MONETA PORCUPINE MINES INC.

Interim Consolidated Financial Statements

For the six months ended June 30, 2013

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT AND HAVE NOT BEEN REVIEWED BY THE COMPANY'S AUDITOR

MONETA PORCUPINE MINES INC.

Consolidated Statements of Financial Position

Unaudited

As at	Notes	(Unaudited) June 30, 2013 $	(Audited) December 31, 2012 $
Current assets			
Cash and equivalents		**6,663,809**	9,082,092
Prepaid expenses		**17,757**	18,001
Sales taxes recoverable		**251,338**	165,914
Interest receivable		**47,898**	-
Total current assets		**6,980,802**	9,266,007
Investments held for trading		**931**	1,396
Exploration and evaluation assets	3	**1,715,909**	1,683,430
		8,697,642	10,950,833
Current liabilities			
Accounts payable and accrued liabilities		**635,282**	610,664
Deferred premium on flow-through shares	4	**-**	1,385,287
Total current liabilities		**635,282**	1,995,951
Going Concern	1		
Shareholders' equity			
Capital stock	4	**44,192,549**	44,128,613
Contributed surplus		**3,471,420**	3,455,231
Deficit		**(39,601,609)**	(38,628,962)
Total shareholders' equity		**8,062,360**	8,954,882
		8,697,642	10,950,833

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

MONETA PORCUPINE MINES INC.

Interim Consolidated Statements of Changes In Shareholders' Equity

Unaudited

	Notes	Capital Stock Shares	Capital Stock $	Contributed Surplus	Other Accumulated Comprehensive	Deficit	Shareholders' Equity
Balance as at December 31, 2012		193,472,382	44,128,613	3,455,231	-	(38,628,962)	8,954,882
Share issuance on exercise of stock options	4	170,000	39,100				39,100
Fair value of stock options exercised	4		24,836	(24,836)			-
Share based compensation on vested options				41,025			41,025
Earnings (loss) and comprehensive earnings (loss)						(972,647)	(972,647)
Balance as at June 30, 2013		193,642,382	44,192,549	3,471,420	-	(39,601,609)	8,062,360
Balance as at December 31, 2011		157,752,419	35,423,340	3,094,400	-	(36,383,926)	2,133,814
Share issuance on private placement financing	4	10,000,000	3,000,000				3,000,000
Deferred premium on flow through shares	4		-				-
Share issuance costs	4		(295,706)				(295,706)
Share issuance on exercise of stock options	4	-	-				-
Fair value of stock options exercised	4		-	-			-
Share based compensation on vested options				10,777			10,777
Net earnings (loss) and comprehensive earnings (loss)						(563,180)	(563,180)
Balance as at June 30, 2012		167,772,419	38,135,651	3,104,160	-	(36,947,106)	4,292,705

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

MONETA PORCUPINE MINES INC.

Interim Consolidated Statements of Loss (Earnings), Comprehensive Loss (Earnings) and Deficit

Unaudited

For the periods ended June 30,	Notes	Three months ended 2013 $	Three months ended 2012 $	Six months ended 2013 $	Six months ended 2012 $
Expenses					
Exploration and evaluation expenditures	3	**1,135,346**	1,143,637	**2,004,478**	2,053,446
Share based compensation	4, 6	**20,072**	5,402	**41,025**	10,777
Management fees, wages and tax benefits	6	**52,817**	53,642	**151,189**	107,089
General & administration	6	**102,922**	35,298	**165,601**	79,291
Legal & audit		**35,505**	18,445	**43,005**	26,321
Travel and promotion		**9,420**	6,568	**21,887**	14,005
Loss before other items		**1,356,082**	1,262,992	**2,427,185**	2,290,929
Other items					
Other income		**(9,345)**	(106,966)	**(18,648)**	(118,798)
Unrealized (gain) loss on investments held for trading		**930**	465	**465**	-
Interest income		**(28,771)**	(3,207)	**(51,068)**	(8,951)
Loss before income taxes		**1,318,896**	1,153,284	**2,357,934**	2,163,180
Deferred taxes	5	**-**	-	**(1,385,287)**	(1,600,000)
Loss (earnings) and comprehensive loss (earnings)		**1,318,896**	1,153,284	**972,647**	563,180
Deficit - beginning of period		**38,282,713**	35,793,822	**38,628,962**	36,383,926
Deficit - end of period		**39,601,609**	36,947,106	**39,601,609**	36,947,106
Loss (earnings) per share (basic and diluted)		**$0.01**	$0.01	**$0.01**	$0.00
Weighted average outstanding shares		**193,530,135**	162,972,199	**193,530,135**	162,972,199

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

MONETA PORCUPINE MINES INC.

Interim Consolidated Statements of Cash Flows

Unaudited

For the six months ended June 30,	Notes	2013 $	2012 $
Operating activities			
(Loss) earnings and comprehensive (loss) earnings		**(972,647)**	(563,180)
Add : non-cash items			
Unrealized (gain) loss on investments held for trading		**465**	-
Shared based compensation		**41,025**	10,777
Net change in non-cash working capital balances		**(1,493,747)**	(1,235,141)
Cash provided from (used in) operating activities		**(2,424,904)**	(1,787,544)
Investing activities			
Evaluation and exploration assets	**3**	**(32,479)**	(18,633)
Cash provided from (used in) investing activities		**(32,479)**	(18,633)
Financing activities			
Common shares issued on exercise of stock options, warrants		**39,100**	7,000
Common shares issued on private placement, net of issue costs	**4**	**-**	2,704,294
Cash provided from (used in) financing activities		**39,100**	2,711,294
Net increase (decrease) in cash and equivalents		**(2,418,283)**	905,117
Cash and equivalents, beginning of period		**9,082,092**	2,120,138
Cash and equivalents, end of period		**6,663,809**	3,025,255
Interest paid during the period		**39**	4
Income taxes paid during the period		**-**	-

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

1. Nature of operations and going concern

Nature of operations

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

Going concern

These consolidated financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("**IFRS**") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from December 31, 2013. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance it exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

2. Significant accounting policies

Basis of presentation and statement of compliance

These audited consolidated financial statements were prepared in accordance with IFRS, as issued by the International Accounting Standards Board and applicable to the preparation of consolidated financial statements. The Company operates in one segment defined as the cash generating unit ("CGU") which is Canada. These financial statements were reviewed by the Audit Committee and approved by the Board of Directors on August 12, 2013.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments designated at fair value through profit and loss, which are stated at their fair value.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and the assets, liabilities, revenues and expenses of its wholly-owned subsidiaries: Wounded Bull Resources Inc. and 508825 Ontario Ltd. The subsidiaries are largely inactive with limited operations.

Presentation and functional currency

The Company's presentation currency and functional currency is the Canadian Dollar.

Foreign currency translation

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

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

Related party transactions

Related party transactions conducted in the normal course of operations are measured at the exchange value. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to a contractual agreement.

Financial assets are initially measured at fair value and classified into one of the following specified categories: fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), available-for-sale ("AFS") and loans and receivables. HTM instruments and loans and receivables are measured at amortized cost. AFS instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the Consolidated Statement of Loss (Earnings) and Comprehensive Loss (Earnings) for the period.

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

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

Financial assets and financial liabilities are offset and reported on the Statement of Financial Position only if there is an enforceable legal right to offset the recognized amounts, and an intention to realize the asset and settle the liability simultaneously.

The fair value of financial instruments traded in active markets (such as FVTPL and AFS securities) is based on quoted market prices at the date of the Statement of Financial Position. The quoted market price used for financial assets held by the Company is the current bid price.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

Financial instruments recognized in the statement of financial position include cash and equivalents, sales taxes recoverable, interest receivable, investments held for trading, and accounts payable and accrued liabilities. The respective accounting policies are described below.

Cash and equivalents

Cash and equivalents include money market instruments and short-term investments with maturities of 90 days or less held with Canadian financial institutions with a "AA" credit rating. Cash and equivalents are classified as held-for-trading and measured at fair value.

