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MONETA PORCUPINE MINES INC.

Management Discussion and Analysis

For the six months ended June 30, 2017

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 months ended June 30, 2017. This MD&A should be read in conjunction with the interim consolidated financial statements and notes thereto for the six months ended June 30, 2017. All amounts included in this MD&A are in Canadian Dollars.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Company operates in one segment, defined as the cash generating unit, which is Canada. This MD&A has an effective date of August 10, 2017, 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 Annual Information Form dated March 28, 2017 for the year ended December 31, 2017 ("**AIF**"). The AIF and other continuous disclosure documents, including the Company's press releases and 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 previously announced (2016/2017) 40,000 metre drill program continued into mid-April on the wholly-owned Golden Highway Project. The primary objective of the initial drill program was to test targets along the Destor Porcupine Fault Zone corridor and proximal to the current NI 43-101 resource gold zones.

Following the appointment of a new Co-CEO and Chief Geologist, a comprehensive re-interpretation is underway for the Golden Highway project geology and mineralized zones to identify high grade structural controls and support drill target generation of higher grade mineralization. The focus for the balance of the year will be to drill test the new interpretation and high grade structural controls. Upon completion of the drill program, the Company will review the results and evaluate timing of an updated NI 43-101 resource.

The Company is concurrently reviewing the gold potential of its other properties within the Porcupine Gold Camp including Kayorum, North Tisdale and Nighthawk Lake and is evaluating drill targets.

CORPORATE OVERVIEW

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

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

Moneta has interests in 1,046 claim units each approximately 16 hectares in area (total area approximately 16,800 hectares) in the form of mining patents, leases and staked claims. Most of the Company's landholdings are not subject to any royalty or encumbrances other than minor royalties to third parties on a limited number of claims primarily outside the Golden Highway Project.

Moneta holds a 100% interest in 5 core gold projects strategically located on or along the Destor Porcupine Fault Zone corridor ("**Destor**"), one of the key mineralized structures in the Abitibi Greenstone belt in Ontario, with excellent 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 Tahoe Resources (formerly Lake Shore Gold), Primero Mining (formerly Brigus Gold), Osisko Mining (formerly Northern Gold), and Kirkland Lake Gold (formerly St Andrew Goldfields). The Golden Highway Camp has experienced rapid advancement of large bulk tonnage gold resources by Moneta and others, reflecting the strong regional gold potential.

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 to date, including that from some 26 mines, each of which generated more than 100,000 ounces.

Moneta's land position for gold exploration is one of the best and largest in the Timmins Camp including a commanding position in the emerging Golden Highway Camp as well as an established position in the Porcupine Camp, with a significant resource containing 1.09 million ounces of gold in the indicated category plus 3.20 million ounces of gold in the inferred category (43-101 report, October 2012) established in the Golden Highway Project area.

