MONETA GOLD

MONETA GOLD INC.

Interim Condensed Consolidated Financial Statements

For the three and six-months ended June 30, 2023 and 2022
(Unaudited)

MONETA GOLD INC.
Interim Condensed Consolidated Statements of Financial Position

As at	Notes	(Unaudited) June 30 2023	(Audited) December 31 2022
		$	$
Current assets			
Cash and equivalents		**24,013,993**	8,338,170
Prepaid expenses		**201,403**	125,456
Receivables		**48,261**	42,488
Sales taxes recoverable		**281,138**	571,385
Interest receivable		**101,798**	35,981
Total current assets		**24,646,593**	9,113,480
Reclamation deposits	**5**	**192,064**	192,064
Property, plant and equipment	**6**	**851,524**	903,428
Exploration and evaluation assets	**7**	**55,135,906**	54,438,737
Total assets		**80,826,087**	64,647,709
Current liabilities			
Accounts payable and accrued liabilities	**14**	**2,711,704**	2,999,448
Deferred premium on flow-through shares	**9, 10**	**6,102,096**	4,530,000
Loan payable	**15**	**60,000**	60,000
Total current liabilities		**8,873,800**	7,589,448
Asset retirement obligation	**8**	**845,456**	832,201
Deferred tax liability	**10**	**691,000**	691,000
Total liabilities		**10,410,256**	9,112,649
Shareholders' equity			
Capital stock	**9**	**162,874,146**	144,140,220
Contributed surplus		**10,099,047**	9,427,271
Deficit		**(102,557,362)**	(98,032,431)
Total shareholders' equity		**70,415,831**	55,535,060
Total liabilities and shareholders' equity		**80,826,087**	64,647,709

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

Going concern	**1**
Contingent liabilities	**12**

MONETA GOLD INC.

Interim Condensed Consolidated Statements of Changes In Shareholders' Equity

	Notes	Capital Stock [9]				
		Shares	$	Contributed Surplus	Deficit	Shareholders' Equity
Balance as at December 31, 2022		**102,737,468**	**144,140,220**	**9,427,271**	**(98,032,431)**	**55,535,060**
Share issuance on private placement financing	**9**	**18,775,900**	**26,004,550**			**26,004,550**
Deferred premium on flow through shares	**3, 9**		**(6,102,096)**			**(6,102,096)**
Share issuance costs	**9**		**(1,728,528)**			**(1,728,528)**
Acquisition of mineral claims and other issuances	**9, 14**	**510,959**	**560,000**			**560,000**
Share based compensation on vested options	**9**			**671,776**		**671,776**
Loss and comprehensive loss					**(4,524,931)**	**(4,524,931)**
Balance as at June 30, 2023 (Unaudited)		**122,024,327**	**162,874,146**	**10,099,047**	**(102,557,362)**	**70,415,831**
Balance as at December 31, 2021		94,691,611	132,863,358	8,113,483	(79,238,412)	61,738,429
Share issuance on exercise of stock options	**9, 11**	324,796	250,985			250,985
Fair value of stock options exercised	**9**		112,976	(112,976)		-
Share issuance on exercise of warrants	**9**	167,047	210,479			210,479
Fair value of warrants exercised	**9**		58,743	(58,743)		-
Share based compensation on vested options	**9**			657,520		657,520
Loss and comprehensive loss					(6,917,940)	(6,917,940)
Balance as at June 30, 2022 (Unaudited)		95,183,454	133,496,541	8,599,284	(86,156,352)	55,939,473

