



MONETA GOLD INC.

Interim Condensed Consolidated Financial Statements

For the three and six-months ended June 30, 2022 and 2021

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


MONETA GOLD INC.

Interim Condensed Consolidated Statements of Financial Position

As at	Notes	(Unaudited) June 30 2022	(Audited) December 31 2021
		\$	\$
Current assets			
Cash and equivalents		4,780,763	13,300,621
Investments		45,136	51,676
Prepaid expenses		147,237	78,092
Receivables		41,573	45,492
Sales taxes recoverable		716,890	447,985
Interest receivable		9,935	4,745
Total current assets		5,741,534	13,928,611
Reclamation deposits	5, 14	192,064	192,064
Property, plant and equipment	6	656,891	632,137
Exploration and evaluation assets	7, 14	54,344,009	54,066,923
Total assets		60,934,498	68,819,735
Current liabilities			
Accounts payable and accrued liabilities	15	3,432,650	1,263,712
Deferred premium on flow-through shares	3, 10	-	4,260,900
Total current liabilities		3,432,650	5,524,612
Asset retirement obligation	8, 14	811,375	805,694
Deferred tax liability	10, 14	691,000	691,000
Loan payable	16	60,000	60,000
Total liabilities		4,995,025	7,081,306
Shareholders' equity			
Capital stock	9, 14	133,496,541	132,863,358
Contributed surplus		8,599,284	8,113,483
Deficit		(86,156,352)	(79,238,412)
Total shareholders' equity		55,939,473	61,738,429
Total liabilities and shareholders' equity		60,934,498	68,819,735

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

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MONETA GOLD INC.

Interim Condensed Consolidated Statements of Changes In Shareholders' Equity

	Notes	Capital Stock ⁹				Shareholders' Equity
		Shares	\$	Contributed Surplus	Deficit	
Balance as at December 31, 2021		94,691,611	132,863,358	8,113,483	(79,238,412)	61,738,429
Share issuance on exercise of stock options	9, 11	324,796	250,985			250,985
Fair value of stock options exercised	9		112,976	(112,976)		-
Share issuance on exercise of warrants	9	167,047	210,479			210,479
Fair value of warrants exercised	9		58,743	(58,743)		-
Share based compensation on vested options	9			657,520		657,520
Loss and comprehensive loss					(6,917,940)	(6,917,940)
Balance as at June 30, 2022		95,183,454	133,496,541	8,599,284	(86,156,352)	55,939,473
Balance as at December 31, 2020		57,865,449	62,921,151	8,408,745	(65,693,721)	5,636,175
Share issuance on private placement financing	9	9,525,617	22,550,084			22,550,084
Fair value of broker compensation warrants	9		(490,060)	490,060		-
Deferred premium on flow through shares	3, 9		(4,260,900)			(4,260,900)
Share issuance costs - cash	9		(1,579,582)			(1,579,582)
Share issuance on exercise of stock options	9, 11	406,250	317,375			317,375
Fair value of stock options exercised	9		128,583	(128,583)		-
Acquisition of mineral claims and Northern Gold Mining Inc.	9, 14	24,917,878	49,337,400			49,337,400
Share issuance for investment advisory services	9	246,039	500,000			500,000
Share issuance on exercise of warrants	9	242,046	232,364			232,364
Fair value of warrants exercised	9		34,869	(34,869)		-
Share based compensation on vested options	9			171,276		171,276
Loss and comprehensive loss					(4,586,771)	(4,586,771)
Balance as at June 30, 2021		93,203,279	129,691,284	8,906,629	(70,280,492)	68,317,421

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


MONETA GOLD INC.

Interim Condensed Consolidated Statements of (Income) / Loss & Comprehensive (Income) / Loss

		Three months		Six months	
For the period ended June 30,	Notes	2022 \$	2021 \$	2022 \$	2021 \$
Expenses					
Exploration and evaluation expenditures	7	6,831,409	2,820,695	9,583,886	5,028,542
Legal, audit & investment advisory	17	119,094	190,054	169,118	248,716
General & administration		324,402	244,435	640,669	505,252
Share based compensation	9, 11	371,391	82,207	657,520	171,276
Wages and benefits	11	102,202	68,504	224,422	115,798
		7,748,498	3,405,895	11,275,615	6,069,584
Other items					
Other income		(26,423)	(21,739)	(58,069)	(47,638)
Interest income		(27,785)	(20,572)	(45,246)	(36,704)
Unrealized (gain) loss on investments		12,463	(1,830)	6,540	1,365
Loss before income taxes		7,706,753	3,361,754	11,178,840	5,986,607
Deferred taxes	9, 10	-	-	(4,260,900)	(1,399,836)
Loss and comprehensive loss		7,706,753	3,361,754	6,917,940	4,586,771
Deficit - beginning of period		78,449,599	66,918,738	79,238,412	65,693,721
Deficit - end of period		86,156,352	70,280,492	86,156,352	70,280,492
Basic loss per share	9	\$0.08	\$0.04	\$0.07	\$0.06
Weighted average outstanding shares	9	95,022,519	92,893,487	94,904,370	83,190,580

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


MONETA GOLD INC.