Investments

Investments held for trading are recorded at fair value with the difference between fair value and cost being recorded as unrealized gain or loss in value of investments on the statement of loss (earnings) and comprehensive loss (earnings) and deficit. In the case of securities listed on stock exchanges, the fair value means the latest bid price. Investments available for sale are measured at fair value with changes in fair value reported in other comprehensive income until the financial asset is disposed of, or becomes impaired. Investments for which reliable quotations are not readily available are valued at their fair value using a valuation model and market inputs.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are initially recognized at fair value and classified as other financial liabilities measured at amortized cost.

Exploration and evaluation assets

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

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

Impairment of long-lived assets

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

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

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

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flow-through subscribers at an agreed upon date.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a temporary non-cash liability on the Consolidated Statements of Financial Position. The subsequent renunciation of such qualifying expenditures incurred by the Company in favor of the flow-through subscribers is reported as a reduction in the ‘deferred premium on flow-through shares’ liability on the Consolidated Statements of Financial Position and a corresponding reduction in deferred tax expense on the Consolidated Statements of Loss (Earnings) and Comprehensive Loss (Earnings).

Income taxes

Income taxes are calculated using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for timing differences between the tax and accounting basis of assets and liabilities, and for the recognition of accumulated capital and non-capital losses, which in the opinion of management, are more likely than not to be realized before expiry.

Deferred tax assets and liabilities are presented as a non-current item and measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The effect on deferred income tax assets and liabilities resulting from a change in enacted tax rates is included in income in the period in which the change is enacted or substantively enacted.

Other income recognition

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

Other comprehensive loss (earnings)

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

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. In periods where the Company reports a comprehensive loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore, basic and diluted earnings (loss) per share are the same.

Recent accounting pronouncements

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

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

IFRS 10 Consolidated Financial Statements

IFRS 10, Consolidated Financial Statements was issued by the IASB to replace IAS 27, Consolidated and Separate Financial Statement and SIC-12, Consolidation - Special Purpose Entities. IFRS 10 requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 is effective for annual periods beginning on or after January 1, 2013.

IFRS 11 Joint Arrangements

IFRS 11, Joint Arrangements supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities - Non-monetary Contributions by joint venture partners. IFRS 11 requires a joint venture partner to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the joint venture partners will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 Disclosures of Interests in Other Entities was issued by the IASB to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.

IFRS 13 Fair Value Measurement

IFRS 13, Fair Value Measurement is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

Significant judgements, estimates and assumptions

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

Provisions

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

Exploration and evaluation expenditures

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

Decommissioning and restoration provision

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

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

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

Share based compensation transactions

Stock options

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

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

Share-based payments to non-employees

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the Company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the underlying equity instrument, measured at the date the Company obtains the goods or the counterparty renders the service. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Purchase warrants and broker compensation options

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

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

3. Exploration and evaluation assets

	For the six months ended June 30, 2013	For the year ended December 31, 2012
	$	$
Acquisition costs		
Balance, beginning of period	**1,683,430**	1,683,430
Acquisition costs	**32,479**	-
Balance, end of period	**1,715,909**	1,683,430

	Acquisition costs		
	Opening January 1, 2013	**Additions**	**Closing June 30, 2013**
Golden Highway Project	1,642,959	3,883	**1,646,842**
North Tisdale	7,764	5,599	**13,363**
Kayorum	15,936	4,367	**20,303**
Nighthawk Lake	5,411	1,765	**7,176**
Denton Thorneloe and other	11,360	16,865	**28,225**
	1,683,430	32,479	**1,715,909**

There were no property disposals and no indications of impairment of exploration and evaluation assets during the six month period ended June 30, 2013. Exploration and evaluation expenditures for the six month period ended June 30, 2013 of $2,004,478 (YTD 2012 – $2,053,446) were charged to the Consolidated Statements of Loss (Earnings) and Comprehensive Loss (Earnings).

4. Capital stock

Authorized share capital

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

Stock options

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

The following table summarizes the outstanding stock options:

	For the six months ended June 30 , 2013		For the year ended December 31, 2012	
	Weighted Average Exercise Price	**No. of Options**	Weighted Average Exercise Price	No. of Options
Outstanding, beginning of period	**$0.24**	**6,734,083**	$0.25	4,499,083
Transactions during the period:				
Granted [(1)]	**-**	**-**	0.24	2,635,000
Options exercised [(2)]	**0.23**	**(170,000)**	-	-
Expired [(3)]	**0.24**	**(694,083)**	0.29	(400,000)
Outstanding, end of period	**$0.24**	**5,870,000**	$0.24	6,734,083
Exercisable, end of period	**$0.24**	**5,363,730**	$0.24	5,654,911

(1) During the year ended December 31, 2012, the Company granted 2,635,000 stock options at an average exercise price of $0.24 to directors, officers, and consultants. The estimated fair value of these options, subject to immediate vesting or vesting over a period of up to three years, and a three year term, was $224,550 using a Black Scholes model and was charged as share based compensation.

(2) During the period, directors, officers and consultants exercised 170,000 stock options at an average exercise price of $0.23 for total gross proceeds of $39,100. The fair value of $24,836 related to the exercised stock options and previously charged to contributed surplus was transferred to share capital.

(3) During fiscal 2013, a total of 694,083 (2012:400,000) stock options at an average exercise price of 0.24$ (2012: $0.29) expired unexercised.

Warrants and Compensation Options

	Exercise Price	Expiry Date	**For the six months ended June 30, 2013 #**	For the year ended December 31, 2012 #
Outstanding, beginning of period:				
Broker compensation options	$0.30	March 2014	**700,000**	-
Broker compensation options	$0.28	June 2014	**1,079,998**	-
Purchase warrants	$0.35	April 2012	**-**	7,500,000
			1,779,998	7,500,000
Issued during the period:				
Broker compensation options [(1)]	$0.30	March 2014	**-**	700,000
Broker compensation options [(1)]	$0.28	June 2014	**-**	1,079,998
			-	1,779,998
Exercised during the period:				
Purchase warrants [(2)]	$0.35	April 2012	**-**	(20,000)
Expired during the period:				
Purchase warrants [(3)]	$0.35	April 2012	**-**	(7,480,000)
			-	(7,480,000)
			1,779,998	1,779,998
Outstanding, end of period:				
Broker compensation options	$0.30	March 2014	**700,000**	700,000
Broker compensation options	$0.28	June 2014	**1,079,998**	1,079,998
			1,779,998	1,779,998

(1) In December 2012, upon completion of the $8,067,277 private placement financing, broker compensation options were issued entitling Underwriters to purchase up to 1,079,998 common shares of the Company at a price of $0.28 per common share for eighteen months following closing or June 21, 2014. In March 2012, upon completion of the $3,000,000 private placement financing, broker compensation options were issued entitling Underwriters to purchase up to 700,000 common shares of the Company at a price of $0.30 per common share until March, 2014.

(2) In March 2012, the Company issued 20,000 common shares on the exercise of purchase warrants at an exercise price of $0.35 for total gross proceeds of $7,000. The fair value of $1,017 related to the exercised warrants and previously charged to contributed surplus was transferred to share capital.

(3) In April 2012, a total of 7,480,000 warrants expired unexercised.

5. Income taxes

The Company's effective tax rate, which differs from the combined federal and provincial statutory income tax rates for the period ended June 30, 2013 and the year ended December 31, 2012, has been reconciled as follows:

	Notes	**For the six months ended June 30, 2013** **$**	For the year ended December 31, 2012 $
Income tax recovery at statutory rates		**613,063**	999,709
Increase (decrease) related to:			
Exploration and evaluation expenditures		**(521,164)**	(797,426)
Stock-based compensation		**(10,667)**	(58,383)
Unrealized (gain) loss on investments held for trading		**(121)**	(121)
Other		**36,141**	72,672
		117,252	216,452
Valuation allowance		**(117,252)**	(216,452)
Add: Deferred premium on flow through shares [1]		**(1,385,287)**	(1,600,000)
Deferred taxes (recovery)		**(1,385,287)**	(1,600,000)

(4) In March 2013, the Company renounced, in the normal course, $5,387,227 (March 2012 - $5,600,000) of flow through expenditures to flow-through subscribers. As a result, the non-cash 'deferred premium on flow-through shares' liability of $1,385,287 (2012 - $1,600,000) was reversed from the statement of financial position to a deferred tax recovery credit on the consolidated statements of loss (earnings) and comprehensive loss (earnings).

