



**MONETA GOLD INC.**

Interim Condensed Consolidated Financial Statements

For the three month periods ended March 31, 2023 and 2022  
(Unaudited)



**MONETA GOLD INC.**

Interim Condensed Consolidated Statements of Financial Position

As at	Notes	(Unaudited) March 31 2023	(Audited) December 31 2022
		\$	\$
<b>Current assets</b>			
Cash and equivalents		3,134,197	8,338,170
Prepaid expenses		192,074	125,456
Receivables		38,120	42,488
Sales taxes recoverable		471,089	571,385
Interest receivable		18,474	35,981
<b>Total current assets</b>		<b>3,853,954</b>	<b>9,113,480</b>
Reclamation deposits	5	192,064	192,064
Property, plant and equipment	6	877,476	903,428
Exploration and evaluation assets	7	54,465,328	54,438,737
<b>Total assets</b>		<b>59,388,822</b>	<b>64,647,709</b>
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	14	2,540,095	2,999,448
Deferred premium on flow-through shares	9, 10	-	4,530,000
Loan payable	15	60,000	60,000
<b>Total current liabilities</b>		<b>2,600,095</b>	<b>7,589,448</b>
Asset retirement obligation	8	838,828	832,201
Deferred tax liability	10	691,000	691,000
<b>Total liabilities</b>		<b>4,129,923</b>	<b>9,112,649</b>
<b>Shareholders' equity</b>			
Capital stock	9	144,140,220	144,140,220
Contributed surplus		9,711,485	9,427,271
Deficit		(98,592,806)	(98,032,431)
<b>Total shareholders' equity</b>		<b>55,258,899</b>	<b>55,535,060</b>
<b>Total liabilities and shareholders' equity</b>		<b>59,388,822</b>	<b>64,647,709</b>

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 <sup>9</sup>				Shareholders' Equity
		Shares	\$	Contributed Surplus	Deficit	
<b>Balance as at December 31, 2022</b>		<b>102,737,468</b>	<b>144,140,220</b>	<b>9,427,271</b>	<b>(98,032,431)</b>	<b>55,535,060</b>
Share based compensation on vested options	9			284,214		284,214
Loss and comprehensive loss					(560,375)	(560,375)
<b>Balance as at March 31, 2023 (Unaudited)</b>		<b>102,737,468</b>	<b>144,140,220</b>	<b>9,711,485</b>	<b>(98,592,806)</b>	<b>55,258,899</b>
<b>Balance as at December 31, 2021</b>		94,691,611	132,863,358	8,113,483	(79,238,412)	61,738,429
Share issuance on exercise of stock options	9, 11	289,713	227,975			227,975
Fair value of stock options exercised	9		106,003	(106,003)		-
Share based compensation on vested options	9			286,129		286,129
Income and comprehensive income					788,813	788,813
<b>Balance as at March 31, 2022 (Unaudited)</b>		<b>94,981,324</b>	<b>133,197,336</b>	<b>8,293,609</b>	<b>(78,449,599)</b>	<b>63,041,346</b>

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

For the period ended March 31,		Three months Unaudited	
	Notes	2023 \$	2022 \$
<b>Expenses</b>			
Exploration and evaluation expenditures	7	4,172,684	2,752,477
Legal, audit & investment advisory		86,837	50,024
General & administration		423,468	316,267
Share based compensation	9, 11	284,214	286,129
Wages and benefits	11	216,555	122,220
		<b>5,183,758</b>	<b>3,527,117</b>
<b>Other items</b>			
Other income		(18,409)	(31,646)
Interest income		(74,974)	(17,461)
Unrealized gain on investments		-	(5,923)
<b>Loss before income taxes</b>		<b>5,090,375</b>	<b>3,472,087</b>
Deferred taxes	9, 10	(4,530,000)	(4,260,900)
<b>Loss and comprehensive loss / (Income) and (Comprehensive Income)</b>		<b>560,375</b>	<b>(788,813)</b>
<b>Deficit - beginning of year</b>		<b>98,032,431</b>	<b>79,238,412</b>
<b>Deficit - end of year</b>		<b>98,592,806</b>	<b>78,449,599</b>
<b>Basic (earnings) / loss per share</b>	9	<b>\$0.01</b>	(\$0.01)
<b>Weighted average outstanding shares</b>	9	<b>102,737,468</b>	94,787,610
<b>Diluted (earnings) / loss per share</b>	9	<b>\$0.01</b>	(\$0.01)
<b>Diluted weighted average outstanding shares</b>	9	<b>102,737,468</b>	98,915,821