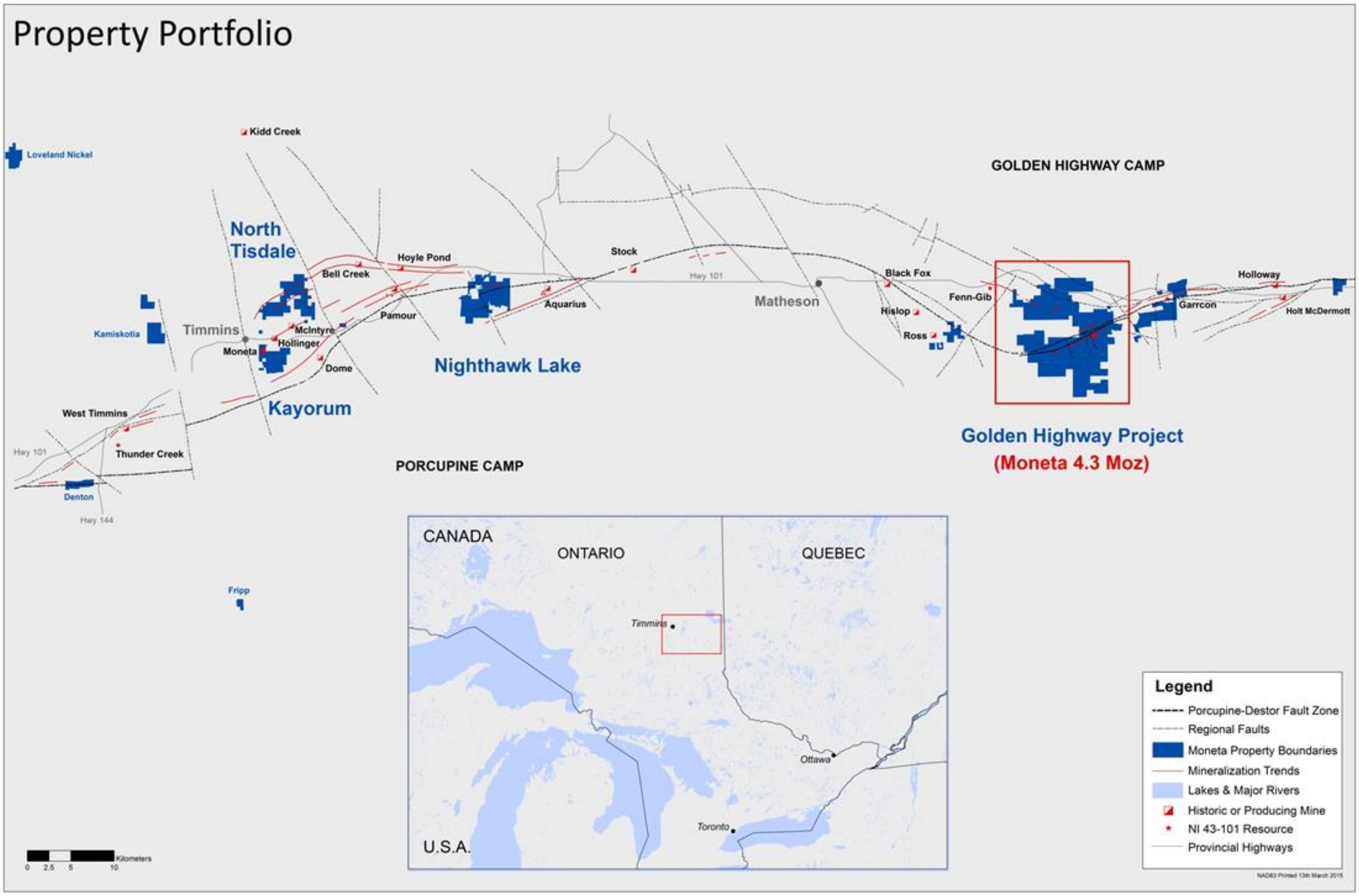


Figure I: Moneta's Key Gold Exploration Properties

Moneta's recent primary gold exploration and resource development focus has been the *Golden Highway* centred in Michaud Township 100 km east of Timmins, Ontario along Highway 101, a major all-season route. Moneta has a largely contiguous land package of 689 claim units or approximately 11,000 hectares that contain a NI 43-101 resource (October, 2012) containing 1.09 million ounces of gold in the indicated category plus 3.20 million ounces of gold in the inferred category.

The Golden Highway Project captures 12kms of the Destor Porcupine Fault Zone Corridor, one of the most prolific Archean gold-bearing structures in the world. The project currently hosts a NI 43-101 resource of 4.3 million ounces gold (all categories), spanning only 4km of the corridor and found primarily within sedimentary host rocks. Resource growth potential along the remaining 8km of largely untested volcanic rocks is exceptional, as limited historic drilling has already confirmed shallow high grade gold mineralization. The main unconformity which occurs as the mafic volcanic-sediment contact remains largely untested.

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 (Ni), Kamiskotia (Cu/Zn), Denton-Thorneloe (Ni), and Fripp (Cu).

Moneta's additional property interests outside the 2 main gold camps in the Timmins area include a base metal portfolio, with these properties containing nickel-copper and copper zones.