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

	For the six months ended June 30, 2013 **$**	For the year ended December 31, 2012 $
Deferred tax assets:		
Net operating loss carry forwards	**1,240,000**	1,251,000
Resource deductions	**1,779,000**	2,667,000
Other	**244,000**	282,000
	3,263,000	4,200,000
Less: Valuation allowance	**(1,779,000)**	(2,667,000)
	1,484,000	1,533,000
Deferred tax liabilities:		
Resource deductions	**(1,484,000)**	(1,533,000)
	-	-

The Company has recorded a valuation allowance as the Company does not consider it more likely than not that the deferred tax assets will be realized in the foreseeable future. The Company has non-capital losses of $4,768,000 (2012 - $4,768,000) available for deduction against future taxable income, the balances of which will expire as follows:

	For the six months ended June 30, 2013	For the year ended December 31, 2012
	$	$
2014	**325,000**	325,000
2015	**241,000**	241,000
2026	**307,000**	307,000
2027	**317,000**	317,000
2028	**652,000**	652,000
2029	**618,000**	618,000
2030	**694,000**	694,000
2031	**671,000**	671,000
2032	**943,000**	943,000
	4,768,000	4,768,000

The potential tax benefit of the above losses has not been recognized in these consolidated financial statements. The Company has approximately $3,974,113 (2012 – $3,974,113) in capital losses available to apply against future capital gains.

6. Related party transactions

The Company paid salary and 2011 incentive compensation of $145,000 (2012 - $100,000) to an officer and director for the six month period ended June 30, 2013 for services provided to the Company under an ongoing employment contract. The 2012 incentive compensation remains payable at the end of the period. The Company reported a salary of $6,000 (2012 – $NIL) to an officer and director for the six month period ended June 30, 2013, for services provided to the Company. The amount was payable at the end of the period. The Company reported a salary and signing bonus of $137,500 (2012 – $NIL), charged to exploration and evaluation expenditures, for an officer for the six month period ended June 30, 2013 for services provided to the Company under an ongoing employment contract. Directors' fees of $16,500 (2012 – $14,784) were expensed during the six month period ended June 30, 2013, with $8,000 payable at the end of the period. No stock options (2012: $NIL) were issued during the period to directors, officers and consultants. All related party transactions were completed in the normal course of business at the exchange amounts. There were no loans to Directors or Officers during the period (2012: $NIL).

7. Contingent liabilities

Order to file closure plan on Moneta Mine

Pursuant to an Order received from the Mining and Lands Commissioner related to the Company's historic Moneta Mine, located on the Company's Kayorum project, the Company undertook necessary steps and submitted a 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 and Mines ("**MNDM**") provided comments on the closure plan in November 2011. The Company submitted an amended closure plan in December 2011 addressing the minor comments. The MNDM provided further comments on the amended closure plan in February 2012. The Company submitted a proposal to resolve the minor outstanding issues and the MNDM responded with further comments in July 2012. The Company met with the MNDM in October 2012 and the MNDM agreed to come back to the Company on how it planned to proceed with resolution.

During Q2 2013, the MNDM contacted the Company and the Company again outlined its position on the MNDM's minor outstanding issues. The MNDM has again agreed to come back to the Company on how it planned to proceed. No provision has been made in the financial statements given ongoing discussions with the MNDM to close this matter.

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

8. Capital Management

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the six month period ended June 30, 2013.

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

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

9. Financial instruments and risk management

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

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

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

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

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

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

The aggregate gross credit risk exposure at June 30, 2013 was $6,963,045 (December 31, 2012 - $9,248,006), and was comprised of $251,338 (December 31, 2012 - $165,914) in harmonized sales taxes recoverable, $47,898 (December 31, 2012 - $ NIL) in short term interest receivable, and $6,663,809 (December 31, 2012 - $9,082,092) in cash and equivalents held with Canadian financial institutions with a "AA" credit rating.

Market risk

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

Currency risk

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

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

Commodity price risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

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

Sensitivity analysis

The Company believes that the movements in investments held for trading that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The Company believes that its cash position and short term investments provide adequate liquidity to meet all of the Company's near-term obligations.

MONETA PORCUPINE MINES INC.

Management Discussion and Analysis

For the six month period ended June 30, 2013

This Management Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of operations of Moneta Porcupine Mines Inc. ("**Moneta**" or the "**Company**") to enable a reader to assess material changes in the financial condition and results of operations of the Company as at and for the six month period ended June 30, 2013. This MD&A should be read in conjunction with the annual consolidated financial statements and notes thereto for the year ended December 31, 2012. All amounts included in this MD&A are in Canadian Dollars.

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This MD&A has an effective date of August 12, 2013, the date this MD&A was reviewed by the Audit Committee and approved by the Board of Directors.

Additional information related to the Company is available in Moneta's Revised Annual Information Form dated April 25, 2013 for the year ended December 31, 2012 ("**AIF**"). The AIF and other continuous disclosure documents, including the Company's press releases and interim quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and the Company's website at www.monetaporcupine.com.

The MD&A is presented in the following sections:

FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

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

OUTLOOK

The Company plans to complete up to 30,000 metres of drilling in 2013 on its 100% owned *Golden Highway Project*. The 2013 objectives include step out drilling adjacent to and immediately below the planned open pits, and in-fill drilling to improve the *National Instrument 43-101 Standards of Disclosure for Mineral Projects* ("**NI 43-101**") category of ounces from drill-*Inferred* to drill-*Measured and Indicated (**M&I**).*

The Company will release drill results over the course of the year and is planning an updated NI 43-101 resource estimate on its *Golden Highway Project* in Q4 2013.

The robust nature of the November 2012 NI 43-101 *Preliminary Economic Assessment* and *Resource Estimate* on the *Golden Highway Project* has provided the framework for additional drilling within and adjacent to the current resources to both increase gold resources and advance the category of the resources towards M&I. In addition, highly prospective structural targets located in close proximity to existing gold zones and in under-explored areas of the *Golden Highway Project* remain to be tested.

CORPORATE OVERVIEW

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.

The Company's Annual Meeting was held in May 2013. Shareholders approved all voting items including the standard resolutions for the election of directors, the appointment of the financial auditor, and the special resolutions for the proposed name change of the Company to Windjammer Gold Inc., approval of the amendments to the 2010 stock option plan, and approval of By-Law No. 2, which effectively increases the quorum requirements at meetings and adds advance notice provisions for the nomination of directors by shareholders. The name change to Windjammer Gold Inc. was expected to be completed within sixty to ninety days however the Board of Directors has elected to not move forward with the name change at this 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 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 world class infrastructure including access roads, water, electricity, and mills. Most gold mineralization in the region is associated with the Destor, including significant resources and producing mines now operated by Porcupine Gold Mines (Goldcorp) and several others such as Lake Shore Gold, Brigus Gold, and St Andrew Goldfields. The Golden Highway Camp area has experienced rapid advancement of large bulk tonnage gold resources by Moneta and others, reflecting the strong regional gold potential.

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

Moneta's land position for gold exploration is one of the best, and fourth largest, in the world class Timmins Camp – after three gold producers – including a commanding position in the emerging Golden Highway Camp with a significant **4.3 million ounce gold resource** (NI 43-101 - all categories, October 25, 2012), now in six zones (Southwest Zone, Gap, Windjammer South/Central/North, and 55 Zone).

