iron formation.

Currently “in-pit” and “out-of-pit” resource expansion opportunities are being evaluated as drill targets for both the sulphidized iron formation and quartz vein zone style of gold mineralization along strike and to depth.

Pipestone/Arrow Fault

Q2 and Q3 2011 First Phase exploration drilling from the Q1 2011 structural review and compilation, focused on the structural contact between northern mafic volcanics and southern syenite, as well as structures within the syenite. Drilling (MPL11-01 to 09) was with progressive step-outs along the main structure as well in other target areas. Highly silicified, locally brecciated and variably pyritic and altered zones along the contact and within the syenite when intersected returned an elevated gold tenor primarily in conjunction with felsic dykes and hematitic alteration in the syenite.

MPL11-01 to MPL11-05 followed along the eastern portion of the Pipestone/Arrow structure.

MPL11-01 intersected 0.34 g/t over 35.80m from 131.45 to 167.25m, or 0.53 g/t over 11.40m, including 1.10 g/t over 1.00m and 1.94 g/t over 0.35m, both associated with fine grained felsic dykes. From 264.2 to 282.0m, 0.30 g/t over 17.80m or 0.36 g/t over 13.80m, including 2.22 g/t over 1.00m marking a hematitic alteration zone at the transition to poikoblastic syenite was intersected.

MPL11-02 the syenite was found to be generally unaltered and increasingly coarser grained with the hole terminated in a blocky and major “lost core/sanded” section with no alteration noted. Best result at 70.5m include 1.09 g/t over 1.00m in a syenite breccia zone.

MPL11-03 and **MPL11-04** were both stepped out successively 200m from MPL11-01 and MPL11-02 easterly along this structure/syenite-mafic volcanic contact with similar results. MPL11-03 returned 1.70 g/t over 0.62m and weaker elevated peripheral values associated with a felsic dyke. MPL11-04 intersected 2.78 g/t over 1.0m flanked by 0.35 g/t over 1.0m.

MPL11-05 extended the original MPL11-01 and MPL11-02 profile to the north in the volcanics with no significant results.

MPL11-06 to MPL11-09 are holes drilled on other structural targets between volcanics and syenite and within syenite to the west and south, returning variably intense alteration with very low gold values

In addition to potential follow-up of the current results, additional targets remain to be drill tested.

Other Golden Highway Properties and Exploration

Guibord

Moneta's Guibord land position of 26 claim units (14 staked and 12 patented), located near the former Ross Mine, is subject to the Guibord JV with St Andrew (75% interest). St Andrew's program in Q4 2009 completed 1,719 metres of drilling in 6 holes targeting structural and geophysical features including the Destor 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. No additional work has been completed in 2011.

Barnet

Moneta entered into an agreement (2002) with St Andrew on certain properties in the Michaud and Barnet Townships to form the Barnet JV with St Andrew vested at 50% interest. No work was completed in 2011 on the property.

Garrison

In Garrison, St Andrew had completed the option (2007) and became vested with a 50% operating interest. No further work was undertaken in 2011 on the Garrison JV.

8 PORCUPINE CAMP

Several projects constitute Moneta's activities in the Porcupine Gold Camp where Moneta continues to maintain a large land holding. Camp gold properties are North Tisdale, Nighthawk Lake, Kayorum, and Denton-Thorneloe. No exploration work was carried out in 2011 on the Nighthawk and Denton-Thorneloe properties. Additional properties are historical base metal projects and include Loveland Nickel, Kamiskotia, and Fripp. The under explored nature, higher gold and recovering base metal prices with new activity in the immediate areas, has enhanced these properties' strategic value with gold remaining as the Company's focus.

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

8.1 NORTH TISDALE

Introduction

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".

Significant corporate activity around Moneta's North Tisdale property included 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).