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 March 31,	Notes	Three months	
		Unaudited 2023	2022
		\$	\$
<b>Operating activities</b>			
(Loss) and (comprehensive loss) / Income and comprehensive income		(560,375)	788,813
Adjust for non-cash items			
Share based compensation	9	284,214	286,129
Accretion expense	8	6,627	2,840
Depreciation expense		25,952	10,359
Deferred premium on flow-through shares	3, 9, 10	(4,530,000)	(4,260,900)
Unrealized (gain) on investments		-	(5,923)
Net change in non-cash working capital balances		(403,800)	51,926
Cash used in operating activities		(5,177,382)	(3,126,756)
<b>Investing activities</b>			
Acquisition of property, plant, equipment	6	-	(47,040)
Exploration and evaluation assets	7	(26,591)	(60,392)
Cash used in investing activities		(26,591)	(107,432)
<b>Financing activities</b>			
Common shares issued on exercise of stock options	9, 11	-	227,975
Cash provided from financing activities		-	227,975
<b>Net decrease in cash and equivalents</b>		<b>(5,203,973)</b>	<b>(3,006,213)</b>
Cash and equivalents, beginning of year		8,338,170	13,300,621
<b>Cash and equivalents, end of period</b>		<b>3,134,197</b>	<b>10,294,408</b>

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) (FSE: MOPA) 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 January 1, 2023, Northern Gold Mining Inc., a 100% wholly owned subsidiary of Moneta, amalgamated with Moneta Gold Inc. The name of the amalgamated corporation is Moneta Gold Inc. The articles and by-laws of the amalgamated corporation are the same as Moneta Gold Inc. No securities were issued and no assets were distributed by the amalgamated corporation in connection with the amalgamation.

### 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 April 1, 2023. 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.

## 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, 2022. These interim condensed consolidated financial statements should be read in conjunction with the 2022 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 May 10, 2023.

### 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 of the annual consolidated financial statements of the Company for the year ended December 31, 2022.

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, 2023. 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 of the annual consolidated financial statements of the Company for the year ended December 31, 2022, 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 which include volatility, interest rates and expected life of the options.

Management measures the fair value of RSUs based on the market price of Moneta's shares.

**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 (Income) / Loss and Comprehensive (Income) / 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 statements of (Income) / Loss & Comprehensive (Income) / 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, 2022 - \$192,064) and \$407,428 (December 31, 2022 - \$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 Company property, plant and equipment as at March 31, 2023:

March 31, 2023										
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
<b>Vehicles</b>	5 years	220,207	-	-	220,207	29,703	10,946	-	40,649	179,558
<b>Building</b>	20 years	567,000	-	-	567,000	40,163	7,088	-	47,251	519,749
<b>Fabric Building</b>	5 years	158,365	-	-	158,365	5,278	7,918	-	13,196	145,169
<b>Land</b>	Not amortized	33,000	-	-	33,000	-	-	-	-	33,000
<b>Total</b>		<b>978,572</b>	<b>-</b>	<b>-</b>	<b>978,572</b>	<b>75,144</b>	<b>25,952</b>	<b>-</b>	<b>101,096</b>	<b>877,476</b>

December 31, 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
<b>Vehicles</b>	5 years	49,755	170,452	-	220,207	5,805	23,898	-	29,703	190,504
<b>Building</b>	20 years	567,000	-	-	567,000	11,813	28,350	-	40,163	526,837
<b>Fabric Building</b>	5 years	-	158,365	-	158,365	-	5,278	-	5,278	153,087
<b>Land</b>	Not amortized	33,000	-	-	33,000	-	-	-	-	33,000
<b>Total</b>		<b>649,755</b>	<b>328,817</b>	<b>-</b>	<b>978,572</b>	<b>17,618</b>	<b>57,526</b>	<b>-</b>	<b>75,144</b>	<b>903,428</b>

**7. Exploration and evaluation assets**

	Three months ended March 31, 2023	Year ended December 31, 2022
	\$	\$
Acquisition costs		
Balance, beginning of year	54,438,737	54,066,923
Acquisition costs, net	26,591	371,814
Balance, end of year	54,465,328	54,438,737