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

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

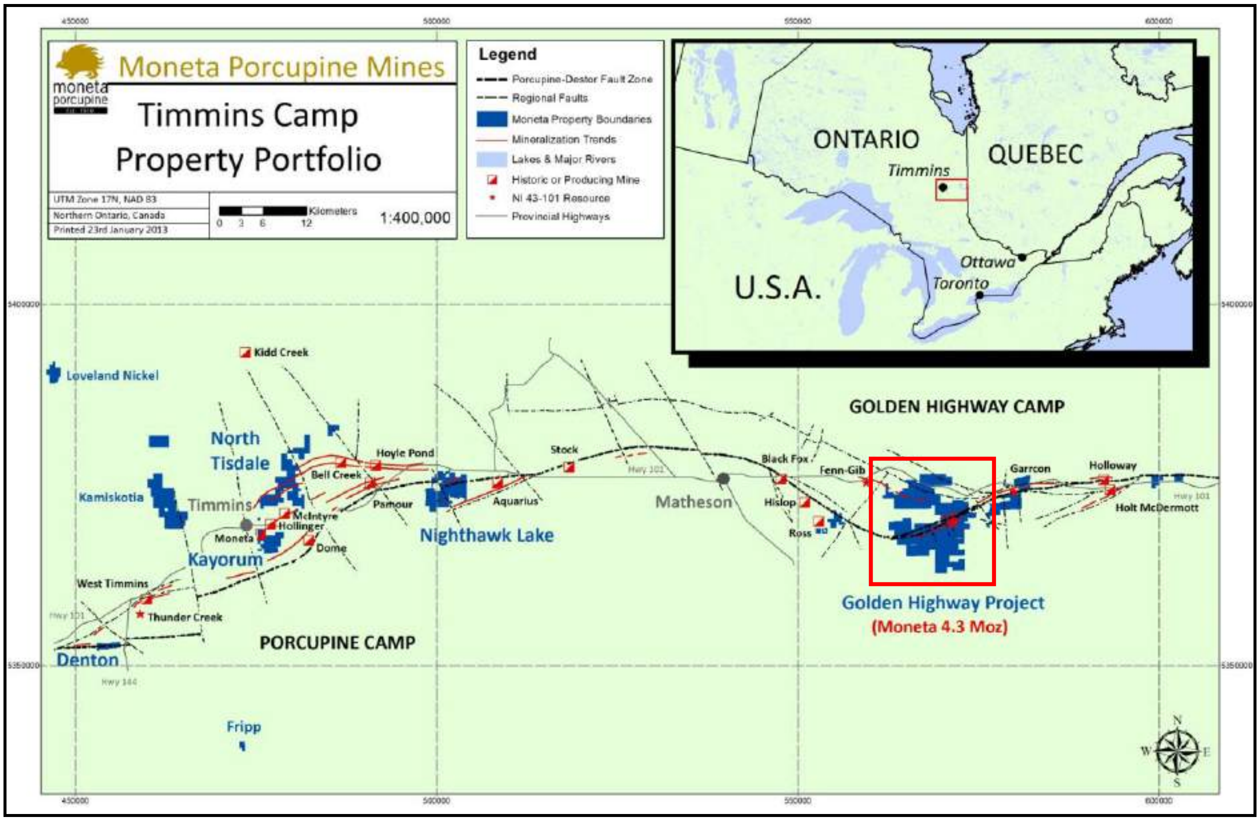

Figure I: Moneta's Key Gold Exploration Properties

RESULTS OF OPERATIONS

Golden Highway Project

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

The October 2012 NI 43-101 resource estimate significantly increased to **4,295,000** ounces of gold consisting of **1,091,000** ounces indicated (31.1 Mt at 1.09 g/t Au) and **3,204,000** ounces (83.3 Mt at 1.20 g/t Au) inferred. The earlier NI 43-101 resource estimate (December 2011) was based on three gold zones (Southwest Zone, Windjammer South, and 55 Zone) which contained combined near-surface NI 43-101 resources of 3,140,000 ounces of gold, with 1,071,000 indicated (33.5 Mt @ 0.99 g/t) and 2,069,000 (47.8 Mt @ 1.35 g/t) inferred ounces. The October 2012 NI 43-101 resource estimate now includes three additional gold zones (*Gap Zone*, *Windjammer Central* and *Windjammer North*), as illustrated in Figure II.

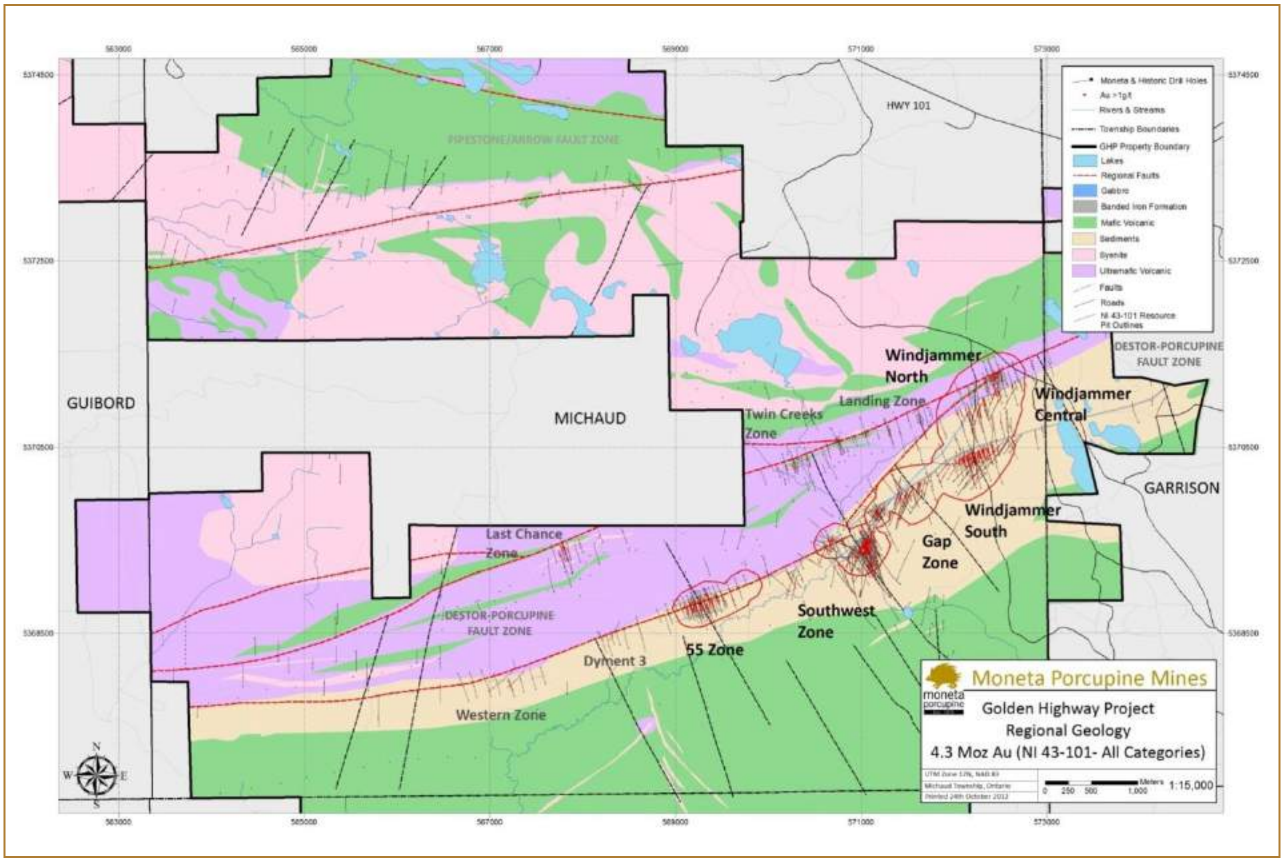

Figure II – Moneta's Golden Highway Project: Geology and Main Gold Zone Locations

Q2 2013 EXPLORATION ACTIVITY

Golden Highway Project

Exploration in Q2 2013 remained focused on the *Golden Highway Project* with the systematic drill program started in 2013 and designed to expand and better define the "in- and out-of-pit" October 2012 NI 43-101 Resource Estimate. This includes underground resource expansion areas in addition to ongoing sampling of unsampled historical drill holes within the modelled pits and adjacent resource areas.

In Q2 2013, a total of 7,500 metres of diamond drilling was completed with 18 new drill holes (MGH13-015 to MGH13-032). Q3 2013 drilling is ongoing with 8 drill holes (3,440 metres) completed to date (MGH13-033 to MGH13-042).

The Q2 2013 drilling has focused on near-surface gold mineralization primarily in *Windjammer Central* (see Figure III). Two new holes were completed in both *Windjammer North* and the *Gap Zone* for deeper mineralization and system expansion. Final results have been received for drilling completed in Q1 2013 in the *Southwest Zone*, *Windjammer Central* and the *Gap Zone*.