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

MONETA GOLD INC

Interim Condensed Consolidated Statements of Loss & Comprehensive Loss

For the period ended June 30,	Notes	Three months 2023	Three months 2022	Six months 2023	Six months 2022
		Unaudited			
		$	$	$	$
Expenses					
Exploration and evaluation expenditures	7	**2,415,346**	6,831,409	**6,588,030**	9,583,886
Legal, audit & investment advisory		**165,743**	119,094	**252,580**	169,118
General & administration		**444,462**	324,402	**867,930**	640,669
Share based compensation	9, 11	**387,562**	371,391	**671,776**	657,520
Wages and benefits	11	**740,992**	102,202	**957,547**	224,422
		4,154,105	7,748,498	**9,337,863**	11,275,615
Other items					
Other income		**(26,195)**	(26,423)	**(44,604)**	(58,069)
Interest income		**(163,354)**	(27,785)	**(238,328)**	(45,246)
Unrealized loss on investments		**-**	12,463	**-**	6,540
Loss before income taxes		**3,964,556**	7,706,753	**9,054,931**	11,178,840
Deferred taxes	9, 10	**-**	-	**(4,530,000)**	(4,260,900)
Loss and comprehensive loss		**3,964,556**	7,706,753	**4,524,931**	6,917,940
Deficit - beginning of period		**98,592,806**	78,449,599	**98,032,431**	79,238,412
Deficit - end of period		**102,557,362**	86,156,352	**102,557,362**	86,156,352
Basic and diluted loss per share	9	**$0.04**	$0.08	**$0.04**	$0.07
Weighted average outstanding shares	9	**111,945,069**	95,022,519	**107,366,704**	94,904,370

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

MONETA GOLD INC.

Interim Condensed Consolidated Statements of Cash Flows

For the period ending June 30,	Notes	Six months Unaudited 2023 $	2022 $
Operating activities			
(Loss) and (comprehensive loss)		**(4,524,931)**	(6,917,940)
Adjust for non-cash items			
Share based compensation	**9**	**671,776**	657,520
Accretion expense	**8**	**13,255**	5,680
Depreciation expense		**51,904**	22,287
Deferred premium on flow-through shares	**3, 9, 10**	**(4,530,000)**	(4,260,900)
Unrealized loss		**-**	6,540
Net change in non-cash working capital balances		**(145,034)**	1,829,617
Cash used in operating activities		**(8,463,030)**	(8,657,196)
Investing activities			
Acquisition of property, plant, equipment	**6**	**-**	(47,040)
Exploration and evaluation assets [1]	**7**	**(137,169)**	(277,086)
Cash used in investing activities		**(137,169)**	(324,126)
Financing activities			
Common shares issued on private placement, net of issue costs [2]	**9**	**24,276,022**	-
Common shares issued on exercise of stock options	**9, 11**	**-**	250,985
Common shares issued on exercise of warrants	**9**	**-**	210,479
Cash provided from financing activities		**24,276,022**	461,464
Net increase (decrease) in cash and equivalents		**15,675,823**	(8,519,858)
Cash and equivalents, beginning of year		**8,338,170**	13,300,621
Cash and equivalents, end of period		**24,013,993**	4,780,763

[1] On June 7, 2023 Moneta acquired property surrounding Moneta's existing Loveland property.
This property was acquired for total consideration of $660,000 consisting of $100,000 cash and $560,000 in shares.

[2] A non-cash deferred premium on flow-through share's liability of $6,102,096 was reported representing the premiums of $0.44 received over the hard dollar share price of $1.06 on the shares issued on a flow-through basis.

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 July 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 August 11, 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.

The principal accounting relating policy for DSUs is outlined below, as DSUs were issued for the first time during Q2 2023.

Deferred share units (DSUs) represent an entitlement to one common share of the Company, upon vesting the fair value of DSUs granted is recognized as an expense over the vesting period using the accelerated vesting method with a corresponding increase in contributed surplus.

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 and DSUs 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 Loss and Comprehensive Loss. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life and records the accretion of the liability as a charge to the statements of Loss & Comprehensive Loss.

e) Contingent liabilities

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

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 June 30, 2023:

June 30, 2023										
		Cost ($)				Accumulated depreciation ($)				($)
Class	Amortization period	Opening balance	Additions / transfers	Write-off / disposals	Closing balance	Opening balance	Depreciation	Write-off / disposals	Closing balance	**Net book value**
Vehicles	5 years	220,207	-	-	220,207	29,703	21,892	-	51,595	168,612
Building	20 years	567,000	-	-	567,000	40,163	14,175	-	54,338	512,662
Fabric Building	5 years	158,365	-	-	158,365	5,278	15,837	-	21,115	137,250
Land	Not amortized	33,000	-	-	33,000	-	-	-	-	33,000
Total		**978,572**	**-**	**-**	**978,572**	**75,144**	**51,904**	**-**	**127,048**	**851,524**