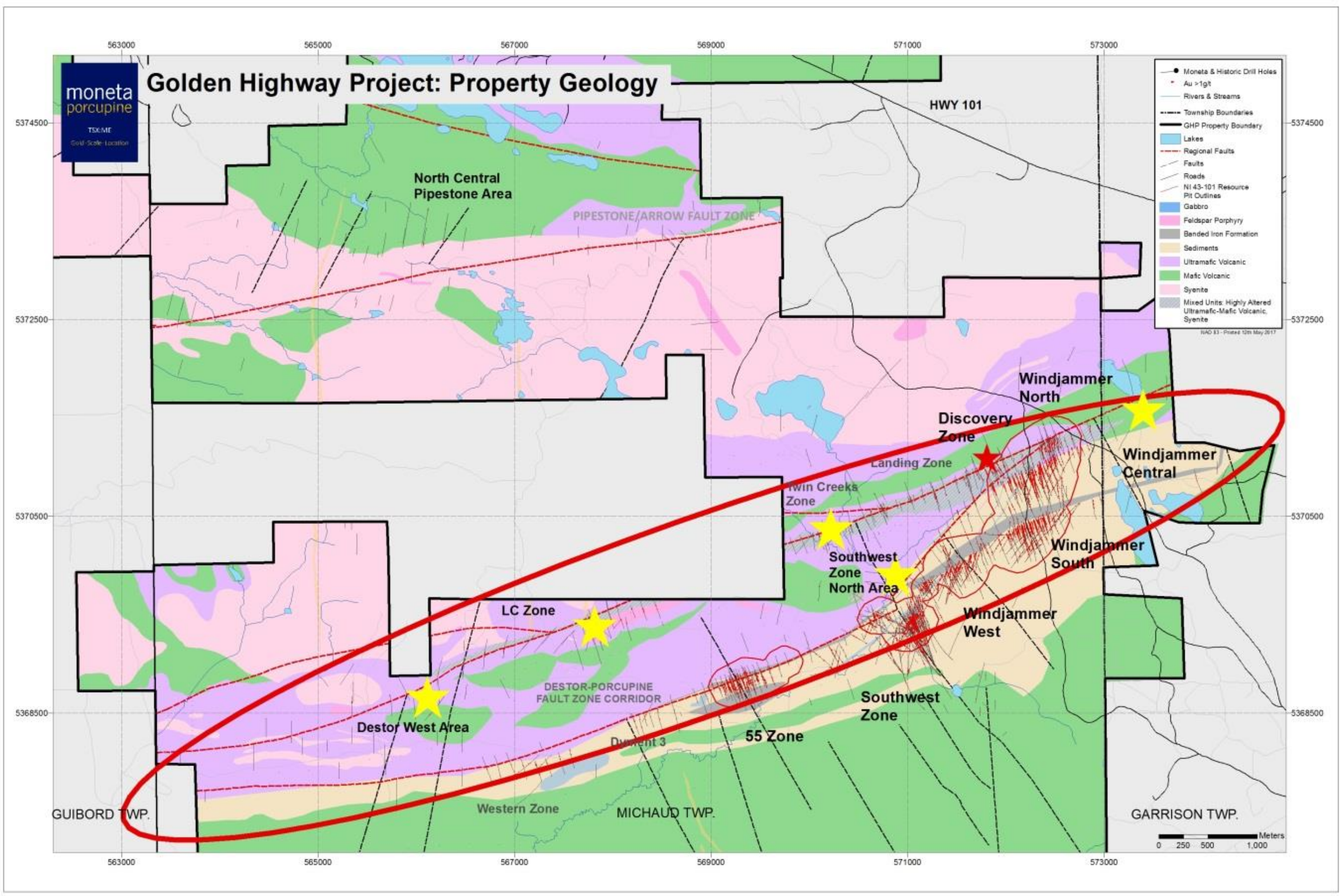
OVERALL PERFORMANCE

GOLDEN HIGHWAY CAMP

Summary

Drilling continued on the Golden Highway Project into Q2 2017 until April 2017. Drilling was stopped due to spring break-up (snow melt) due to wet ground conditions. The Company completed 3 drill holes totalling 1,027 metres in Q2 2017 with two completed in the LC Zone and one in the Twin Creeks Zone. Details are outlined below. During the quarter, assay results were returned for the Q1 2017 program which had been delayed due to technical issues at the laboratory (see below).