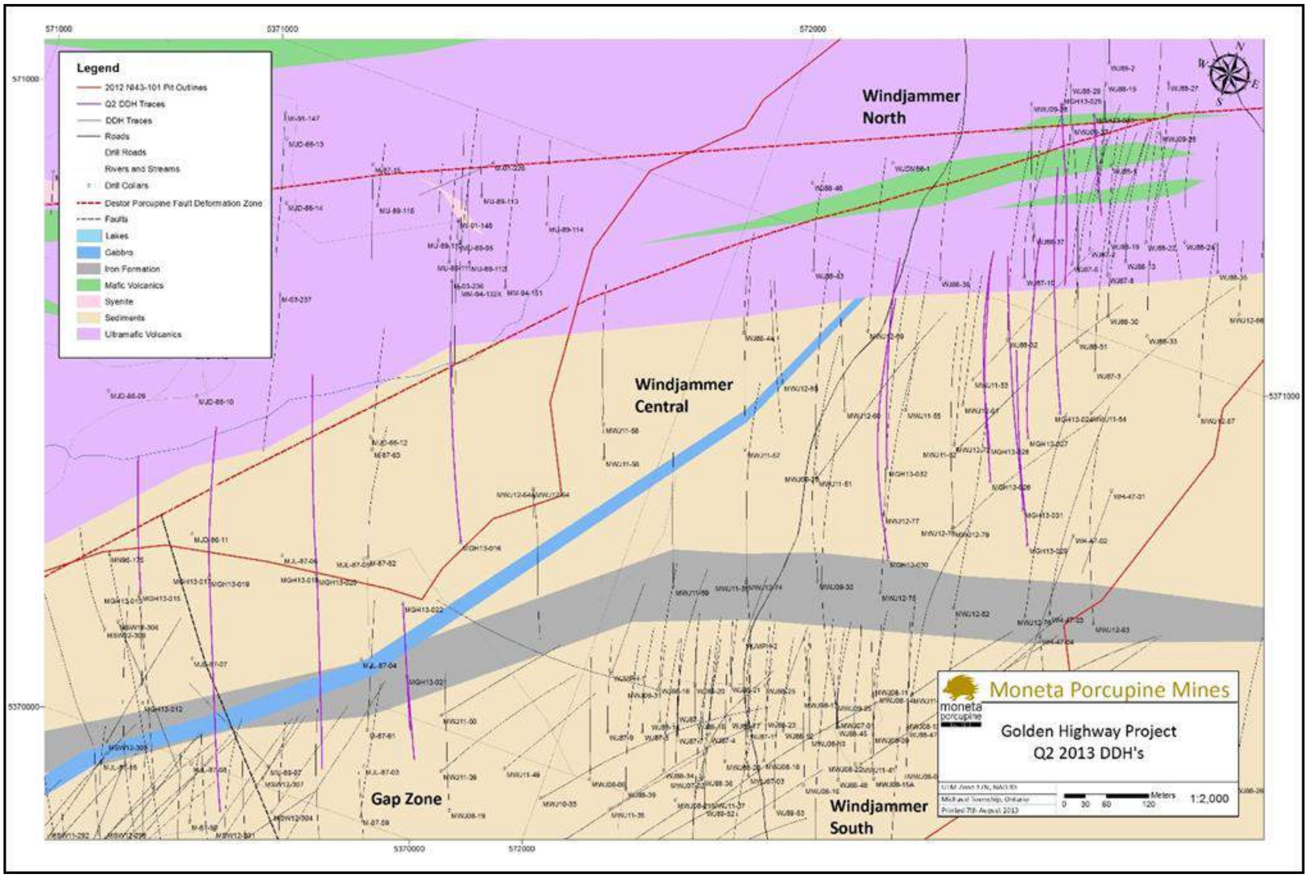

Figure III – Q2 Gold Zone Drilling Program

Southwest Zone

Q1 2013 drilling began targeting deeper and potential up-dip projections of strong mineralization found at depth along both Central and East Block iron-formation contacts.

Final results have been received from previously reported drill hole extension MSW11-285 which was drill-extended from 1,023.0 to 1,366.0 metres. Four highly prospective high grade vein zones, consistent with mineralization intersected higher in the hole, and associated with multi-metre ankerite and pyrite altered greywacke, were intersected returning **4.44 g/t over 5.5 m**, **7.02 g/t Au over 3.0 m**, **4.3 g/t Au over 9.0 m** including **8.04 and 9.33 g/t Au each over 1.0 m**, and **4.06 g/t over 8.46 m** including **5.58 g/t Au over 5.46 m**. The hole is characterized by discrete veining with narrower pervasive alteration intervals.

Drill hole		From (m)	To (m)	Width [(1)] (m)	Vertical Depth (m)	Au (g/t)
MSW11-285X		**1032.0**	**1038.5**	**5.50**		**4.44**
	incl.	**1034.0**	**1037.5**	**3.50**		**6.30**
		1152.0	**1155.0**	**3.00**		**7.02**
	incl.	1152.0	1153.0	1.00		18.96
		1217.0	**1226.0**	**9.00**		**4.30**

incl.	1217.0	1218.0	1.00		8.04
and	1220.0	1221.0	1.00		9.33
	1303.54	**1312.0**	**8.46**		**4.06**
incl.	**1303.54**	**1309.0**	**5.46**		**5.58**

Significant *Southwest Zone* higher grade occurs to depth and along strike, and remains to be drill tested.

Gap Zone

The *Gap Zone* is located between the *Southwest Zone* (East Block) and *Windjammer South*. All are hosted in sediments that form the immediate hanging wall of the south iron formation contact. The Gap Zone is defined over 450 metres of iron formation strike as well as along a north-westerly trending and steep southwesterly dipping cross structure with an associated vein system.

Q2 2013 drilling followed up on the recent Q1 2013 and 2012 drilling that tested primarily the eastern extension of the *Gap Zone* along the iron formation towards *Windjammer South*. Results are summarized, as follows;

- Drill hole MGH13-019 intersected several gold zones, including **0.92g/t over 9.0 m** in an alternated greywacke on the north footwall ("**FW**") of the banded iron formation, and high grade interval of **1.92 g/t over 18.4 m** in a highly brecciated greywacke on the south hanging wall ("**HW**") of the banded iron formation and containing quartz carbonate veining;
- Drill hole MGH13-020 intersected several zones including a higher grade vein zone of **1.78 g/t over 8.0 m** followed by a wide mineralized zone in the HW that returned a very strong **0.84 g/t over 47.50 m** with **1.13 g/t over 19.0 m**. The zone is associated with bleached and highly silicified greywacke containing quartz carbonate veining with 3% fine pyrite;
- Results from drill hole MGH13-021 include **0.65 g/t over 12.0 m** and **0.73 g/t over 18.0 m** including **1.25 g/t over 6.0 m**. The host greywacke is bleached and slightly hematized and silicified with veining;
- Drill hole MGH13-022 intersected several mineralized zones, including one in the FW with **0.74 g/t over 21.0 m**, **1.43 g/t over 18.0 m** and **0.70 g/t over 9.0 m**. These zones are highly silicified with quartz carbonate veining;
- Q1 drill hole MGH13-011 intersected vein/alteration zones returning **0.84 g/t over 18.0 m** followed by **0.76 g/t over 35.4 m**. Both intervals contain higher grade of **1.88 g/t over 3.0 m** and **1.08 g/t over 13.0 m,** respectively;
- Q1 drill hole MGH13-013 intersected two mineralized zones, one on each the HW and FW and returned **1.06 g/t over 3.0 m** and **0.58 g/t over 56.0 m**;
- Q1 drill hole MGH13-014 intersected **1.06 g/t over 17.0 m** in altered greywacke containing up to 5% fine grained pyrite with moderate ankerite and sericite alteration associated with quartz veining.