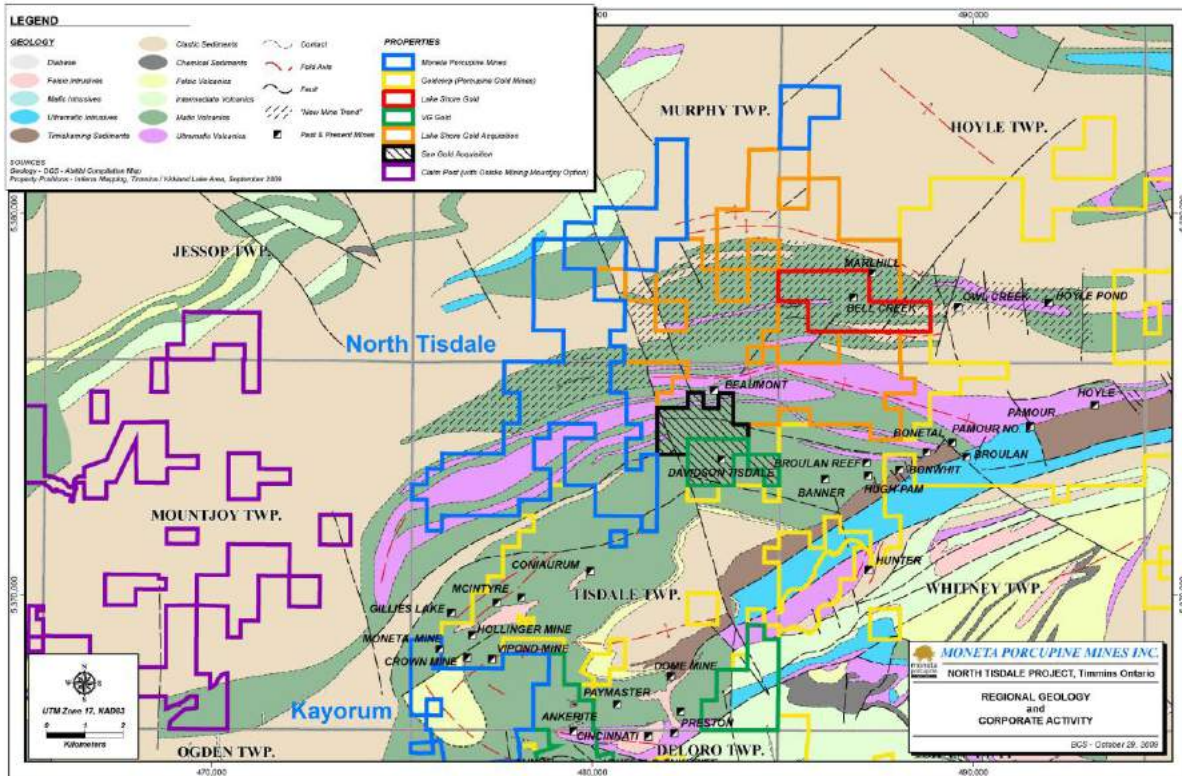


Figure IV – North Tisdale Project

Property Description and Location

North Tisdale consists of 40 patented, 9 leased, and 121 unpatented mining claim units for a total of 170, located in Tisdale, Murphy and Hoyle Townships, all north of Timmins and covering approximately 2,700 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.

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.

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 (-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.

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.

History

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

Consolidated Project Area Work

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

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

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

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

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

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

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

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

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

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

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

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

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.

Exploration Program

The North Tisdale property is currently being reviewed for target areas requiring drilling to greater depth. 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.

To advance this targeting, a Q4 2011 deep penetrating Quantec “Titan 24” Induced Polarization (IP) and Magneto-telluric (MT) survey was completed on two north-south profiles. Larger scale lithological features were carried to depths beyond the current drilling and more subtle anomalies were identified as potential drill targets in the final interpretation completed in Q1 2012.

The West Tisdale area also remains of interest with untested results from 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 McMahon shaft and Pentland diamond drill hole with known quartz-carbonate veining and grey zone alteration. Historical overburden drilling anomalies are also concentrated south of this IP trend.

8.2 NIGHTHAWK LAKE PROJECT

Summary

The *Nighthawk Lake* property is located at the eastern end of the Porcupine Camp on Nighthawk Lake approximately 30 km east of Timmins primarily in Cody and Matheson Townships consisting of both patented (31), leased (6) and staked (96) claim units for a total of 133 (~2,130 hectares). Included is the 100% interest in 29 claim units in Cody Township that Moneta acquired from St Andrew Goldfields in 2009.

The property is within a “mini gold camp” defined primarily by gold mineralization along the Nighthawk Break, a prominent splay off the Destor Porcupine Fault/Deformation Zone. The *Nighthawk Lake* project is along the Destor, immediately north of the Nighthawk Break hosting Goldcorp’s Nighthawk Mine, several other gold zones, as well as St Andrew’s Aquareius Deposit.

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

Exploration Program

Collins Patents

In Q4 2010, a review was completed to identify structural controls on the *Collins Zone* mineralization identifying east-west and north-northwest structures, both north and northeast dipping. A short follow-up drill program consisted of 3 holes for a total of 709 metres with final results received in Q1 2011.