Subsequent to the cessation of drilling due to spring break-up in April 2017, the Company undertook a strategic review and initiated a large program of re-interpretation, including selective re-logging and re-sampling of all the target gold zones. The focus of the program is to establish the geological controls on what is a large mineralized gold system, including structure, host lithology, alteration and mineralization in order to define higher grade targets which can be modelled and drill defined.



Golden Highway Project Target Review
The review of the economic potential of the Golden Highway targets continued through the quarter with a number of new targets being identified:

- ***Discovery Zone***: A sub-vertical green carbonate altered shear zone hosted in ultramafics traced for over 200m and a vertical depth of over 275m (open) and averaging over 3.5m width and over 4.0g/t Au. A second zone at depth on the sediment-mafic volcanic contact has been intersected which hosts a quartz stockwork associated with lamprophyre dykes and returned 6.24g/t Au over 7.2m. The zone remains open and untested.

- ***55 Zone***: A series of stacked north-dipping en echelon (stacked) faults has been able to be traced over 1,000m in intersection with vertical quartz feldspar porphyry dykes. The intersection appears to form a favorable host for mineralization within primarily sandstones of the Timiskaming sediments located between two banded iron formation units. Historical drilling has returned results of up to 7.81g/t Au over 7.0m, 6.49g/t Au over 5.87m, 7.54g/t Au over 6.50m, 6.58g/t Au over 7.45m.

- ***Southwest Zone (West Block)***: A series of north-dipping structures hosted in sandstones displaying reverse movement and in intersection with vertical structures, occasionally with quartz feldspar porphyry dykes, have been intersected on two sections, in close proximity to a steeply dipping banded iron formation unit, within the Timiskaming sedimentary package. Historical drilling has returned of up to 11.28g/t Au over 5.70m, 29.22g/t Au over 2.50m, 3.50g/t Au over 16.77m and 8.15g/t Au over 3.0m. The zone remains open and untested.

- ***Windjammer North***: One main sub-vertical green carbonate altered shear zone hosted with ultramafics in contact with basalts to the immediate south of the Destor Porcupine Fault has been traced for over 200m strike length, over a drilled height of 150m, and width of 5m to 6m and averages ~4g/t Au from previous drilling. A splay and partial second zone is also associated with this zone. Two smaller zones also occur and may be linked to splays of the larger zone.

- ***Twin Creeks***: No new drill target has been generated at Twin Creeks to date.

The target review process is ongoing and expected to be completed before the end of August 2017 when drill testing will commence. Gemcom modelling software is being used to produce drill targets designed to test the extensions and potential of the zones. The Company is currently reviewing the Southwest Zone (Central Block), LC Zone and Windjammer Central Zone in addition to the above zones.

Q1/Q2 2017 Drill Results

LC Zone target area
Drilling continued in Q2 2017 in the LC Zone where past drilling intersected significant grade over width from quartz stringers and veining within or on the contact, with altered and locally brecciated syenite/altered feldspar porphyry.

MGH17-033 and MGH17-034, totalling some 887m, was completed on the known high grade target area in the LC Zone. The program was designed to test for the projected extensions of high grade veins based on orientation data within or along the contact of the lower of two feldspar porphyry intrusions. Both drill holes successfully intersected this target.

The lower feldspar porphyry intrusion is known to be directly associated with the previously intersected mineralization. The drill program confirmed that the quartz vein zone occurring along the contact of or within the lower feldspar porphyry unit extends to the east and intersected the altered feldspar porphyry intrusion hosting quartz veins and returned 8.36g/t Au over 0.6m in hole MGH17-033.

The second drill hole in the LC Zone returned assay results of up to 7.02g/t Au over 0.36m in MGH17-034. This hole targeted the known quartz vein zone associated with the lower feldspar on the high grade LC Zone target. The results show that the LC Zone has potential for expansion to the east and confirmed potential for extensions to the higher grade zone.