Interim Condensed Consolidated Statements of Cash Flows

For the period ending June 30,	Notes	Six months	
		2022	2021
		\$	\$
Operating activities			
(Loss) and (comprehensive loss)		(6,917,940)	(4,586,771)
Adjust for non-cash items			
Share based compensation	9	657,520	171,276
Accretion expense	8	5,680	1,631
Depreciation expense		22,287	828
Deferred premium on flow-through shares	3, 9, 10	(4,260,900)	(1,399,836)
Share issuance for investment advisory services		-	500,000
Unrealized loss on investments		6,540	1,365
Net change in non-cash working capital balances		1,829,617	985,346
Cash used in operating activities		(8,657,196)	(4,326,161)
Investing activities			
Acquisition of property, plant, equipment	6	(47,040)	(49,755)
Exploration and evaluation assets	7	(277,086)	(1,475,661)
Cash used in investing activities		(324,126)	(1,525,416)
Financing activities			
Common shares issued on private placement, net of issue costs	9	-	20,970,502
Common shares issued on exercise of stock options	9, 11	250,985	317,375
Common shares issued on exercise of warrants	9	210,479	232,364
Cash provided from financing activities		461,464	21,520,241
Net (decrease) / increase in cash and equivalents		(8,519,858)	15,668,664
Cash and equivalents, beginning of year		13,300,621	5,852,006
Cash and equivalents, end of period		4,780,763	21,520,670

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

1. Nature of operations and going concern

Nature of operations

Moneta Gold Inc. ("Moneta" or the "Company") is a public company listed on the Toronto Stock Exchange (TSX: ME) (OTCQX: MEAUF) (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.

On August 24, 2021 Moneta released a press relates that effective August 26, 2021 that it has changed its name to Moneta Gold Inc. from Moneta Porcupine Mines Inc. – as previously approved by shareholders on June 24, 2021. Additionally, with this name change, the Company also announced it had completed consolidation of its issued and outstanding common shares at a ratio of six pre-consolidation common shares to one post-consolidation common share (the "Consolidation"). The Consolidation has reduced the number of issued and outstanding common shares from 559,451,609 to 93,241,612 as at August 26, 2021. No fractional common shares were issued, and no cash consideration was paid, in connection with the Consolidation. If, as a result of the Consolidation, a holder of common shares was otherwise entitled to a fractional common share, such fraction was rounded down to the nearest whole number and each holder of common shares who otherwise would have been entitled to receive a fractional common share received no further interest in the Company with respect to its fractional common share. As is customary, to reflect the Consolidation, all outstanding warrants and incentive stock options for current and prior year have been adjusted to increase their exercise price by a factor of six and to reduce the number of common shares issued upon exercise by dividing by six.

Going concern

These interim condensed 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 June 30, 2022. 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 material uncertainty that may raise significant doubt as to the Company's ability to continue as going concern. There is no assurance that the Company's funding initiatives will continue to be successful, and these interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. The COVID-19 pandemic continues to negatively impact global financial markets, and this may adversely affect the Company's ability to raise capital for future exploration.

2. Basis of Preparation

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended December 31, 2021, except as noted below under changes in accounting policies. These interim condensed consolidated financial statements should be read in conjunction with the 2021 annual consolidated financial statements and the notes thereto. The Company operates in one segment defined as the cash generating unit which is Canada. These interim condensed consolidated financial statements were approved by the Board of Directors of the Company on August 8, 2022.

Basis of Measurement

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

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The

areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3. Significant accounting policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2022. They are not applicable or do not have a significant impact to the Company.

4. Key sources of estimation uncertainty and judgement

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

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

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

a) Share based payments

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

b) Exploration and evaluation expenditures

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

c) Impairment of long-lived assets

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

d) Decommissioning and restoration provision

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

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the period in which it is incurred and when a reasonable estimate of fair value can be made. For properties that have already been extinguished, the incremental amount of the increase in fair value of the revised liability is immediately charged to the Statement of Loss, Comprehensive Loss. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the

absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life and records the accretion of the liability as a charge to the Statement of Loss, Comprehensive Loss.

e) Contingent liabilities

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

f) Accounting for acquisitions

The Company assesses whether an acquisition is an asset acquisition or a business combination. The Company accounts for an acquisition as a business combination if the assets acquired and liabilities assumed constitute a business and the Company obtains control of the business. When the cost of a business combination exceeds the fair value of the identifiable assets acquired or liabilities assumed, such excess is recognized as goodwill. Transaction related costs are expensed as incurred.