Acquisition costs	December 31, 2022	Additions	March 31, 2023
	\$	\$	\$
Garrison	51,888,876	3,821	51,892,697
Golden Highway	1,743,577	1,424	1,745,001
North Tisdale	183,287	10,555	193,842
Kayorum	132,877	3,010	135,887
Buffonta <sup>(1)</sup>	203,451	1,424	204,875
Pike <sup>(2)</sup>	50,395	778	51,173
Nighthawk Lake	20,013	1,755	21,768
Denton Thornehoe and other	216,260	3,824	220,084
	54,438,737	26,591	54,465,328

Acquisition costs	December 31, 2021	Additions	December 31, 2022
	\$	\$	\$
Garrison	51,881,568	7,308	51,888,876
Golden Highway	1,727,766	15,811	1,743,577
North Tisdale	157,977	25,310	183,287
Kayorum	131,634	1,243	132,877
Buffonta <sup>(1)</sup>	40,326	163,125	203,451
Pike <sup>(2)</sup>	-	50,395	50,395
Nighthawk Lake	19,624	389	20,013
Denton Thornehoe and other	108,028	108,232	216,260
	54,066,923	371,814	54,438,737

<sup>(1)</sup> On February 24, 2021 Moneta acquired all the shares of Northern Gold Mining Inc., owner of the Buffonta property. In Q2 2022 the final option payment of \$160,000 was made to acquire the property in close proximity to the Buffonta property.

<sup>(2)</sup> 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 first quarter ending March 31, 2023 (December 31, 2022: \$Nil). Capitalized acquisition costs totaled \$54,465,328 at March

31, 2023 (December 31, 2022: \$54,438,737). Exploration and evaluation expenditures for the quarter ended March 31, 2023, of \$4,172,684 (March 31, 2022: \$2,752,477), were charged to the Statement of (Income) / Loss and Comprehensive (Income) / Loss. Exploration expenditures were incurred primarily for resource drilling activities, assaying and associated surveys as well as core logging and processing.

**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 January 1, 2022	\$805,694
Accretion	\$26,507
Present value as of December 31, 2022	\$832,201
Accretion	\$6,627
Present value as of March 31, 2023	\$838,828
Total undiscounted value of payments	\$763,696 (Dec 2022 – \$763,696)
Weighted average discount rate	3.29% (Dec 2022 – 3.29%)
Weighted average expected life	5 years (Dec 2022 – 5 years)
Inflation rate	4.36% (Dec 2022 – 4.36%)

**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, 2022 and 2021, therefore all outstanding, stock options, warrants and RSUs, have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive except for the March 31 2022 quarter end, as the Corporation has income, diluted earnings per share has been reported

**Capital stock transactions**

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 exercise prices ranging from \$0.66 to \$1.72 per share. The initial fair value of \$106,003, previously charged to contributed surplus, was transferred to capital stock.

In Q1 2023, the non-cash deferred premium on flow-through shares ‘liability’ of \$4,530,000 from the August 2022 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.

**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.

On June 2, 2022, the Company adopted a new Share Incentive Plan consisting of stock options (“Options”), restricted share units (“RSUs”), deferred share units (“DSUs”) and performance share units (“PSUs”). Each award is subject to the terms and conditions set forth in the Share Incentive Plan and to those other terms and conditions specified by the Board or the Compensation and Nominating Committee. Up to 10% of the Shares issued and outstanding from time to time (including Shares issued under any other security based compensation arrangement of the Company) may be issued pursuant to awards under the Share Incentive Plan. Options granted have a maximum term of ten years and vest immediately or over time at the discretion of the Board.

### Options

The following table summarizes the outstanding stock options:

	Three months ended March 31, 2023		Year ended December 31, 2022	
	Weighted Average Exercise Price	# Options	Weighted Average Exercise Price	# Options
	Outstanding, beginning of year	\$1.83	2,864,140	\$1.18
Transactions during the year:				
Granted <sup>(1)</sup>	1.43	125,000	2.23	1,462,484
Options exercised <sup>(2)</sup>	-	-	0.85	(1,116,459)
Expired <sup>(3)</sup>	1.82	(60,000)	2.04	(66,672)
Outstanding, end of period	\$1.81	2,929,140	\$1.83	2,864,140
Weighted average remaining contractual life (years)	3.46		3.60	
Exercisable, end of period	\$1.75	2,318,654	\$1.73	2,168,999