LC Zone: Significant Drill Results, Q2 2017

Drill hole	From (m)	To (m)	Vertical depth (m)	Width [1] (m)	Au [2] (g/t)	Location	Comments
MGH17-016	147.01	155.50	105	8.49	1.39	LC Zone	Syenite
incl.	149.00	149.75		0.75	6.32		
MGH17-027	135.32	136.89	105	1.57	4.55	LC Zone	Feldspar Porphyry
	147.00	162.00		15.00	1.04		
MGH17-030	201.00	226.50	140	25.50	2.80	LC Zone	Altered Feldspar Porphyry
incl.	207.00	214.50		7.50	6.22		
or	213.00	214.50		1.50	18.30		
and	223.50	225.00		1.50	6.14		
	366.00	372.00		6.00	1.13		
	397.68	398.79		1.11	2.80		
MGH17-033	126.98	132.00	92	5.02	1.46	LC Zone	Altered Feldspar Porphyry
incl.	128.70	129.30		0.60	8.36		
MGH17-034	194.63	194.99	145	0.36	7.02	LC Zone	Altered Feldspar Porphyry
	289.00	293.00		4.00	1.21		
	302.00	311.45		9.45	1.14		
	341.00	352.00		11.00	1.03		
incl.	347.62	352.00		4.38	1.67		

[1] Drilled widths are currently reported
[2] Metallic checks completed on all assays > 20.0 g/t

Twin Creeks Zone
Drilling continued on the Twin Creeks zone to test for extensions of mineralized zones with step-out drilling along the Destor Porcupine Fault Zone, to establish continuity and to identify high grade trends. Drilling intersected similar lithologies and alteration (green carbonate altered ultramafic volcanics) as the east gold zones such as the Discovery Zone and Windjammer North.

One hole was drilled in Q2 2017 on the Twin Creeks Zone for some 140m. This hole tested the extensions of a sub-vertical mineralization zone hosted in the green carbonate altered ultramafic volcanics and altered mafic volcanics. Drill hole MGH17-035 confirmed that the zone occurs from 62-68m, returning 1.39g/t Au over 2.48m and confirmed that the mineralization trend continues to bedrock surface but appears to drop in grade.

Holes MGH17-025/028 were drilled in Q1 2017 west of the Twin Creeks zone. MGH17-026 was drilled from the same collar as MGH17-025 but with a NE azimuth to identify any NW trending vein systems related to the structural corridor. Results now available included up to 4.98g/t Au over 1.5m from hole MGH17-028.

MGH17-031 was also drilled in Q1 2017 NE through the main Twin Creeks zone and returned a strong 2.15g/t over 16.13m with further assay results received in Q2 2017 intersecting 1.16g/t over 3.52m. MGH17-032 was drilled in Q1 2017 from the same collar at 340 azimuth, to also test the western extension of the zone and intercepted 1.83g/t over 2m. Results show that mineralization continues to the west of the Twin Creeks Zone and confirm high grade mineralization is hosted within the typically altered feldspar porphyry also intersected in the LC Zone.

Twin Creeks Zone: Significant Drill Results, Q2 2017

Drill hole	From (m)	To (m)	Vertical depth (m)	Width [1] (m)	Au [2] (g/t)	Location	Comments
MGH17-025	46.50	47.50	35	1.00	3.36	Twin Creeks	Ankerite Altered Ultramafic
MGH17-026	356.50	361.00	285	4.50	0.73	Twin Creeks	Grey Green Carbonate Breccia
MGH17-028	49.00	50.00	38	1.00	4.67	Twin Creeks	Altered Syenite
	196.50	201.00		4.50	1.96		Green Carbonate Breccia
incl.	198.00	199.50		1.50	4.98		
MGH17-031	275.09	276.26	210	1.17	6.41	Twin Creeks	Green Carbonate Breccia
	316.49	332.62		16.13	2.15		As above with Quartz veining
incl.	323.25	324.26		1.01	4.48		
and	328.56	329.41		0.85	4.53		
	346.00	352.00		6.00	2.68		Sericite Altered Ultramafic Volcanic
incl.	349.92	350.97		1.05	5.53		
	372.42	375.94		3.52	1.16		Altered Mafic Volcanic
MGH17-032	233.00	235.00	180	2.00	1.83	Twin Creeks	Green Carbonate
MGH17-035	59.80	62.28	50	2.48	1.39	Twin Creeks	Green Carbonate