If an acquisition does not meet the definition of a business combination, the Company accounts for the acquisition as an asset acquisition.

5. Reclamation deposits

The Company has cash and bond reclamation deposits of \$192,064 (December 31, 2021 - \$192,064) and \$407,428 (December 31, 2021 - \$407,428) respectively with the Ministry of Northern Development and Mines as financial guarantees covering the cost of mine reclamation related to the Company's acquisition of Northern Gold Mining Inc. and the historical Moneta mine and tailings.

6. Property, plant and equipment

The following table summarizes information regarding the Corporation's property, plant and equipment as at June 30, 2022:

June 30, 2022										
Class	Amortization period	Cost (\$)				Accumulated depreciation (\$)				(\$)
		Opening balance	Additions / transfers	Write-off / disposals	Closing balance	Opening balance	Depreciation	Write-off / disposals	Closing balance	Net book value
Vehicles	5 years	49,755	47,040	-	96,795	5,804	8,112	-	13,916	82,879
Building	20 years	567,000	-	-	567,000	11,813	14,175	-	25,988	541,012
Land	Not amortized	33,000	-	-	33,000	-	-	-	-	33,000
Total		649,755	47,040	-	696,795	17,617	22,287	-	39,904	656,891

7. Exploration and evaluation assets

	Six months ended June 30, 2022	Year ended December 31, 2021
	\$	\$
Acquisition costs		
Balance, beginning of year	54,066,923	2,103,733
Acquisition costs, net	277,086	51,963,190
Balance, end of year	54,344,009	54,066,923

Acquisition costs	December 31, 2021	Additions / (Disposals)	June 30, 2022
	\$	\$	\$
Garrison ⁽¹⁾	51,881,568	7,158	51,888,726
Golden Highway	1,727,766	15,401	1,743,167
North Tisdale	157,977	23,895	181,872
Kayorum	131,634	194	131,828
Buffonta ⁽²⁾	40,326	163,125	203,451
Pike ⁽³⁾	-	25,000	25,000
Nighthawk Lake	19,624	-	19,624
Denton Thorneloe and other	108,028	42,313	150,341
	54,066,923	277,086	54,344,009

Acquisition costs	December 31, 2020	Additions	December 31, 2021
	\$	\$	\$
Garrison ⁽¹⁾	-	51,881,568	51,881,568
Golden Highway Project	1,722,014	5,752	1,727,766
North Tisdale	144,333	13,644	157,977
Kayorum	130,634	1,000	131,634
Buffonta ⁽²⁾	-	40,326	40,326
Nighthawk Lake	19,624	-	19,624
Denton Thorneloe and other	87,128	20,900	108,028
	2,103,733	51,963,190	54,066,923

⁽¹⁾ On February 24, 2021 Moneta acquired all the shares of Northern Gold Mining Inc., owner of the Garrison project. The acquisition was treated as an asset purchase with a value of \$50,465,400 assigned to Garrison property. Investment advisor fees and legal fees totaling \$1,404,649 were also capitalized to the Garrison property. Refer to Notes 9 & 14 for additional disclosures.

⁽²⁾ On February 24, 2021 Moneta acquired all the shares of Northern Gold Mining Inc., owner of the Buffonta property. A \$40,000 option payment to eventually acquire property in close proximity to the Buffonta property was paid during Q2 2021. In Q2 2022 the final option payment was made to acquire the property in close proximity to the Buffonta property.

7. Exploration and evaluation assets (continued)

- ⁽³⁾ On February 24, 2021 Moneta acquired all the shares of Northern Gold Mining Inc., owner of the Pike property. A \$25,000 option payment to eventually acquire property in close proximity to the Pike property was paid during Q1 2022.

There were no property disposals and no indications of impairment of exploration and evaluation assets during the six months ending June 30, 2022 (December 31, 2021: \$Nil). Capitalized acquisition costs totaled \$54,344,009 at June 30, 2022 (December 31, 2021: \$54,066,923). Exploration and evaluation expenditures for the six months ended June 30, 2022, of \$9,583,886 (June 30, 2021: \$5,028,542), were charged to the Statement of (Income) / Loss and Comprehensive (Income) / Loss.

8. Asset retirement obligation

The Company's asset retirement obligation is estimated based on the Company's site remediation and restoration plan and the estimated timing of the costs to be paid in future years. The total undiscounted amount of cash flows required to settle the Company's asset retirement obligation is approximately \$763,696.

Present value as of February 24, 2021	\$598,000
Accretion	\$2,801
Change in estimate	\$204,893
Present value as of December 31, 2021	\$805,694
Accretion	\$5,681
Present value as of June 30, 2022	\$811,375
Total undiscounted value of payments	\$763,696
Weighted average discount rate	1.41%
Weighted average expected life	5 years
Inflation rate	2.46%

9. 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.