Drill holes NHL10-29 and NHL10-31 were completed within the *Collins Zone* to obtain oriented drill core to support structural interpretation with best results from NHL10-29 showing both local very high grade and broader lower grade styles of mineralization. A third hole NHL10-30 was completed as a step-out to the west along the mineralized trend and intersected a thick sequence of talc-chlorite altered ultramafic rocks with locally weak grey carbonate alteration and numerous fault and shear zones. Summary drill results are tabulated below:

| Drill hole | From (m) | To (m) | Vertical depth (m) | Width ⁽¹⁾ (m) | Au ⁽²⁾ (g/t) |
|-----------------|---------------|---------------|--------------------|--------------------------|-------------------------|
| NHL10-29 | 181.70 | 239.00 | 175 | 57.30 | 2.00 |
| incl. | 181.70 | 191.50 | | 9.80 | 3.34 |
| and | 214.00 | 232.00 | | 18.00 | 1.30 |
| and | 236.68 | 239.00 | | 2.32 | 21.62 |
| NHL10-30 | 86.50 | 92.35 | | 5.85 | 1.79 |
| incl. | 89.18 | 90.18 | | 1.00 | 8.83 |

⁽¹⁾ Drilled widths are currently reported
⁽²⁾ Metallic checks completed on all assays > 15.0 g/t

No additional exploration work was undertaken in 2011.

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

Eastern Group

No further work was undertaken and after additional evaluation, the 17 claims units were allowed to lapse.

8.3 DENTON THORNELOE PROPERTY

Summary

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

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

Exploration

The geophysics and drilling to date indicate continued potential for economic nickel mineralization as well as untested gold potential. No ground exploration work has been completed in 2011 .

8.4 KAYORUM AND MONETA MINE PROPERTY

Summary

The *Kayorum* property is found within the City of Timmins and is located immediately south and southwest of the Hollinger Mine (65.8 Mtons @ 0.29 oz/t for 19,3 Moz gold production to depth of 1,662 metres) 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 has completed advanced permitting, feasibility, and consultation stages. Development of a multiphase 200-250 metre deep open pit is proceeding in 2012 by Porcupine Gold Mines (Goldcorp) based on a 2010 resource of 3.47Mozs and 782,000 oz reserve. Exploration drill programs have also identified several underground mining opportunities by ramp to -400 metres and existing underground infrastructure for both the Hollinger (Millerton) and McIntyre (Central Porphyry Zone) mines.

The *Kayorum* property consists of 52 claim units (46 patented and 6 leased) located immediately south and southwest of the Hollinger mine and is a consolidation of several historical properties. The 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 oz.) occupies the northwest portion of the property.

No exploration work was undertaken on the Kayorum Project in 2011 except for work related to the Moneta Mine.