(1) Drilled widths are currently reported
(2) Metallic checks completed on all assays > 20.0 g/t

Golden Highway Resource Update

The plan is to use the new geological interpretation and newly planned drill program as the basis for a new resource update. The current resource estimate was completed in October 2012 and excludes some 50,000 metres of primarily in-fill drilling completed in 2013 and 2014 as well as the newly discovered Discovery Zone (2.02g/t over 114.5m).

The 2016/2017 drilling to date includes step-out drilling and drill testing of new areas within Windjammer North, Discovery, Twin Creeks and LC Zone. These zones primarily occur with the mafic volcanic package which abuts and comes into contact with ultramafic units along the Destor Porcupine Fault Zone to the north. The current resource is primarily established with the Timiskaming sedimentary package to the south, located in an unconformable contact with the mafic volcanics and occurring within a structurally controlled transgression basin.

Upon completion of the drill program to test for higher grade targets and structures within the Golden Highway Project area, the Company will review the timing and possibility of updating the NI 43-101 resource estimate in 2017 after incorporating the 2016/2017 drill program results, as well as the previous 50,000 metre program drilled in 2013/2014.

PORCUPINE CAMP

During the quarter the Company began reviewing the economic potential of the Kayorum, North Tisdale and Nighthawk Lake projects. This has involved updating the historical databases and reviewing the results and potential for significant mineralization within the project areas. All project areas have historically returned significant drill results. The review is ongoing and expected to generate additional drill targets over the next quarter.

FINANCIAL REVIEW

The 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 the Company's 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 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.

This section discusses significant changes in the Consolidated Statement of Financial Position as at June 30, 2017 and Statements of Changes in Shareholders' Equity, Loss (Earnings) Comprehensive Loss (Earnings) and Deficit, and Cash Flows for the six months ended June 30, 2017.

SUMMARY OF QUARTERLY RESULTS

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

Highlights	**2017**		2016				2015	
($ except per share data)	**Jun 30**	**Mar 31**	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Revenue	**-**	**-**	-	-	-	-	-	-
Loss (earnings) and comprehensive loss (earnings)	**448,931**	**(285,698)**	2,388,490	323,487	135,199	92,416	396,189	97,332
Loss (earnings) per share	**$0.00**	**$0.00**	$0.01	$0.00	$0.00	$0.00	$0.01	$0.00

SIGNIFICANT EVENTS DURING Q2 2017

The Company hired a new highly qualified Co-CEO and Chief Geologist to lead the technical program and also made a significant Board appointment with a second highly qualified geologist.

The Company drilled a total of 1,027 metres and commenced a significant program of geological re-interpretation as reported herein under OVERALL PERFORMANCE.

The Company granted 2,400,000 stock options to directors, officers and employees at an average exercise price of $0.16 during the period. The estimated fair value of 2,000,000 stock options, with a three year term, was $132,000 using the Black Scholes valuation model, and is to be recognized quarterly using the accelerated method and charged to share based compensation over a two year vesting period. The estimated fair value of 400,000 stock options, with a three year term and immediate vesting period, was $26,420 using the Black Scholes valuation model and was immediately charged to share based compensation.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the Consolidated Statements of Loss (Earnings), Comprehensive Loss (Earnings) and Deficit for the six months ended June 30, 2017 and the corresponding notes thereto. All references to "Q2 2017" or "Q2 2017" relate to the three month periods ended June 30 of those years unless stated otherwise. All references to "YTD 2016" or "YTD 2016" 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 a loss and comprehensive loss of $448,931 in Q2 2017 (YTD 2017: $163,233) as compared to $135,199 in Q2 2016 (YTD 2016: $227,615). The variation period over period relates to the restart of exploration activities, offset by the non-cash 'deferred premium on flow-through shares' transferred from the statement of consolidated financial position to a deferred tax recovery on the consolidated statement of loss (earnings), comprehensive loss (earnings) and deficit upon the renunciation of flow-through expenditures, in the normal course, in Q1 2017.