December 31, 2022										
		Cost ($)				Accumulated depreciation ($)				($)
Class	Amortization period	Opening balance	Additions / transfers	Write-off / disposals	Closing balance	Opening balance	Depreciation	Write-off / disposals	Closing balance	**Net book value**
Vehicles	5 years	49,755	170,452	-	220,207	5,805	23,898	-	29,703	190,504
Building	20 years	567,000	-	-	567,000	11,813	28,350	-	40,163	526,837
Fabric Building	5 years	-	158,365	-	158,365	-	5,278	-	5,278	153,087
Land	Not amortized	33,000	-	-	33,000	-	-	-	-	33,000
Total		**649,755**	**328,817**	**-**	**978,572**	**17,618**	**57,526**	**-**	**75,144**	**903,428**

7. Exploration and evaluation assets

Acquisition costs	**Six months ended June 30, 2023** $	Year ended December 31, 2022 $
Balance, beginning of year	**54,438,737**	54,066,923
Acquisition costs, net	**697,169**	371,814
Balance, end of year	**55,135,906**	54,438,737

Acquisition costs	**December 31, 2022** $	**Additions** $	**June 30, 2023** $
Garrison	**51,888,876**	**3,820**	**51,892,696**
Golden Highway	**1,743,577**	**1,950**	**1,745,527**
North Tisdale	**183,288**	**18,919**	**202,207**
Kayorum	**132,877**	**3,010**	**135,887**
Buffonta (1)	**203,451**	**1,424**	**204,875**
Pike (2)	**50,395**	**778**	**51,173**
Nighthawk Lake	**20,013**	**1,754**	**21,767**
Denton Thorneloe and other (3)	**216,260**	**665,514**	**881,774**
	54,438,737	**697,169**	**55,135,906**

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	157,978	25,310	183,288
Kayorum	131,634	1,243	132,877
Buffonta (1)	40,326	163,125	203,451
Pike (2)	-	50,395	50,395
Nighthawk Lake	19,624	389	20,013
Denton Thorneloe and other	108,028	108,232	216,260
	54,066,924	371,813	54,438,737

(1) 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.

(2) 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.

(3) On June 7, 2023 Moneta acquired property surrounding Moneta's existing Loveland property. This property was acquired for total consideration of $660,000 consisting of $100,000 cash and $560,000 in shares.

There were no property disposals and no indications of impairment of exploration and evaluation assets during the second quarter ending June 30, 2023 (December 31, 2022: $Nil). Capitalized acquisition costs totaled $55,135,906 at June 30, 2023 (December 31, 2022: $54,438,737). Exploration and evaluation expenditures for the six months ended June 30, 2023, of $6,588,030 (June 30, 2022: $9,583,886), were charged to the Statement of Loss and Comprehensive 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	$13,255
Present value as of June 30, 2023	$845,456
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, and for the period ending Q2 2023, therefore all outstanding, stock options, warrants, RSUs, and DSUs that could potentially dilute basic earnings per share in the future, have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive.

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

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

In Q2 2023 Moneta acquired property surrounding Moneta's existing Loveland property. This property was acquired for total consideration of $660,000 consisting of $100,000 cash and $560,000 in shares.

On May 17, 2023, Moneta issued 4,907,500 common shares at $1.06 per share ("Hard Dollar Shares") and 13,868,400 common shares at $1.50 issued on a flow-through basis ("Flow Through Shares") for aggregate gross proceeds of $26,004,550. Cash compensation paid to brokers and the related legal fees for the financing completed in May 2023 amounted to $1,728,528. Net proceeds from the Bought Deal Offering were $24,276,022.

A non-cash deferred premium on flow-through share's liability of $6,102,096 was reported representing the premiums of $0.44 received over the hard dollar share price of $1.06 on the shares issued on a flow-through basis.

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:

	Six months ended June 30, 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	2,584,787
Transactions during the year:				
Granted [(1)]	**1.17**	**655,220**	2.23	1,462,484
Options exercised [(2)]	**-**	**-**	0.85	(1,116,459)
Expired [(3)]	**1.56**	**(170,583)**	2.04	(66,672)
Outstanding, end of period	**$1.71**	**3,348,777**	$1.83	2,864,140
Weighted average remaining contractual life (years)	**3.17**		3.60	
Exercisable, end of period	**$1.77**	**2,477,420**	$1.73	2,168,999

(1) In Q2 2023, the Company granted 530,220 stock options to officers, management, staff and advisors at an exercise price of $1.11. The estimated fair value, with terms of five years and vesting quarterly over two years was $349,769 using the Black Scholes valuation model. The grant date fair value of the options is $0.66 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 3.41%, term: 5 years, expected volatility: 69.78%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

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%

(2) 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 at 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.