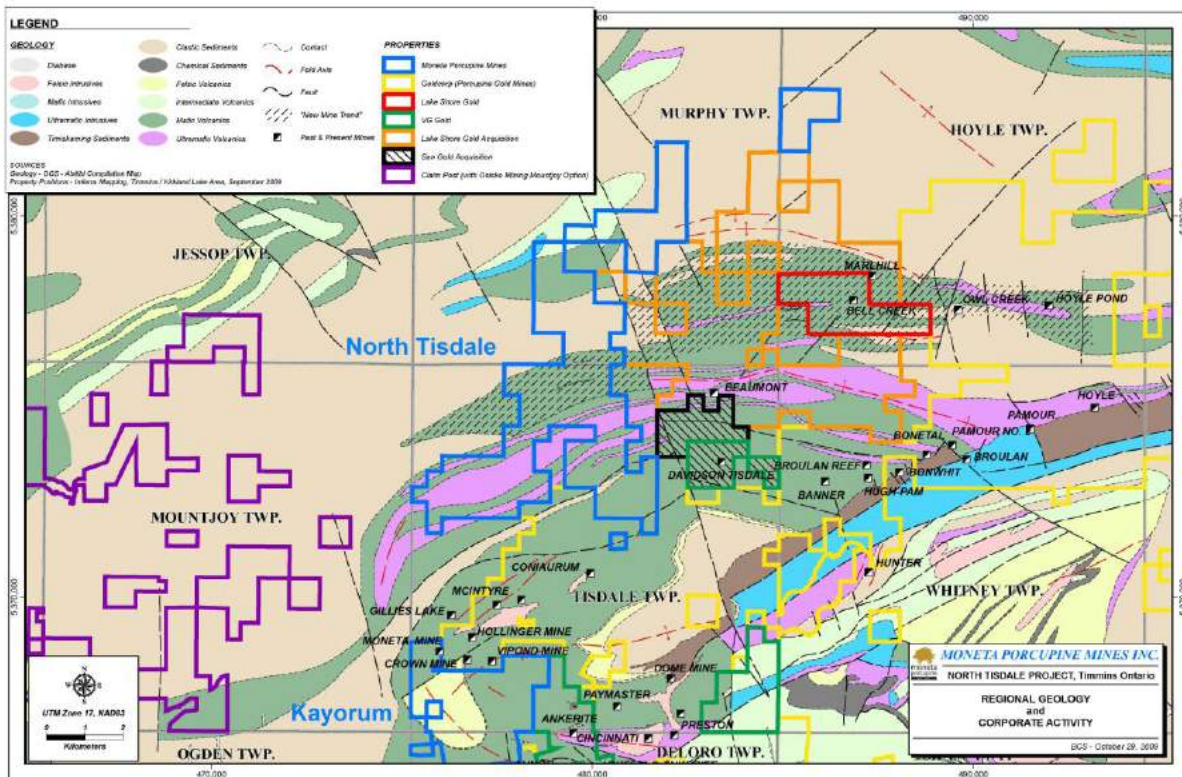


Figure VII – Kayorum Project

Moneta Mine

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

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

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

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 volcaniclastic unit overlies the Tisdale Group.

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

Exploration

The Moneta Mine geotechnical work program was completed in Q2 2011 and a final closure plan submitted end of July 2011 to the Ministry of Northern Development, Mines and Forestry for review and approval. Minor modifications and changes were re-submitted December 2011 and final approval is expected in Q1 2012. The geotechnical program for this closure plan included extensive historical compilation to identify hazards related to the former mine workings, ground penetrating radar surveying to help locate subsurface changes potentially related to voids, detailed diamond drilling to assess bedrock conditions, and progressive rehabilitation of identified hazards by capping a fill raise and small historical shaft.

This drilling program was completed from mid-April to the end of June 2011 with a total of 523 metres in 15 drill holes drilled providing additional geological information on the former mine and its mineralization potential. Results are under review for future work that includes evaluating potential residual ore, and the potential for additional mineralization to depth and along strike as well as other property areas.

The immediately adjacent Hollinger Mine pit project has been approved for development in 2012. The project

envisions a multiphase 200-250 metre deep open pit based on a 2010 resource of 3.47Mozs and 782,000 oz reserves.

8.5 PORCUPINE CAMP: BASE METAL PROJECTS

Moneta hold a 100% interest in base metal projects consist of a combination of 138 staked, 56 leased, and 1 patented claim units in Loveland, Godfrey, Jamieson, and Fripp Townships. These claims (Loveland Nickel, Kamiskotia, and Fripp) were subject to a purchase and sale agreement in 2008 with Amador Gold Corp. (“Amador”). Under the terms of the agreement, Amador was to make annual cash and share payments to Moneta over time. In Q1 2011, Amador defaulted on the final cash and share payment. Following notice of default and discussions, Amador, due to a lack of liquidity, elected to return the claims in good standing to Moneta in Q4 2011.

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

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

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

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

9 QUEBEC BASE METAL PROJECT

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

10 CAPITAL STRUCTURE

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

The issued and outstanding share capital at December 31, 2011 is 157,752,419 (2010: 142,255,882) Common shares.

11 MARKET FOR SECURITIES

The Company’s common shares trade on the Toronto Stock Exchange (“TSX”) under the symbol ME, on the United States OTC market under the symbol MPUCF, and the Berlin Stock Exchange, the Xetra, and Frankfurt Stock Exchange under the symbol MOP. Moneta’s share trading on the Toronto Stock Exchange for 2011 is presented in the table below:

| Month | Price Range | | Volume |
|-----------|-------------|------|---------|
| | High | Low | |
| December | 0.25 | 0.18 | 230,300 |
| November | 0.23 | 0.16 | 49,700 |
| October | 0.22 | 0.13 | 93,100 |
| September | 0.23 | 0.15 | 99,500 |
| August | 0.27 | 0.19 | 93,900 |
| July | 0.28 | 0.23 | 77,800 |
| June | 0.29 | 0.23 | 111,600 |
| May | 0.37 | 0.24 | 153,200 |
| April | 0.37 | 0.31 | 170,300 |
| March | 0.44 | 0.34 | 280,500 |
| February | 0.48 | 0.31 | 540,300 |
| January | 0.40 | 0.33 | 350,300 |