The Corporation incurred net losses for each of the years ended December 31, 2021 and 2020, therefore all outstanding, stock options and warrants, have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive.

Capital stock transactions

On August 24, 2021 the Company announced it had completed consolidation of its issued and outstanding common shares at a ratio of six pre-consolidation common shares to one post-consolidation common share (the "Consolidation"). The Consolidation has reduced the number of issued and outstanding common shares from 559,451,609 to 93,241,612 as at August 26, 2021. No fractional common shares were issued, and no cash consideration was paid, in connection with the Consolidation. If, as a result of the Consolidation, a holder of common shares was otherwise entitled to a fractional common share, such fraction was rounded down to the nearest whole number and each holder of common shares who otherwise would have been entitled to receive a fractional common share received no further interest in the Company with respect to its fractional common share. As is customary, to reflect the Consolidation, all outstanding warrants and incentive stock options for current and prior year have been adjusted to increase their exercise price by a

factor of six and to reduce the number of common shares issued upon exercise by dividing by six. The consolidated statements of changes in shareholders' equity have been retrospectively restated to reflect the Consolidation.

On February 4, 2021, Moneta issued 2,890,617 common shares at \$1.92 per share ("Hard Dollar Shares") and 5,072,500 common shares at \$2.76 issued on a flow-through basis ("Flow Through Shares") for aggregate gross proceeds of \$19,550,084, including 1,328,116 Hard Dollar Shares pursuant to the full exercise of the Underwriters' option ("Bought Deal Offering"). Flow Through Compensation Warrants issued in conjunction with the Bought Deal Offering was 304,350 at an exercise price of \$2.76. Hard Dollar Compensation Warrants issued in conjunction with the Bought Deal Offering was 173,437 at an exercise price of \$1.92.

A non-cash deferred premium on flow-through share's 'liability' of \$4,260,900 was reported representing the premiums of \$0.84 received over the hard dollar share price of \$1.92 on the shares issued on a flow-through basis. Net proceeds from the Bought Deal Offering were \$18,282,749.

Concurrent with the Bought Deal Offering, Moneta also closed its non-brokered private placement of subscription receipts at a price of \$1.92 per subscription receipt for gross proceeds of \$3,000,000 ("Subscription Receipts"). The proceeds from the sale of the Subscription Receipts were deposited into escrow pending satisfaction of certain escrow release conditions, including closing of the previously announced acquisition ("Acquisition") of the Garrison project from O3 Mining (Note 14). At the time the Acquisition closes, each Subscription Receipt was to be exchanged for one common share of Moneta.

On February 24, 2021 Moneta announced that the Company had completed the acquisition of all the issued and outstanding shares of Northern Gold Mining Inc., as previously announced on January 14, 2021. Under the terms of the Transaction, O3 Mining was issued 24,917,878 common shares of Moneta and currently owns approximately 27% of the outstanding Moneta shares. The shares are subject to a hold period ending December 31, 2022 (Note 14).

On this same date, the Company satisfied the escrow release conditions under the previously announced \$3 million subscription receipt financing concurrently with the closing of the Transaction. As a result, the subscription receipts converted, for no further consideration, into 1,562,500 Moneta shares on closing. Hard Dollar Compensation Warrants issued in conjunction with the Subscription Receipts was 62,500 at an exercise price of \$2.76. Net proceeds from the Subscription Receipts were \$2,873,650.

The Company will use an amount equal to the gross proceeds received by the Company from the sale of the Flow Through Shares, pursuant to the provisions in the Income Tax Act (Canada), to incur or be deemed to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" as both terms are defined in the Income Tax Act (Canada) (the "Qualifying Expenditures") on future and current properties of the Company or a subsidiary thereof on or before December 31, 2022, and to renounce all the Qualifying Expenditures in favor of the subscribers of the Flow Through Shares effective on or before December 31, 2021. The proceeds from the sale of the Hard Dollar Shares and Subscription Receipts will be used for exploration and development activities on future and current properties of the Company or a subsidiary thereof and for general corporate purposes.

A total of 540,287 compensation warrants were issued in February 2021 with a fair value of \$490,060. The weighted average grant date fair value was \$0.90 per broker compensation warrant. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 0.19%, term: 2 years, expected volatility: 85.33%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%. Cash compensation paid to brokers and the related legal fees for the financing completed in February 2021 amounted to \$1,579,582.

In Q1 2021, the non-cash deferred premium on flow-through shares 'liability' of \$1,399,836 from the July 2020 financing was transferred from the statement of financial position to a deferred tax credit on the Statement of (Income) / Loss and Comprehensive (Income) / Loss when the flow through expenditures were renounced, in the normal course.

In Q1 2021, 18,750 stock options were exercised by an employee at an average exercise price of \$0.78. The initial fair value of \$6,172, previously charged to contributed surplus, was transferred to capital stock.