(3) In Q2 2023, 110,583 stock options at an average exercise price of $1.41 expired unexercised.

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 and six-months ended June 30, 2023 related to the vesting of options was $158,694 and $385,969 respectively (three and six-months ended June 30, 2022 - $371,391 and $657,520 respectively) and was recorded as share-based payments in the Statement of Loss and Comprehensive Loss.

Warrants

	Exercise Price	Expiry Date	**Six months ended June 30, 2023 #**	Year ended December 31, 2022 #
Outstanding, beginning of year			**936,767**	873,985
Issued during the year				
Broker Warrants [1]	$2.00	August 2024		396,480
Warrants issued during year			-	396,480
Broker Warrants [2]	$1.26	July 2022		333,698
Warrants exercised during year			-	333,698
Broker Warrants [3]	$1.92	Feburary 2023	**173,437**	
Broker Warrants [4]	$2.76	Feburary 2023	**366,850**	
Warrants expired during year			**540,287**	-
Outstanding, end of period			**396,480**	936,767

(1) 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.

(2) 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.

(3) 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.

(4) 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 and six-month period ending June 30, 2023, the Company granted 1,040,993 and 1,040,993 RSUs respectively (December 31, 2022 – 240,000) to officers and directors of the Company under the terms of the Company's 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 and six-month period ending June 30, 2023, 134,545 and 134,545 RSUs vested respectively (year-ended December 31, 2022, $nil). During the three and six-month period ending June 30, 2023 and for the year-ended December 31, 2022, $nil were reclassed to share capital.

Compensation expense for the three and six-months ended June 30, 2023 related to the vesting of RSUs was $168,868 and $225,807 respectively (three and six-months ended June 30, 2022 - $Nil and $Nil respectively) and was recorded as share-based payments in the Statement of Loss and Comprehensive Loss.

	RSUs Outstanding
Balance, December 31, 2021	-
Granted	240,000
Vested	-
Balance, December 31, 2022	240,000
Granted	1,040,993
Vested	(134,545)
Balance, June 30, 2023	1,146,448

Deferred Share Units

During the three and six-month period ending June 30, 2023, the Company granted 54,545 and 54,545 DSUs respectively (December 31, 2022 – Nil) to a director of the Company under the terms of the Company's Share Incentive Plan. DSUs granted pursuant to this Plan to Independent Directors shall vest on the last day of the Fiscal Year for which they are granted. DSUs granted to Participants other than Independent Directors, pursuant to this Plan shall vest to the extent of one-third thereof on each of the first, second and third anniversaries following the year in which the Date of Grant falls, provided that such Participant continues to be employed by the Corporation. DSUs will be settled by the Corporation as soon as practicable following the death, Retirement, or loss of office or directorship, or employment of the Participant with the Corporation and/or each of its Affiliates terminates and, in any event, no later than the end of the first calendar year following the year in which such death, Retirement or loss of office, directorship or employment occurs.

During the three and six-month period ending June 30, 2023, 54,545 and 54,545 DSUs vested respectively (year-ended December 31, 2022, $nil). During the three and six-month period ending June 30, 2023 and for the year-ended December 31, 2022, $nil were reclassed to share capital. These DSUs vested immediately as a Board Resolution provided for immediate vesting as a Director did not stand for reelection at the 2023 annual general meeting of the Company.

Compensation expense for the three and six-months ended June 30, 2023 related to the vesting of DSUs was $60,000 and $60,000 respectively (three and six-months ended June 30, 2022 - $Nil and $Nil respectively) and was recorded as share-based payments in the Statement of Loss and Comprehensive Loss. These DSUs vested immediately as a Board Resolution provided for immediate vesting as a Director did not stand for reelection at the 2023 annual general meeting of the Company.