12 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 | % of voting Common Shares |
|--|---|-----------------------------|--|---------------------------|
| Warren Bates, P.Geo ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario (Canada) Director | Senior Vice President, Exploration of Pelangio Exploration Inc. | Since June 16, 2009 | 132,353 | 0.08% |
| Richard Boulay, B.Sc. Calgary, Alberta, (Canada) Interim CFO and Director | Chairman of Latin American Minerals | Since June 11, 2010 | 1,883,000 | 1.19% |
| Alex D. Henry, C.A. ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario (Canada) Director | Principal of Hampton-Metrix Capital Partners Inc. | Since June 25, 2005 | 2,780,000 | 1.76% |
| Ian C Peres, CA Toronto, Ontario (Canada) President & CEO and Director | President and Chief Executive Officer | Since August 7, 2008 | 4,477,222 | 2.84% |
| Dr. K Sethu Raman, Ph.D ⁽¹⁾⁽²⁾ Toronto, Ontario (Canada) Director | Independent director to TSX-listed mining companies | Since January 5, 2010 | 1,500,000 | 0.95% |

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Independent Director

⁽³⁾ Member of Compensation Committee

Other information, including information on the remuneration of senior executives and interests of insiders in material transactions are presented in the 2012 Management Information Circular available on SEDAR.

13 LEGAL PROCEEDINGS

Pursuant to an Order received from the Mining and Lands Commissioner related to the Company's historic Moneta Mine, located on the Company's Kayorum project, the Company undertook necessary steps and submitted the mine closure plan in 2011. The Company's geotechnical consultant prepared the mine closure plan to identify and evaluate the former mine hazards and provided direction on geotechnical drilling completed by the Company during 2011. Although beyond the scope of work required by the Order, the Company elected to complete progressive rehabilitation of certain mine hazards, where feasible. The Ministry of Northern Development Mines

and Forestry (“MNDMF”) provided comments on the closure plan in November 2011. The Company submitted an amended closure plan in December 2011 addressing the minor comments. The MNDMF provided further comments on the amended closure plan in February 2012. The Company is in the process of addressing the further minor comments related to the amended closure plan. The longstanding accounting provision to cover the costs of developing a mine closure plan of \$70,000 (2010 – \$70,000) was fully depleted during the year.

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.

14 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company paid remuneration of \$250,000 (2010 - \$275,000) to a company controlled by an officer and director for the year ended December 31, 2011. The remuneration was for management services provided to the Company under an ongoing contract.

The Company paid consulting fees of \$129,400 (2010 - \$108,450) to a related individual for the year ended December 31, 2011. Taxable benefits on exercised stock options by this related individual, representing the difference between market price and exercise price at the time of exercise, were \$32,206 (2010 - \$Nil). The fees were for management consulting services provided to the Company.

The Company paid cash directors’ fees of \$37,371 during the year. Taxable benefits for one director on exercised stock options, representing the difference between market price and exercise price at the time of exercise, were \$62,400 (2010 - \$Nil).

During the year, 1,600,000 stock options (2010: 800,000) were issued to directors and officers. The stock options were issued out of the money with no intrinsic value however an accounting fair value of \$250,600 (2010: \$163,200) was reported on the statement of net loss.

There were no loans to Directors or Officers during 2011 (2010: \$Nil).

All related party transactions were completed in the normal course of business at the exchange amounts.

15 TRANSFER AGENTS AND REGISTRAR

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

16 MATERIAL CONTRACTS

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

17 INTERESTS OF EXPERTS

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.

George Cargill, Ph.D., P.Eng., of Cargill Consulting Geologists Limited, is the author of 2 reports, namely “NI 43-101 Technical Report on the Windjammer Project, Michaud and Garrison Townships, Ontario”, published on SEDAR on July 28, 2008, and “Technical Report on the Windjammer Project, Matheson, Ontario”, published on SEDAR on April 27, 2009.

P&E Mining Consultants Inc. (“P&E”) authored the “Technical Report and Resource Estimates on the Windjammer South, Southwest Zone and 55 Zone Golden Highway Project Michaud and Garrison Townships North-Eastern Ontario, Canada”, published on SEDAR January 16th, 2012.

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

18 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/fluvatile - 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.

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

Hectare - A square of 100 metres on each side.

Hematite - Black to reddish brown, non-magnetic iron oxide (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 party's vested interest in an asset.

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

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

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

Magnetite - Black, magnetic iron ore, an iron oxide (Fe₃O₄).

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 (MoS₂)

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.