<sup>(1)</sup> In Q1 2023, the Company granted 125,000 stock options to a new officer at an exercise price of \$1.43. The estimated fair value, with terms of five years and vesting quarterly over two years was \$106,942 using the Black Scholes valuation model. The grant date fair value of the options is \$0.86 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 3.45%, term: 5 years, expected volatility: 69.2%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

In Q4 2022, the Company granted 66,666 stock options to a new director with an exercise price of \$1.65. The estimated fair value, with terms of five years and vesting over two years was \$65,766. using the Black Scholes valuation model. The grant date fair value of the options is \$0.99 per stock option. The underlying assumptions used in the estimation of the fair values are as follows: risk free rate: 3.06%, term: 5 years, expected volatility: 70%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

In Q3 2022, the Company granted 60,000 stock options to certain employees with an exercise price of \$1.90. The estimated fair value, with terms of five years and vesting over two years was \$67,986 using the Black Scholes valuation model. The grant date fair value of the options is \$1.13 per stock option. The underlying assumptions used in the estimation of the fair values are as follows: risk free rate: 3.33%, term: 5 years, expected volatility: 69%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

In Q2 2022, the Company granted 376,666 stock options to new officers and 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%

<sup>(2)</sup> In Q4 2022, 324,998 stock options were exercised by an officer and current and previous directors at exercise prices ranging from \$0.66 to \$0.90 per share. The initial fair value of \$92,668 previously charged to contributed surplus, was transferred to capital stock.

In Q4 2022, 8,333 stock options were exercised by an employee at an average exercise price of \$0.90. The initial fair value of \$3,615, previously charged to contributed surplus, was transferred to capital.

In Q3 2022, 391,666 stock options were exercised by an officer and a director at exercise prices ranging from \$0.78 to \$1.08 per share. The initial fair value of \$140,971, previously charged to contributed surplus, was transferred to capital stock.

In Q3 2022, 66,666 stock options were exercised by employees exercise prices ranging from \$0.60 to \$0.90 per share. The initial fair value of \$29,495, previously charged to contributed surplus, was transferred to capital.

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 exercise prices ranging from \$0.66 to \$1.72 per share. The initial fair value of \$106,003, previously charged to contributed surplus, was transferred to capital stock.

<sup>(3)</sup> In Q1 2023, 60,000 stock options at an average exercise price of \$1.82 expired unexercised.

In Q4 2022, 66,669 stock options at an average exercise price of \$1.17 expired unexercised.

In Q3 2022, 1 stock option at an average exercise price of \$1.02 expired unexercised.

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.

Compensation expense for the three-month period ended March 31, 2023 related to the vesting of options was \$227,275 (March 31, 2022 - \$286,129) and was recorded as share-based payments in the Statement of (Income) / Loss and Comprehensive (Income) / Loss.

### Warrants

	Exercise Price	Expiry Date	Three months ended March 31, 2023 #	Year ended December 31, 2022 #
Outstanding, beginning of year			936,767	873,985
Issued during the year				
Broker Warrants <sup>(1)</sup>	\$2.00	August 2024		396,480
Warrants issued during year			-	396,480
Broker Warrants <sup>(2)</sup>	\$1.26	July 2022		333,698
Warrants exercised during year			-	333,698
Broker Warrants <sup>(3)</sup>	\$1.92	February 2023	173,437	
Broker Warrants <sup>(4)</sup>	\$2.76	February 2023	366,850	
Warrants expired during year			540,287	-
Outstanding, end of period			396,480	936,767

<sup>(1)</sup> In August 2022, 396,480 broker compensation warrants, exercisable at 2.00 and expiring in August 2024, were issued in connection with the financing completed in the same period.

<sup>(2)</sup> In June 2022, 167,047 broker compensation warrants were exercised at \$1.26 for proceeds of \$210,479. In July 2022, 166,651 broker compensation warrants were exercised at \$1.26 for proceeds of \$209,980.

<sup>(3)</sup> 173,437 broker compensation warrants, exercisable at \$1.92 and issued in connection with the equity financing completed in February 2021, expired in February 2023.