Exploration and evaluation expenditures were $328,472 in Q2 2017 (YTD 2017: $1,575,952) and primarily relate to the restart of exploration activities including drilling, modeling, and target generation efforts on the *Golden Highway* project, as compared to $58,791 in Q2 2016 (YTD 2016: $88,871). Further details are presented in the following table:

	Three months				Six months			
For the periods ended June 30,	**2017**		2016		**2017**		2016	
	$		$		$		$	
Drilling and Geophysics	**57,029**	**17%**	-	0%	**1,137,117**	**72%**	-	0%
Lab assay costs	**48,341**	**15%**	-	0%	**83,831**	**5%**	-	0%
Wages, benefits and contract labour	**176,483**	**54%**	28,019	48%	**295,675**	**19%**	53,980	86%
Other	**46,619**	**14%**	30,772	52%	**59,329**	**4%**	34,891	14%
Exploration and evaluation expenditures	**328,472**	**100%**	58,791	100%	**1,575,952**		88,871	

Share based compensation charges, related to options vested during the period, were $55,969 in Q2 2017 (YTD 2017: $64,659) as compared to $465 in Q2 2016 (YTD 2016: $931). Wages and benefits were $51,273 in Q2 2017 (YTD 2017: $104,520) as compared to $39,444 in Q2 2016 (YTD 2016: $79,462). General & administration expenses were largely unchanged at $8,554 in Q2 2017 (YTD 2017: $48,739) as compared to $24,498 in Q2 2016 (YTD 2016: $47,875). Legal and audit expenses were $21,058 in Q2 2017 (YTD 2017: $53,097) up from $26,750 in Q2 2016 (YTD 2016: $40,690).

Other income was $10,489 in Q2 2017 (YTD 2017: $24,042) as compared to $13,641 in Q2 2016 (YTD 2016: $26,732) representing royalty income from a perlite operation. Interest income was $5,906 in Q2 2017 (YTD 2017: $24,230) as compared to $1,108 in Q2 2016 (YTD 2016: $3,482), representing interest earned on higher cash balances period over period.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the Consolidated Statements of Financial Position and Statements of Changes in Shareholders' Equity as at June 30, 2017 and the corresponding notes thereto.

Consolidated assets

Consolidated assets were $8,474,458 at June 30, 2017 as compared to $10,672,459 as at December 31, 2016. Cash and equivalents were $6,226,268 at June 30, 2017 as compared to $8,549,319 at December 31, 2016. Receivables, primarily comprised of royalty income receivable, were $17,689 at June 30, 2017 as compared to $31,200 as at December 31,

2016. Sales taxes recoverable were $220,080 at June 30, 2017 as compared to $124,799 at December 31, 2016. Interest receivable on short term investments was $29,512 at June 30, 2017 as compared to $12,960 as at December 31, 2016.

Exploration and evaluation assets were $1,960,229 at June 30, 2017 as compared to $1,936,830, at December 31, 2016, representing the capitalization of project acquisition costs. Exploration expenditures are expensed to the Statement of Loss and Comprehensive Loss.

Consolidated liabilities

Consolidated liabilities were $58,581 at June 30, 2017 as compared to $528,546 at December 31, 2016. The non-cash deferred premium on flow-through shares 'liability' of $1,635,461 was transferred from the statement of consolidated financial position to a deferred tax credit on the consolidated statement of loss (earnings), comprehensive loss (earnings) and deficit upon the renunciation of flow-through expenditures, in the normal course, in Q1 2017.

Shareholders' equity

Shareholders' equity was $8,415,877 at June 30, 2017 as compared to $8,508,451 at December 31, 2016. The increase is primarily due to the loss and comprehensive loss for the six months ended June 30, 2017 of $163,233.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the Consolidated Statements of Financial Position as at June 30, 2017 and the corresponding notes thereto.