Drill hole	From (m)	To (m)	Width [1] (m)	Vertical Depth (m)	Au (g/t)
MGH13-019	173.00	178.00	5.00		0.70
	199.00	**208.00**	**9.00**		**0.92**
	333.60	**352.00**	**18.40**		**1.92**
incl.	334.30	335.00	0.70		8.52
	366.00	**390.00**	**24.00**		**0.67**
	402.00	406.00	4.00		1.07
MGH13-020	47.00	58.00	11.00		0.68

	138.00	**146.00**	**8.00**		**1.78**
incl.	141.00	142.00	1.00		11.58
	297.00	**344.50**	**47.50**		**0.84**
incl.	**321.00**	**340.00**	**19.00**		**1.13**
MGH13-021	91.00	103.00	12.00		0.65
	166.00	**184.00**	**18.00**		**0.73**
incl.	**166.00**	**172.00**	**6.00**		**1.25**
MGH13-022	69.00	89.00	20.00		0.76
	190.00	**208.00**	**18.00**		**1.43**
	221.00	230.00	9.00		0.70
MGH13-011	164.00	182.00	18.00		0.84
incl.	174.00	177.00	3.00		1.88
	200.00	**235.40**	**35.40**		**0.76**
incl.	**219.00**	**232.00**	**13.00**		**1.08**
MGH13-013	133.00	136.00	3.00		1.06
	395.00	**451.00**	**56.00**		**0.58**
Incl.	**433.00**	**444.00**	**11.00**		**1.16**
MGH13-014	268.00	271.00	3.00		1.53
	338.00	**355.00**	**17.00**		**1.06**

The *Gap Zone* has been near surface and better established on both HW and FW of the banded iron formation within the modelled pit and along structures cutting the iron formation. Multiple alteration gold zones with higher grade components illustrate the continued potential for higher grade gold mineralization similar to that in the *Southwest Zone*. Deeper high grade targets remain a priority.

Windjammer Central

Windjammer Central is hosted in the 500 metre wide sedimentary sequence located between *Windjammer North* and the iron formation of *Windjammer South* with gold mineralization intersected near surface in wide intervals in the sediments over 750 metres along the volcanic contact. The gold mineralization is similar to the adjacent *Windjammer South* gold resource but concentrated in the footwall of the steeply northerly dipping volcanics of the Destor and *Windjammer North* gold zone.

Drilling in *Windjammer Central* continued in Q2 2013 with results, as follows:

- Hole MGH13-024 intersected various mineralized zones including 0.73 g/t over 11.0 m, 0.62 g/t over 19.0 m, and **1.00 g/t over 71.0 m** including **2.24 g/t over 11.0 m** and **1.82 g/t over 10.0 m** associated with a highly silicified greywacke carrying quartz-carbonate veining;
- Drill hole MGH13-026 intersected three mineralized zones associated to a sericitized greywacke with quartz veining including **1.20 g/t over 9.0 m**, **0.62 g/t over 28.0 m**, and **0.55 g/t over 28.0 m;**
- Drill hole MGH13-027 returned results from a shallow vein zone and wide mineralized alteration zone including **1.51 g/t over 4.4 m** and **0.68 g/t over 142.0 m** including several sequential and distinct zones of **0.86 g/t over 21.0 m, 0.77 g/t over 22.0 m, 0.95 g/t over 37.0 m, and 0.84 g/t over 11.0 m**, all hosted in a

bleached and highly silicified greywacke with 1-2% quartz-carbonate veining and alteration envelopes of ankerite and hematite.

- Final results for drill holes MGH12-028 to 032 are pending.

Drill hole	From (m)	To (m)	Width [1] (m)	Vertical Depth (m)	Au (g/t)
MGH13-024	165.00	176.00	11.00		0.73
	204.00	223.00	19.00		0.62
	266.00	**337.00**	**71.00**		**1.00**
Incl.	**283.00**	**294.00**	**11.00**		**2.24**
Incl.	**299.00**	**309.00**	**10.00**		**1.82**
incl.	**289.00**	**304.00**	**15.00**		**2.15**
MGH13-026	**316.00**	**325.00**	**9.00**		**1.20**
	333.00	**361.00**	**28.00**		**0.62**
	382.00	**410.00**	**28.00**		**0.55**
MGH13-027	**121.00**	**125.4**	**4.40**		**1.51**
	238.00	**380.00**	**142.00**		**0.68**
incl.	**238.00**	**259.00**	**21.00**		**0.86**
incl.	**276.00**	**298.00**	**22.00**		**0.77**
incl.	**307.00**	**344.00**	**37.00**		**0.95**
incl.	**367.00**	**378.00**	**11.00**		**0.84**

The area west of *Windjammer Central* continued to be drill tested near surface both along the volcanic/sedimentary contact and in the sediments between the volcanics and the banded iron formation to the south. This drilling began with Q1 drill hole MGH13-012 now with final results, and continued with 4 additional holes in Q2 (MGH13-015 to 018).

- Drill hole MGH13-016 returned **0.92 g/t over 8.0 m** within a broader zone of **0.59 g/t over 24.0 m** associated with chloritized greywacke containing veining;
- Drill hole MGH13-018 intersected a broad zone of **0.65 g/t over 58.49 m** close to the sedimentary/ volcanic contact and including **0.88 g/t over 13.0 m** with **4.84 g/t over 1.0 m**. The zone is highly silicified and contains quartz-carbonate veining;
- Final results from Q1 drill hole MGH13-012 intersections are **0.86 g/t over 9.0 m**, **0.69 g/t over 45.0 m** including **0.98g/t over 22.0 m**.

Drill hole	From (m)	To (m)	Width [1] (m)	Vertical Depth (m)	Au (g/t)
MGH13-016	**377.00**	**401.00**	**24.00**		**0.59**
incl.	**388.00**	**396.00**	**8.00**		**0.92**
MGH13-018	**349.00**	**407.49**	**58.49**		**0.65**
Incl.	**375.00**	**388.00**	**13.00**		**0.88**
incl.	**386.00**	**387.00**	**1.00**		**4.84**

MGH13-012	152.00	161.00	9.00		0.86
	177.00	**222.00**	**45.00**		**0.69**
Incl.	**179.00**	**201.00**	**22.00**		**0.98**

Windjammer North

Windjammer North is hosted within the highly sheared volcanics of the Destor immediately north and adjacent to *Windjammer Central*. Talc-chlorite schists and green carbonate altered komatiites intermixed with mafic volcanics are cut by both felsic and mafic intrusives. Mineralization is of the lode gold type and typically associated with quartz and quartz carbonate veining with local intense sericite and ankerite alteration.

In Q2 2013, results from drilling in *Windjammer North*, are as follows:

- Drill hole MGH13-023 returned **0.74 g/t over 19.0 m** with **1.18 g/t over 5.93 m**, in a highly deformed talc-chlorite altered komatiitic basalt injected by quartz-carbonate veining with fine pyrite.
- Drill hole MGH13-024, collared in *Windjammer Central*, continued into *Windjammer North* at depth intersecting a vein zone of **4.31 g/t over 5.0 m** with **11.13 g/t over 1.0 m** in irregular and brecciated carbonate veining;
- Drill hole MGH13-025 intersected two zones of **0.80 g/t over 8.0 m** and **0.96 g/t over 6.0 m** hosted in altered volcanics.

Drill hole	From (m)	To (m)	Width [1] (m)	Vertical Depth (m)	Au (g/t)
MGH13-023	**241.80**	**260.94**	**19.14**		**0.74**
Incl.	**242.57**	**248.50**	**5.93**		**1.18**
MGH13-024	**532.00**	**537.00**	**5.00**		**4.31**
incl.	**536.00**	**537.00**	**1.00**		**11.13**
MGH13-025	**259.00**	**267.00**	**8.00**		**0.80**
	287.00	**293.00**	**6.00**		**0.96**

Windjammer drilling results have been encouraging in better defining the near surface mineralization and upgrade the NI 43-101 resource from *inferred* to *indicated*. Of particular interest are drill holes MGH13-024 (upper) and 027 within *Windjammer Central*. Q3 drilling is currently focused on *Windjammer Central* for resource expansion and upgrading, as well as its linkage to *Windjammer South* and its eastern extension.

Summary Updated NI 43-101 Mineral Resource Estimate (2012)

The NI 43-101 Mineral Resource Estimate was completed on the *Golden Highway* in 2012. Readers seeking additional details to those disclosed here are directed to the (combined) NI 43-101 Mineral Resource Estimate and Preliminary Economic Assessment technical report filed on SEDAR in December 2012.