	DSUs Outstanding
Balance, December 31, 2022	-
Granted	54,545
Vested	(54,545)
Balance, June 30, 2023	-

10. Income taxes

The Company's effective tax rate, which differs from the combined federal and provincial statutory income tax rates for the period ended June 30, 2023, (26.5%) and year end December 31, 2022 (26.5%), has been reconciled as follows:

	Six months ended June 30, 2023 $	Six months ended June 30, 2022 $
Income tax recovery at statutory rates	**2,399,557**	2,962,393
Increase (decrease) related to:		
Flow-through expenditures	**(1,745,828)**	(2,539,730)
Shared based compensation	**(178,021)**	(174,243)
Other	**124,430**	56,796
	600,138	305,216
Deferred tax asset not recognized	**(600,138)**	(305,216)
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:

	Six months ended June 30, 2023 $	Year ended December 31, 2022 $
Deferred tax assets:		
Net operating loss carry forwards	**8,234,203**	7,651,203
Net capital loss carry forwards	**527,000**	527,000
Resource deductions	**4,348,202**	4,533,202
Investment tax credits	**1,577,176**	1,577,176
Deferred mining taxes	**183,115**	183,115
Asset retirement obligations	**224,046**	220,533
Other	**1,299,468**	888,087
Subtotal	**16,393,210**	**15,580,316**
Deferred tax liabilities		
Deferred mining tax liability on E&E	**(691,000)**	(691,000)
Subtotal	**(691,000)**	(691,000)
Less: Deferred tax asset not recognized	**(16,393,210)**	(15,580,316)
Deferred tax liability	**(691,000)**	**(691,000)**

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 June 30, 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 $31,073,000 (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	Six months ended June 30, 2023 $	Year ended 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	**2,200,000**	-
	31,073,000	28,873,000

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

During the three and six-month period ended June 30, 2023, management compensation of $903,542 and $1,231,561 (2022 - $193,978 and $373,978) was incurred. Severance owing to the CEO, and included in June 30, 2023 accounts payable and accrued liabilities amounted to $451,644.

Director fees expensed for the six-month period ending June 30, 2023 amounted to $164,167 (June 30, 2022: $155,000).

There were no loans to directors or officers during the period ending June 30, 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 Q2 2023, the Company granted 367,220 stock options to officers at an exercise price of $1.11. The estimated fair value, with terms of five years and vesting quarterly over two years was $242,243 using the Black Scholes valuation model. The grant date fair value of the options is $0.66 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 3.41%, term: 5 years, expected volatility: 69.78%, 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%.

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

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

O3 Mining continues to owns 24,917,878 common shares of Moneta, representing approximately 20% (December 31, 2022 – 24%) of the outstanding Moneta shares.

12. Contingent liabilities

The Company became subject to a lawsuit filed by a contractor claiming damages of $2,731,265. The claim is for alleged services provided by the contractor which the company disputes. The Company believes that the lawsuit is without merit and intends to defend the action. The Company served a notice of intention to defend on May 12, 2023. Management has performed an assessment of the probability of an unfavourable outcome of the claim and has determined that the best estimate of the expenditure required to settle the present obligation at the end of the period is $285,000. $285,000 was accrued for the period ending June 30, 2023.

13. Capital management

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the quarter ended June 30, 2023.

As of June 30, 2023, the Company had a net working capital of $21,874,889 (December 31, 2022: $6,054,032), excluding the non-cash deferred premium on flow through share liability of $6,102,096 as of June 30, 2023 and $4,530,000 as of December 31, 2022. The Company held cash in bank on June 30, 2023, of $24,013,993 (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 June 30, 2023, was $24,445,190 (December 31, 2022: $$8,988,023), and was comprised of $24,013,993 (December 31, 2022: $8,338,170) in cash held with Canadian financial institutions with a "AA-" credit rating, $48,261 (December 31, 2022: $42,488) in receivables, $281,138 (December 31, 2022: $571,385) in sales taxes recoverable, $101,798 (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 June 30, 2023:

	Less than 1 year	1-3 years	Over 3 years	Total
Accounts payable and accrued liabilities	$2,711,704	-	-	$2,711,704
Loan payable	$60,000	-	-	$60,000
Asset Retirement Obligation	-	-	$845,456	$845,456
Total	**$2,771,704**	**-**	**$845,456**	**$3,617,160**

15. CEBA loan payable

As of the filing date of these interim condensed consolidated financial statements for the period ended June 30, 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.