<sup>(4)</sup> 366,850 broker compensation warrants, exercisable at \$2.76 and issued in connection with the financing completed in February 2021, expired in February 2023

**Restricted Share Units**

During the three-month period ending March 31, 2023, the Company granted nil RSUs (December 31, 2022 – 240,000) to independent directors of the Company under the terms of the Company Share Incentive Plan. One-third of the RSUs granted shall vest on June 30 in each of the first, second and third calendar years immediately following the year in which the RSU was granted. An RSU granted under the Share Incentive Plan must be settled on or before December 15th of the third calendar year following the calendar year in which the RSU is granted. During the three-month period ending March 31, 2023 and year-ended December 31, 2022, \$nil RSUs vested. During the three-month period ending March 31, 2023 and for the year-ended December 31, 2022, \$nil were reclassified to share capital.

Compensation expense for the three-month period ending March 31, 2023 related to the vesting of RSUs was \$56,939 (year-ended December 31, 2022 - \$106,318) and was recorded as share-based payments in the Statement of (Income) / Loss and Comprehensive (Income) / Loss.

	RSUs Outstanding
Balance, December 31, 2021	-
Granted	240,000
Vested	-
Balance, December 31, 2022	240,000
Granted	-
Vested	-
Balance, March 31, 2023	240,000

**10. Income taxes**

The Company's effective tax rate, which differs from the combined federal and provincial statutory income tax rates for the three months ended March 31, 2023, (26.5%) and year end December 31, 2022 (26.5%), has been reconciled as follows:

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Income tax recovery at statutory rates	1,348,949	920,103
Increase (decrease) related to:		
Flow-through expenditures	(1,105,761)	(729,406)
Shared based compensation	(75,317)	(75,824)
Other	34,330	25,378
	202,200	140,251
Deferred tax asset not recognized	(202,200)	(140,251)
Deferred premium on flow through shares	(4,530,000)	(4,260,900)
Deferred tax	(4,530,000)	(4,260,900)

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

	Three months ended March 31, 2023 \$	Year ended December 31, 2022 \$
Deferred tax assets:		
Net operating loss carry forwards	7,845,203	7,651,203
Net capital loss carry forwards	527,000	527,000
Resource deductions	4,526,202	4,533,202
Investment tax credits	1,577,176	1,577,176
Deferred mining taxes	183,115	183,115
Asset retirement obligations	222,289	220,533
Other	841,408	888,087
<b>Subtotal</b>	<b>15,722,392</b>	<b>15,580,316</b>
Deferred tax liabilities		
Deferred mining tax liability on E&E	(691,000)	(691,000)
<b>Subtotal</b>	<b>(691,000)</b>	<b>(691,000)</b>
Less: Deferred tax asset not recognized	(15,722,392)	(15,580,316)
<b>Deferred tax liability</b>	<b>(691,000)</b>	<b>(691,000)</b>

The Company has recorded a valuation allowance as the Company believes it is not probable that the deferred tax assets will be realized in the foreseeable future. As at March 31, 2023 the Company has a deferred tax liability on exploration and evaluation assets of \$691,000 (December 31, 2022: \$691,000).

The Company and its subsidiaries have non-capital losses of \$29,603,000 (December 31, 2022: \$28,873,000) available for deduction against future taxable income, which if not utilized will expire between the years of 2026 and 2043.

Year of expiry	Three months ended	Year ended
	March 31, 2023	December 31, 2022
	\$	\$
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	2,464,000	2,464,000
2042	3,187,000	3,187,000
2043	730,000	-
	<b>29,603,000</b>	<b>28,873,000</b>

The potential tax benefit of the above losses has not been recognized in these financial statements. The Company has \$3,977,358 (December 31, 2022: \$3,977,358) in capital losses available to apply against future capital gains.

#### 11. Related party transactions

The Company expensed a salary of \$87,500 in Q1 2023 (Q1 2022: \$87,500) 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 \$52,500 in Q1 2023 (Q1 2022: \$52,500) 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 \$40,000 in Q1 2023 (Q1 2022: \$40,000) to the current officer for VP Corporate Development services provided to the Company under an ongoing employment agreement. The Company expensed a salary of \$61,250 in Q1 2023 (Q1 2022: \$Nil) to the current officer for VP Technical Services and Geology services provided to the Company under an ongoing employment agreement. The Company expensed a salary of \$56,250 in Q1 2023 (Q1 2022: \$Nil) to the current officer for VP Projects services provided to the Company under an ongoing employment agreement. The Company expensed a salary of \$30,519 in Q1 2023 (Q1 2022: \$Nil) to the current officer for VP Sustainability services provided to the Company under an ongoing employment agreement.