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

- In-Pit and Out-of-Pit:
  - Indicated: **1,091,000** ounces (31.1 Mt at 1.09 g/t Au); **<u>plus</u>**
  - Inferred: **3,204,000** ounces (83.3 Mt at 1.20 g/t Au);

- The Mineral Resource Estimate increased by **55%** to 3.2 million ounces inferred from the previous resource estimate of 2.1 million ounces (December 1, 2011 press release);
- The original Southwest Zone pit dimensions have been optimized in this resource update;
- Resource remains open in all directions for further expansion.

Preliminary Economic Assessment (2012)

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

Pre-tax Net Present Value is **$748 million** (5% discount rate), with a **24.4%** internal rate of return, and 4.1 year payback period using **US$1,350** gold price. A gold price sensitivity table follows:

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

PEA Highlights:

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

Areas of upside potential include:

- Four additional gold zones on the property outside the NI 43-101 resource;
- Undrilled areas within the conceptual pits;
- Potential below current constrained pits - similar to Southwest Zone; and
- Exploration potential within 12km of strike of the Property.

The PEA incorporates the recent NI 43-101 Mineral Resource Estimate of 31.1 Mt at 1.09 g/t Au indicated plus 83.3 Mt at 1.20 g/t Au inferred (press release October 25, 2012). The PEA assumes that both open pit and underground mining methods would be used for resource extraction. Potentially economic open pit portion of the resources have been calculated assuming a dilution of 6% and a material loss of 2%. Potentially economic underground portion of the resources have been calculated assuming a dilution of 15% and a material loss of 10%.

The reader is cautioned that the PEA is preliminary in nature as it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Exploration Permit Granted

Changes under the Ontario Mining Act effective April 1, 2013 made "Plans and Permits" for continuing exploration work on non-patented mining rights (staked claims and mining leases) mandatory and conditional on consultation with impacted First Nations.

On April 12, 2013, Moneta was granted a 3 year exploration permit for the *Golden Highway Project* by the Ministry of Northern Development and Mining. The permit was granted under the new Ontario Mining Act following submission by Moneta of the permit application in Q1 2013.

PORCUPINE CAMP

Moneta continues to maintain a large land holding in *Porcupine Gold Camp* which includes the gold properties North Tisdale, Nighthawk Lake, Kayorum, and Denton-Thorneloe. Additional properties with strategic value are historical base metal projects and include Loveland Nickel, Kamiskotia, and Fripp.

There has been no Q1 2013 field activity on the Porcupine Camp properties.

Kayorum Project / Moneta Mine

The Moneta Mine mined the continuation of Hollinger Mine veining across the property boundary from 1938 to 1943 with a total production of 149,250 oz gold from 314,829 tons at an average grade of 0.47 oz/t.

Moneta completed geotechnical work in 2011 including geophysics, diamond drilling, and progressive rehabilitation of identified hazards (capping a fill raise and small historical shaft). Work was completed support a closure plan for the Ministry of Northern Development Mines ("**MNDM**"). Revisions to the closure plan continue to be under discussion with the MNDM.

Moneta Mine – Tailings Pond

In 2012, Moneta entered into discussions with the MNDM regarding residual 1939 start-up tailings from the former Moneta Mine production. Moneta re-processed most of the tailings in 1995 except for tailings located directly under (Ontario) Hydro One ("**Hydro One**") poles connected to the adjoining Hydro One power station.

Moneta engaged an independent consultant to undertake a water sampling program from the tailings pond. The consultant confirmed that minor contaminants are being generated from the residual tailings which remain under the hydro poles. Moneta also met with Hydro One and completed a joint site visit. Hydro One confirmed a modification plan to its adjacent substation layout and its intent to relocate the hydro poles outside the tailings pond by 2014. This timeline was communicated to the MNDM and accepted as reasonable.

Moneta will assess the best course of action for the residual tailings, estimated to be less than 1,000 tons, ensuring appropriate site remediation as required under the Mining Act. It is anticipated that the residual tailings will be removed and possibly re-processed which will offset associated costs. On the recommendations of the MNDM, "No Trespass" signs were erected around the tailings site.

FINANCIAL REVIEW

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

This section discusses significant changes in the Interim Consolidated Statements of Financial Position, the Statements of Shareholders' Equity, the Statements of Loss (Earnings) Comprehensive Loss (Earnings) and Deficit, and the Statements of Cash Flows for the six month period ended June 30, 2013.

SUMMARY OF QUARTERLY RESULTS

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

Highlights	**2013**		2012				2011	
($ except per share data)	**Jun 30**	Mar 31	Dec 31	Sep 30	June 30	Mar 31	Dec 31	Sep 30
Revenue	**-**	-	-	-	-	-	-	-
Loss (earnings) and comprehensive loss (earnings)	**1,318,896**	(346,249)	941,549	740,307	1,153,284	(590,104)	1,103,684	1,665,512
Loss (earnings) per share	**$0.01**	($0.00)	$0.01	$0.01	$0.01	($0.01)	0.01	0.01

SIGNIFICANT EVENTS DURING Q2 2013

Exploration and evaluation expenditures, previously capitalized under Canadian GAAP, are now expensed under IFRS. A total of $1,135,346 was incurred during in Q2 2013 (YTD 2013: $2,004,478) as compared to $1,143,637 in Q2 2012 (YTD 2012: $2,053,446). Drilling was focused on the Company's *Golden Highway Project*, as explained above under RESULTS OF OPERATIONS.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the Interim Consolidated Statements of Loss (Earnings) Comprehensive Loss (Earnings) and Deficit for the six month periods ended June 30, 2013 and 2012 and the corresponding notes thereto. All references to years "YTD 2013" or "YTD 2012" relate to the six month periods ended June 30 of those years unless stated otherwise. Moneta has not generated any material operating revenues as it is in the exploration and development stage and, therefore, operating losses are anticipated to continue in the future.

Moneta reported net loss and comprehensive loss of $1,318,896 in Q2 2013 (YTD 2013: $972,647) as compared to a net loss and comprehensive loss of $1,153,284 in Q2 2012 (YTD 2012: $563,180). The net loss and comprehensive loss includes a Q1 2013 deferred tax recovery of $1,385,287 (Q1 2012: $1,600,000) which effectively results in net earnings and comprehensive earnings for the Q1 current and comparative reporting periods (see below for further details).

Exploration and evaluation expenditures were $1,135,346 in Q2 2013 (YTD 2013: $2,004,478) as compared to $1,143,637 in Q2 2012 (YTD 2012: $2,053,446), representing a minor decline in period over period exploration expenditures. Share based compensation charges, related to options vested during the period, were $20,072 in Q2 2013 (YTD 2013: $41,025) as compared to $5,402 in Q2 2012 (YTD 2012: $10,777). Management fees, wages and tax benefits were $52,817 in Q2 2013 (YTD 2013: $151,189) as compared to $53,642 in Q2 2012 (YTD 2012: $107,089). The increase relates to the payment of unpaid 2011 incentive compensation. The 2012 incentive compensation remains payable at period end. General & administration expenses were $102,922 in Q2 2013 (YTD 2013: $165,601) up from $35,298 in Q2 2012 (YTD 2012: $79,291) and primarily due to office expenses and computer software upgrades for the

Timmins office and annual meeting expenses. Legal and audit expenses were $35,505 in Q2 2013 (YTD 2013: $43,005) as compared to $18,445 in Q2 2012 (YTD 2012: $26,321). Travel and promotion expenses were $9,420 in Q2 2013 (YTD 2013: $21,887), as compared to $6,568 in Q2 2012 (YTD 2012: $14,005), representing an increase in spring marketing in Europe.

Other income was $9,345 in Q2 2013 (YTD 2013: $18,648), as compared to $106,966 in Q2 2012 (YTD 2012: $118,798) representing a sale of certain historical data in Q2 2012 and a minor increase in period over period royalty income from a perlite operation and the sale. The unrealized loss on investments held for trading, resulting from market value fluctuations, was $930 in Q2 2013 (YTD 2013: $465), as compared to an unrealized loss of $465 in Q2 2012 (YTD 2012: $NIL). Interest income was $28,771 in Q2 2013 (YTD 2013: $51,068), as compared to $3,207 in Q2 2012 (YTD 2012: $8,951), representing interest earned on higher cash balances period over period.