In Q2 2021, 387,500 stock options were exercised by directors at an average exercise price of \$0.78. The initial fair value of \$122,411, previously charged to contributed surplus, was transferred to capital stock.

In Q2 2021, 242,046 broker warrants were exercised at an average exercised price of \$0.96 for proceeds of \$232,364. The initial fair value of \$34,869, previously charged to capital stock was reversed to contributed surplus.

In Q2 2021, as provided for in the agreement with the investment advisory service, Moneta exercised its right to settle a portion of the investment advisory services invoice with shares. 246,039 shares were issued as payment (\$500,000) for investment advisory services as part of the Acquisition.

In Q1 2022, the non-cash deferred premium on flow-through shares 'liability' of \$4,260,900 from the February 2021 financing was transferred from the statement of financial position to a deferred tax credit on the Statement of (Income) / Loss and Comprehensive (Income) / Loss when the flow through expenditures were renounced, in the normal course.

In Q1 2022, 289,713 stock options were exercised by a past director, a current director and an officer at an average exercise price of \$0.79. The initial fair value of \$106,003, previously charged to contributed surplus, was transferred to capital stock.

In Q2 2022, 35,083 stock options were exercised by a long-time employee at an average exercise price of \$0.66. The initial fair value of \$6,973, previously charged to contributed surplus, was transferred to capital stock.

In Q2 2022, 167,047 broker warrants were exercised at an average exercised price of \$1.26 for proceeds of \$210,479. The initial fair value of \$58,743, previously charged to capital stock was reversed to contributed surplus.

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:

	Six months ended June 30, 2022		Year ended December 31, 2021	
	Weighted		Weighted	
	Average Exercise Price	# Options	Average Exercise Price	# Options
Outstanding, beginning of year	\$1.18	2,584,787	\$1.08	3,987,500
Transactions during the year:				
Granted ⁽¹⁾	2.27	1,335,818	1.87	809,787
Options exercised ⁽²⁾	0.77	(324,796)	1.18	(1,894,582)
Expired ⁽³⁾	0.75	(2)	1.39	(317,918)
Outstanding, end of period	\$1.62	3,595,807	\$1.18	2,584,787
Weighted average remaining contractual life (years)	3.28		2.60	
Exercisable, end of period	\$1.35	2,373,995	\$1.09	2,125,596

⁽¹⁾ In Q2 2022, the Company granted 376,666 stock options to new officers director and certain employees with exercise prices ranging from \$1.86 to \$2.37. The estimated fair value, with terms of five years and vesting over two years was \$456,477 using the Black Scholes valuation model. The grant date fair value of the options ranged from \$1.04 to \$1.35 per stock option. The underlying assumptions used in the estimation of the fair values are as follows: risk free rate: 2.76% to 3.24%, term: 5 years, expected volatility: 68.4% to 68.6%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

In Q1 2022, the Company granted 959,152 stock options to directors, officers and certain employees at an average exercise price of \$2.33. The estimated fair value, with terms of five years and vesting quarterly over two years was \$1,281,630 using the Black Scholes valuation model. The grant date fair value of the options is \$1.34 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 2.01%, term: 5 years, expected volatility: 67.8%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

In Q4 2021, the Company granted 468,121 stock options to officers, directors and certain employees at an average exercise price of \$1.73. The estimated fair value, with terms of five years was \$458,236 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.98 per stock option. The underlying

9. Capital stock (continued)

assumptions used in the estimation of the fair values are, as follows: risk free rate: 1.4% to 1.56%, term: 5 years, expected volatility: 68%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In Q3 2021, the Company granted 116,666 stock options to the previous CFO as part of a civil lawsuit settlement. The options were issued at an average exercise price of \$1.96. The estimated fair value, with terms slightly over two years and vesting immediately was \$99,269 using the Black Scholes valuation model. The grant date fair value of the options is \$0.85 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 0.42%, term: 2.2 years, expected volatility: 80%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

In Q2 2021, the Company granted 66,666 stock options to a new director at an average exercise price of \$2.19. The estimated fair value, with terms of five years and vesting quarterly over two years was \$84,364 using the Black Scholes valuation model. The grant date fair value of the options is \$1.26 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 0.97%, term: 5 years, expected volatility: 70%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

In Q1 2021, the Company granted 158,334 stock options to directors and certain employees at an average exercise price of \$2.10. The estimated fair value, with terms of five years and vesting quarterly over two years was \$197,410 using the Black Scholes valuation model. The grant date fair value of the options is \$1.26 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 0.97%, term: 5 years, expected volatility: 73%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

- (2) In Q2 2022, 35,083 stock options were exercised by a long-time employee at an average exercise price of \$0.66. The initial fair value of \$6,973, previously charged to contributed surplus, was transferred to capital stock

In Q1 2022, 289,713 stock options were exercised by a past director, director and an officer at an average exercise price of \$0.79. The initial fair value of \$227,975, previously charged to contributed surplus, was transferred to capital stock

In Q4 2021, 1,200,000 stock options were exercised by a past director, director and officer at an average exercise price of \$1.29. The initial fair value of \$1,020,991, previously charged to contributed surplus, was transferred to capital stock.