The consolidated working capital ratio at June 30, 2017, was 111 : 1 as compared to 17 : 1 at December 31, 2016. At June 30, 2017, the Company held cash and equivalents of $6,226,268 (December 31, 2016: $8,549,319), receivables of $17,689 (December 31, 2016: $31,200), sales taxes recoverable of $220,080 (December 31, 2016: $124,799), and short term interest receivable of $29,512 (December 31, 2016: $12,960).

Current liabilities at June 30, 2017 include accounts payable and accrued liabilities of $58,581 (December 31, 2016: $528,546) and relate to expenses incurred during the quarter and payable in the normal course and standard accounting accruals.

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 months ended June 30, 2017.

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 its 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 reported a salary of $NIL (Q2 2016: $NIL) to an officer and director for the six months ended June 30, 2017, for CFO services provided to the Company. The Company paid a salary of $8,333 (Q2 2016: $Nil) to an officer and director for the six months ended June 30, 2017 for Co-CEO and Chief Geologist services provided to the Company under an ongoing employment agreement. The Company paid a salary of $100,000 (Q2 2016: $75,000) to an officer and director for the six months ended June 30, 2017 for President and Co-CEO and other services provided to the Company under an ongoing employment agreement. During the period, 2,400,000 stock options were granted to directors, officers or employees at an exercise price of $0.16, subject to a three year term with immediate vesting and over two years. A Black Scholes fair value of $158,420 is to be charged to share based compensation over the vesting periods. There were no cash director fees during the period (Q2 2016: $NIL). There were no loans to directors or officers during the period (Q2 2016: $NIL). All related party transactions were completed in the normal course of business.

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 design and operating 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. Based on that evaluation, it was concluded that as of June 30, 2017, the Company's DC&P and ICFR were effective in providing reasonable assurance that material information regarding this report, and the interim consolidated financial statements and other disclosures, was made known to them on a timely basis and reported as required, and that the financial statements present fairly, in all material aspects, the financial condition, results of operations and cash flows of the Company as of June 30, 2017. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR as at June 30, 2017.

CRITICAL ACCOUNTING ESTIMATES

Moneta's significant accounting policies are summarized in note 3 to the consolidated financial statements for the six months ended June 30, 2017. 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 year. 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 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 consolidated financial statements.

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.

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.

Impairment of long-lived assets

The carrying amounts of 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 a property by property basis. 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.

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 year 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 year 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 Statement 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.

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.

CHANGES IN ACCOUNTING POLICIES

The Consolidated Financial Statements for the six months ended June 30, 2017 were prepared in accordance with IFRS, as issued by the International Accounting Standards Board. There were no changes in accounting policies during the year.

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). The mandatory effective date of IFRS 9 is for annual years beginning on or after January 1, 2018.

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.

All financial instruments measured at fair value are categorized into one of three hierarchy levels based on the transparency of the inputs used to measure the fair values of assets and liabilities, as follows:

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly;

Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

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, 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.

The aggregate gross credit risk exposure at June 30, 2017 was $6,493,549 (December 31, 2016: $8,718,278), and was comprised of $6,226,268 (December 31, 2016: $8,549,319) in cash and equivalents held with Canadian financial institutions with an "AA-" credit rating, $17,689 (December 31, 2016: $31,200) in receivables, $220,080 (December 31, 2016: $124,799) in sales taxes recoverable, and $29,512 (December 31, 2016: $12,960) in interest receivable.

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.

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

Civil lawsuits

Two parties that own 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. The Company believes the claims have no merit and intends to defend such claims vigorously. Accordingly, no provision has been made in these consolidated financial statements for these claims.

OUTSTANDING SHARE DATA

As at June 30, 2017, the Company had a total of 239,047,148 (December 31, 2016: 238,947,148) common shares outstanding, 13,250,000 (December 31, 2016: 11,120,000) stock options outstanding at an average exercise price of $0.22 per share (December 31, 2016: $0.23), and 24,379,766 (December 31, 2016: 24,379,766) warrants outstanding at an average exercise price of $0.41. Additional details are available in note 6 to the interim consolidated financial statements for the six months ended June 30, 2017.