Director fees expensed in Q1 2023 amounted to \$87,500 (Q1 2022: \$77,500).

There were no loans to directors or officers during the period ending March 31, 2023 (December 31, 2022: \$NIL).

In Q1 2023, the Company granted 125,000 stock options to a new officer at an exercise price of \$1.43. The estimated fair value, with terms of five years and vesting quarterly over two years was \$106,942 using the Black Scholes valuation model. The grant date fair value of the options is \$0.86 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 3.45%, term: 5 years, expected volatility: 69.2%, 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%.

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

O3 Mining continues to own 24,917,878 common shares of Moneta, representing approximately 24% (December 31, 2022 – 24%) of the outstanding Moneta shares. The shares are subject to a hold period ending December 31, 2022.

## **12. Contingent liabilities**

None

## **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 March 31, 2023.

As of March 31, 2023, the Company had a net working capital of \$1,253,859 (December 31, 2022: \$6,054,032), excluding the non-cash deferred premium on flow through share liability of \$Nil as at March 31, 2023 and \$4,530,000 as of December 31, 2022. The Company held cash in bank on March 31, 2023, of \$3,134,197 (December 31, 2022: \$8,338,170).

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. 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 consolidated financial statements.

The aggregate gross credit risk exposure at March 31, 2023, was \$3,661,880 (December 31, 2022: \$8,988,023), and was comprised of \$3,134,197 (December 31, 2022: \$8,338,170) in cash held with Canadian financial institutions with a "AA-" credit rating, \$38,120 (December 31, 2022: \$42,488) in receivables, \$471,089 (December 31, 2022: \$571,385) in sales taxes recoverable, \$18,474 (December 31, 2022: \$35,981) 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 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 March 31, 2023:

	Less than 1 year	1-3 years	Over 3 years	Total
Accounts payable and accrued liabilities	\$2,540,095	-	-	\$2,540,095
Loan payable	\$60,000	-	-	\$60,000
Asset Retirement Obligation	-	-	\$838,828	\$838,828
<b>Total</b>	<b>\$2,600,095</b>	<b>-</b>	<b>\$838,828</b>	<b>\$3,438,923</b>

#### 15. CEBA loan payable

As of the filing date of these interim condensed consolidated financial statements for the period ended March 31, 2023, there were no identified indicators of impairment, 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 is 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. Repayment of this loan is expected by the end of 2023 resulting in reporting the loan as a current liability.

#### 16. Subsequent events

On April 19, 2023 -- Moneta announced that it has entered into an agreement with National Bank Financial Inc. to act as lead underwriter for and on behalf of a syndicate of underwriters (collectively, the "Underwriters"), in connection with an underwritten private placement offering of Hard Dollar ("HD") Shares and Charity Flow-Through ("FT") Shares, into all provinces of Canada, for aggregate gross proceeds of approximately C\$20 million.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – Prospectus Exemptions ("NI 45-106"), the Offering will consist of: (i) 3,775,000 common shares in the capital of the Company (the "HD Shares"), which will be offered at a price of \$1.06 per HD Share for gross proceeds of \$4,001,500 (the "HD Offering"); and (ii) 10,668,000 charity flow-through common shares (the "FT Shares" and together with the HD Shares, the "Offered Securities"), which will be offered at a price of \$1.50 per FT Share for gross proceeds of \$16,002,000 (the "FT Offering", and together with the HD Offering, the "Offering"). The FT Shares will qualify as "flow-through shares" within the meaning of subsection 66(15) of the Income Tax Act (Canada) and the Offered Securities may also be offered by way of private placement in the United States.

The net proceeds from the sale of the HD Shares will be used for working capital and general corporate purposes. The gross proceeds from the sale of the Charity FT Shares 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.

The Company has also granted the Underwriters an option (the "Underwriters' Option"), to increase the size of the Offering by up to 30% by giving written notice of the exercise of the Underwriters' Option, or a part thereof, to the Company at any time up to 48 hours prior to Closing.

The Offering is scheduled to close on or about May 17, 2023 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. The Offering has been conditionally approved by the TSX but remains subject to final approval. The securities issued under the Offering will be subject to a hold period under applicable securities laws in Canada expiring four months and one day after the closing of the Offering.