In Q3 2021, 288,332 stock options were exercised by directors and long-time employees at an average exercise price of \$1.29. The initial fair value of \$228,483, previously charged to contributed surplus, was transferred to capital stock.

In Q2 2021, 387,500 stock options were exercised by directors and a long-time employee at an average exercise price of \$0.78. The initial fair value of \$122,411, previously charged to contributed surplus, was transferred to capital stock.

In Q1 2021, 18,750 stock options were exercised by an employee at an average exercise price of \$0.78. The initial fair value of \$6,172, previously charged to contributed surplus, was transferred to capital stock.

- (1) In Q2 2022, 1 stock option at an average exercise price of \$0.60 expired unexercised.

In Q1 2022, 1 stock option at an average exercise price of \$0.78 expired unexercised.

In Q4 2021 291,668 stock options at an average exercise price of \$1.31 expired unexercised.

In Q3 2021 20,000 stock options at an average exercise price of \$1.02 expired unexercised

In Q2 2021, 6,250 stock options at an average exercise price of \$0.78 expired unexercised

Warrants

	Exercise Price	Expiry Date	Six months ended June 30, 2022 #	Year ended December 31, 2021 #
Outstanding, beginning of year			873,985	575,744
Issued during the year				
Broker Warrants ⁽¹⁾	\$1.92	February 2023		173,437
Issued during the year				
Broker Warrants ⁽²⁾	\$2.76	February 2023		366,850
Warrants issued during year			-	540,287
Broker Warrants ⁽³⁾	\$0.96	July 2021		242,046
Broker Warrants ⁽⁴⁾	\$1.26	July 2022	167,047	
Warrants exercised during year			167,047	242,046
Outstanding, end of period			706,938	873,985

⁽¹⁾ In February 2021, 173,437 broker compensation warrants, exercisable at \$1.92 and expiring in February 2023, were issued in connection with the equity financing completed in the same period.

⁽²⁾ In February 2021, 366,850 broker compensation warrants, exercisable at 2.76 and expiring in February 2023, were issued in connection with the financing completed in the same period.

⁽³⁾ In June 2021, 242,046 broker compensation warrants were exercised at \$0.96 for proceeds of \$232,364.

⁽⁴⁾ In June 2022, 167,047 broker compensation warrants were exercised at \$1.26 for proceeds of \$210,479

10. 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, 2022, (26.5%) and year end December 31, 2021 (26.5%), has been reconciled as follows:

	Six months ended June 30, 2022 \$	Year ended December 31, 2021 \$
Income tax recovery at statutory rates	2,962,393	3,960,300
Increase (decrease) related to:		
Flow-through expenditures	(2,539,730)	(3,243,118)
Shared based compensation	(174,243)	(166,316)
Disposition of exploration and evaluation assets	-	-
Non deductible professional fees	-	-
Other	56,796	110,952
	305,216	661,818
Valuation allowance	(305,216)	(661,818)
Deferred premium on flow through shares	(4,260,900)	(1,399,836)
Deferred tax (recovery)	(4,260,900)	(1,399,836)

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

	Six months ended June 30, 2022 \$	Year ended December 31, 2021 \$
Deferred tax assets:		
Net operating loss carry forwards	7,121,542	6,816,527
Net capital loss carry forwards	527,000	527,000
Resource deductions	5,082,759	5,066,759
Investment tax credits	1,577,176	1,577,176
Deferred mining taxes	183,115	183,115
Asset retirement obligations	213,509	213,509
Other	655,164	749,164
Subtotal	15,360,266	15,133,250
Deferred tax liabilities		
Deferred mining tax liability on E&E	(691,000)	(691,000)
Subtotal	(691,000)	(691,000)
Less: Valuation allowance	15,360,266	(15,133,250)
Deferred tax liability	(691,000)	(691,000)

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. As at June 30, 2022 the Company has a deferred tax liability on exploration and evaluation assets of \$691,000 (2021: \$691,000).

The Company and its subsidiaries have non-capital losses of \$26,874,000 (2021: \$25,723,000) available for deduction against future taxable income, which if not utilized will expire between the years of 2026 and 2042.