Deferred tax recovery in Q2 2013 was $NIL (YTD 2013: $1,385,287) as compared to $NIL in Q2 2012 (YTD 2012: $1,600,000) representing the flow through premium (2013: 35% - $0.35 issue price / $0.26 stock price) (2012: 40% - $0.49 issue price / $0.35 stock price) over the prevailing stock price on the structured flow through share issuances. These flow though premiums are reported as a temporary non-cash 'deferred premium on flow through shares' liability on the statement of financial position and reversed in the normal course upon flow through flow through renunciation in March 2013 and March 2012, respectively, to the 'deferred tax recovery' on the consolidated statements of loss (earnings), comprehensive loss (earnings).

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the Interim Consolidated Statements of Financial Position and Statements of Changes in Shareholders' Equity as at June 30, 2013 and 2012 and the corresponding notes thereto.

Consolidated assets

Consolidated assets were $8,697,642 at June 30, 2013 as compared to $10,950,833, as at December 31, 2012. Cash and equivalents were $6,663,809 at June 30, 2013, with the vast majority of the decline directly related to exploration and evaluation expenditures, as compared to $9,082,092 at December 31, 2012.

Exploration and evaluation assets were $1,715,909 at June 30, 2013 as compared to $1,683,430, at December 31, 2012, representing the capitalization of project acquisition costs and expensing of historically capitalized (deferred) exploration expenditures.

Consolidated liabilities

Consolidated liabilities, excluding the non-cash 'deferred premium on flow through shares' liability of $NIL (2012 - $1,385,287), were $635,282 at June 30, 2013 as compared to $610,664 at December 31, 2012.

In December 2012, as part of a larger financing, the Company completed a structured charity flow-through financing for $5,387,227. The Company reported a $4,001,990 increase in capital stock, reflecting the Company's stock price at the time, offset by a $1,385,287 increase in non-cash 'deferred premium on flow-through shares' liability, reflecting the premium received on the structured flow-through financing over the stock price.

In March 2013, the Company renounced, in the normal course, $5,387,227 (March 2012 - $5,600,000) of flow through expenditures to flow-through subscribers. As a result, the non-cash 'deferred premium on flow-through shares' liability of $1,385,287 (2012 - $1,600,000) was reversed from the statement of financial position to a deferred tax recovery credit on the consolidated statements of loss (earnings) and comprehensive loss (earnings).

Shareholders' equity

Shareholders' equity was $8,062,360 at June 30, 2013 as compared to $8,954,882 at December 31, 2012. The increase is primarily due to the earnings and comprehensive earnings of $972,647 for the six month period ended June 30, 2013.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the Interim Consolidated Statements of Financial Position as at June 30, 2013 and 2012 and the corresponding notes thereto.

The consolidated working capital ratio at June 30, 2013, was 11 : 1 as compared to 15 : 1 at December 31, 2012, excluding the temporary non-cash 'deferred premium on flow-through shares' liability.

The Company held $6,663,809 in cash and equivalents at June 30, 2013 (December 31, 2012 - $9,082,092), $251,338 (December 31, 2012 - $165,914) in sales taxes recoverable, and $47,898 (December 31, 2012 - $ NIL) in short term interest receivable.

Current liabilities at June 30, 2013 include accounts payable and accrued liabilities of $635,282 (December 31, 2012 - $610,664) primarily related to unpaid exploration and evaluation expenditures incurred during the quarter and payable in the normal course.

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the six month period ended June 30, 2013.

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

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company paid salary and 2011 incentive compensation of $145,000 (2012 - $100,000) to an officer and director for the six month period ended June 30, 2013 for services provided to the Company under an ongoing employment contract. The 2012 incentive compensation remains payable at the end of the period. The Company reported a salary of $6,000 (2012 – $NIL) to an officer and director for the six month period ended June 30, 2013, for services provided to the Company. The amount was payable at the end of the period. The Company reported a salary and signing bonus of $137,500 (2012 – $NIL), charged to exploration and evaluation expenditures, for an officer for the six month period ended June 30, 2013 for services provided to the Company under an ongoing employment contract. Directors' fees of $16,500 (2012 – $14,784) were expensed during the six month period ended June 30, 2013, with $8,000 payable at the end of the period. No stock options (2012: $NIL) were issued during the period to directors, officers and consultants. All related party transactions were completed in the normal course of business at the exchange amounts. There were no loans to Directors or Officers during the period (2012: $NIL).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

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

The CEO and CFO evaluated the effectiveness of the Company's DC&P and ICFR as required by National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings issued by the Canadian Securities Administrators. As at June 30, 2013, the CEO and the CFO evaluated the design and operation of the Company's DC&P as well as the design and operating effectiveness of the Company's ICFR. Based on that evaluation, the CEO and CFO concluded that the Company's DC&P and ICFR were effective as at June 30, 2013. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR.

CRITICAL ACCOUNTING ESTIMATES

Moneta's significant accounting policies are summarized in note 2 to the interim consolidated financial statements for the six month period ended June 30, 2013. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include, but are not limited to, the determination of carrying value of exploration and evaluation assets, the valuation of share-based compensation transactions, the valuation of purchase warrants issued on financings, deferred income tax assets and liabilities, and accrued liabilities and contingencies. Estimates and assumptions are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Provisions

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

Exploration and evaluation expenditures

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

Decommissioning and restoration provision

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

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

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

Share based compensation transactions

Stock options

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

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

Share-based payments to non-employees

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the Company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the underlying equity instrument, measured at the date the Company obtains the goods or the counterparty renders the service. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Purchase warrants and broker compensation options

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

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

CHANGES IN ACCOUNTING POLICIES

The interim consolidated financial statements for the six month periods ended June 30, 2013 were prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

Recent Accounting Pronouncements

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

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

IFRS 10 Consolidated Financial Statements

IFRS 10, Consolidated Financial Statements was issued by the IASB to replace IAS 27, Consolidated and Separate Financial Statement and SIC-12, Consolidation - Special Purpose Entities. IFRS 10 requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 is effective for annual periods beginning on or after January 1, 2013.

IFRS 11 Joint Arrangements

IFRS 11, Joint Arrangements supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities - Non-monetary Contributions by joint venture partners. IFRS 11 requires a joint venture partner to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the joint venture partners will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 Disclosures of Interests in Other Entities was issued by the IASB to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.

IFRS 13 Fair Value Measurement

IFRS 13, Fair Value Measurement is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

Fair value

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

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

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

Credit risk

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

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

The aggregate gross credit risk exposure at June 30, 2013 was $6,963,045 (December 31, 2012 - $9,248,006), and was comprised of $251,338 (December 31, 2012 - $165,914) in harmonized sales taxes recoverable, $47,898 (December 31, 2012 - $ NIL) in short term interest receivable, and $6,663,809 (December 31, 2012 - $9,082,092) in cash and equivalents held with Canadian financial institutions with a "AA" credit rating.

Market risk

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

Currency risk

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

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

Commodity price risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

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

Sensitivity Analysis

The Company believes that the movements in investments held for trading that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The Company believes that its cash position and short term investments provide adequate liquidity to meet all of the Company's near-term obligations.

CONTINGENT LIABILITIES

Order to file closure plan on Moneta Mine

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 a 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 and Mines ("**MNDM**") provided comments on the closure plan in November 2011. The Company submitted an amended closure plan in December 2011 addressing the minor comments. The MNDM provided further comments on the amended closure plan in February 2012. The Company submitted a proposal to resolve the minor outstanding issues and the MNDM responded with further comments in July 2012. The Company met with the MNDM in October 2012 and the MNDM agreed to come back to the Company on how it planned to proceed with resolution.

During Q2 2013, the MNDM contacted the Company and the Company again outlined its position on the MNDM's minor outstanding issues. The MNDM has again agreed to come back to the Company on how it planned to proceed. No provision has been made in the financial statements given ongoing discussions with the MNDM to close this matter.

Civil lawsuits

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

OUTSTANDING SHARE DATA

As at June 30, 2013, the Company has a total of 193,642,382 (December 31, 2012 – 193,472,382) common shares outstanding and 5,870,000 (December 31, 2012 – 6,734,083) stock options outstanding with an average exercise price of $0.24 (December 31, 2012 - $0.24) per share. Additional details are available in note 4 to the Interim Consolidated Financial Statements for the six month periods ended June 30, 2013.