Year of expiry	Six months ended June 30, 2022 \$	Year ended December 31, 2021 \$
2026	403,000	403,000
2027	929,000	929,000
2028	1,213,000	1,213,000
2029	1,214,000	1,214,000
2030	1,441,000	1,441,000
2031	3,100,000	3,100,000
2032	5,643,000	5,643,000
2033	2,651,000	2,651,000
2034	2,122,000	2,122,000
2035	1,381,000	1,381,000
2036	527,000	527,000
2037	446,000	446,000
2038	473,000	473,000
2039	400,000	400,000
2040	1,279,000	1,279,000
2041	2,501,000	2,501,000
2042	1,151,000	
	26,874,000	25,723,000

The potential tax benefit of the above losses has not been recognized in these financial statements. The Company has \$3,977,358 (2020: \$3,977,358) in capital losses available to apply against future capital gains.

11. Related party transactions

The Company expensed a salary of \$175,000 YTD 2022 (YTD 2021: \$125,000) to an officer and director for President and CEO services provided to the Company under an ongoing employment agreement. The Company expensed a salary of \$195,000 YTD 2022 (YTD 2021: \$Nil) to the former officer for President, CFO and director services as per a legal settlement. The Company expensed a salary of \$105,000 YTD 2022 (YTD 2021: \$75,000) to the current officer for CFO and Corporate Secretary services provided to the Company under an ongoing employment agreement. The Company expensed a salary of \$80,000 YTD 2022 (Q2 2021: \$Nil) to the current officer for VP Corporate Development services provided to the Company under an ongoing employment agreement. The Company expensed a salary of \$13,978 YTD 2022 (Q2 2021: \$Nil) to the current officer for VP Technical Services and Geology services provided to the Company under an ongoing employment agreement.

Director fees expensed YTD 2022 amounted to \$155,000 (YTD 2021: \$54,000). There were no loans to directors or officers during the period ending June 30, 2022 (YTD 2021: \$NIL).

In Q2 2022, the Company granted 316,666 stock options to new officers and director with exercise prices ranging from \$1.86 to \$2.29. The estimated fair value, with terms of five years and vesting over two years was \$379,314 using the Black Scholes valuation model. The grant date fair value of the options ranged from \$1.04 to \$1.35 per stock option. The underlying assumptions used in the estimation of the fair values are as follows: risk free rate: 2.89% to 3.24%, term: 5 years, expected volatility: 68.4% to 68.6%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

During Q1, 2022 the Company granted 872,552 stock options to officers and directors at an average exercise price of \$2.33. The estimated fair value, with terms of five years and vesting quarterly over 2 years was \$1,165,915 using the Black Scholes valuation model. The weighted average grant date fair value was \$1.34 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 2.01%, term: 5 years, expected volatility: 68%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

During Q1 2021, 133,333 stock options were issued to officers and directors exercisable at \$2.10 at a grant date fair value of \$166,240.

During Q2 2021, 66,666 stock options were issued to a new director exercisable at \$2.19 at a grant date fair value of \$84,364.

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

12. Contingent liabilities

Civil lawsuits

Two parties that own the surface rights and previously occupied and now condemned buildings, on the historic Moneta Mine site located on the Company's Kayorum project, initiated civil suits in the Ontario Superior Court of Justice in April 2005 against the Company, directors of the Company at that time, and other third parties. The suits are related to the 2004 subsidence of the main stope at the historic Moneta Mine. In 2018, one of the two civil suits was dismissed, without costs, at the request of plaintiff's counsel. The Company believes the one remaining claim has no merit and intends to defend it vigorously. Accordingly, no provision has been made in these interim condensed financial statements. A pre-trial date has been set for September 13, 2022.

13. 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 quarter ended June 30, 2022.

As of June 30, 2022, the Company had a net working capital of \$2,308,884 (December 31, 2021: \$12,664,899), excluding the non-cash deferred premium on flow through share liability of \$4,260,900. The Company held cash in bank on June 30, 2022, of \$4,780,763 (December 31, 2021: \$13,300,621).

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.

14. Northern Gold Mining Inc. acquisition

On January 13, 2021, the Company entered into a Definitive Share Purchase Agreement (the "Purchase Agreement") with O3 Mining Inc. ("O3 Mining") pursuant to which Moneta would acquire all of the issued and outstanding shares of Northern Gold Mining Inc. ("Northern Gold"), a wholly owned subsidiary of O3 Mining (the "Transaction"). Northern Gold owns 100% of the Golden Bear assets, including the Garrison Gold project ("Garrison") located adjacent to and contiguous with Moneta's Golden Highway project in the Timmins Gold Camp. Under the terms of the Purchase Agreement, O3 Mining would receive approximately 25 million common shares of Moneta ("Moneta Shares"). Upon completion of the Transaction, and prior to the financing, O3 Mining would own approximately 30% of the outstanding Moneta shares. Concurrent with the Transaction, Moneta would raise approximately \$20 million in equity (Note 9).

On February 24, 2021 - Moneta announced that the Company had completed the acquisition of all the issued and outstanding shares of Northern Gold Mining Inc. Under the terms of the Transaction, O3 Mining was issued 24,917,878 common shares of Moneta and owns approximately 27% of the outstanding Moneta shares at year end. The shares are subject to a hold period ending December 31, 2022.

As the acquisition of Northern Gold did not meet the definition of a business in accordance with IFRS 3 – Business Combinations, Moneta accounted for the transaction as an asset acquisition, measured under IFRS 2, Share-based Payments. The fair value of consideration has been allocated to the identifiable assets acquired and liabilities assumed based on their fair values at the date of acquisition as follows:

Acquisition price	\$49,337,400
Fair value of Northern Gold Mining's assets acquired	
Reclamation deposit	\$161,000
Exploration and evaluation assets	\$50,465,400
Asset retirement obligation	(\$598,000)
Deferred tax liability	(\$691,000)
	\$49,337,400

15. Financial instruments and risk management

The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward are 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, receivables, sales taxes recoverable, interest receivable, and accounts payable and accrued liabilities approximate fair values due to their short-

term maturities. Investments are recorded at fair value. The long term loan payable is carried at the carrying amount as the present value of the principal discounted at an effective interest rate is nominal. 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 four specific areas: the credit risk on operating balances including sales taxes recoverable, royalty income and other receivables, 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. No provision against these credit risk areas has been recognized in these interim condensed financial statements.

The aggregate gross credit risk exposure at June 30, 2022, was \$5,594,297 (December 31, 2021: \$13,850,519), and was comprised of \$4,780,763 (December 31, 2021: \$13,300,621) in cash held with Canadian financial institutions with a "AA-" credit rating, \$41,573 (December 31, 2021: \$45,492) in receivables, \$716,890 (December 31, 2021: \$447,985) in sales taxes recoverable, \$9,935 (December 31, 2021: \$4,745) in interest receivable and \$45,136 of marketable securities (December 31, 2021: \$51,676).

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 because 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 interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

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

The following table lists the Company's contractual obligations as at June 30, 2022:

	Less than 1 year	1-3 years	Over 3 years	Total
Accounts payable and accrued liabilities	\$3,432,650	-	-	\$3,432,650
Loan payable	-	\$60,000	-	\$60,000
Asset Retirement Obligation			\$811,375	\$811,375
	\$3,432,650	\$60,000	\$811,375	\$4,304,025

16. COVID-19 impact & loan payable

The Company continues to follow the guidance from relevant authorities regarding the novel COVID-19 pandemic. The safety and health of our employees is paramount and appropriate steps have been taken to ensure the safe physical distancing of employees. The resulting cut-back in activities could potentially result in the delay in the delivery of project initiatives. For the foreseeable future, the Company continues to monitor the situation and take the necessary steps as required.

As of the filing date of these interim condensed consolidated financial statements for the period ended June 30, 2022, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to these interim condensed consolidated financial statements.

During the fourth quarter of 2020, the Company received a loan in the principal amount of \$60,000 under the Canada Emergency Business Account ("CEBA") program launched by the Government of Canada as a COVID-19 relief measure. The CEBA loan is unsecured and non-interest bearing during an initial term ending December 31, 2023 and bearing interest at 5% per annum starting on January 1, 2024. No principal repayment required before December 31, 2023. If the loan remains outstanding after December 31, 2023, only interest payments are required until full principal is due on December 31, 2026. If the outstanding principal, other than the amount of potential debt forgiveness of 33% of the amount borrowed, is repaid by December 31, 2023, the remaining principal amount will be forgiven, provided that no default under the CEBA loan has occurred.

17. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation.

18. Subsequent events

On July 29, 2022, Moneta announced that it has entered into an amended agreement with Stifel GMP (the "Lead Underwriter") to increase the size of the previously announced offering (the "Offering"). Pursuant to the amended terms of the Offering, the Lead Underwriter has agreed to purchase, on a bought deal basis, 5,000,000 common shares of the Company that qualify as "flow through shares" (within the meaning of subsection 66(15) of the Income Tax Act (Canada)) (the "Flow Through Shares") at a price of C\$2.40 per Flow Through Share and 608,000 common shares (the "Hard Dollar Shares") at a price of C\$1.645 per Hard Dollar Share for aggregate gross proceeds of C\$13,000,160. In addition, the Company has granted the Underwriters an option to purchase 1,000,000 additional Flow Through Shares on the terms described above for additional aggregate gross proceeds of up to approximately C\$2,400,000, exercisable up to 48 hours prior to the closing of the Offering.

The gross proceeds from the Offering will be used to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures", as both terms are defined in the Income Tax Act (Canada) (the "Qualifying Expenditures") related to the Company's Tower Gold project in Ontario on or before December 31, 2023 and shall renounce the Qualifying Expenditures to the purchasers of the Flow Through Shares effective on or before December 31, 2022.

The Offering is scheduled to close on or about August 18, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the Toronto Stock Exchange.