MONETA PORCUPINE MINES INC.

Management Discussion and Analysis

For the nine months ended September 30, 2017

This Management Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of operations of Moneta Porcupine Mines Inc. ("**Moneta**" or the "**Company**") to enable a reader to assess material changes in the financial condition and results of operations of the Company as at and for the nine months ended September 30, 2017. This MD&A should be read in conjunction with the interim consolidated financial statements and notes thereto for the nine months ended September 30, 2017. All amounts included in this MD&A are in Canadian Dollars.

The interim 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, 2016, except as noted below under changes in accounting policies. The interim consolidated financial statements should be read in conjunction with the 2016 annual consolidated financial statements and the notes thereto. The Company operates in one segment defined as the cash generating unit which is Canada. This MD&A has an effective date of November 9, 2017, the date this MD&A was reviewed by the Audit Committee and approved by the Board of Directors.

Additional information related to the Company is available in Moneta's Annual Information Form dated March 28, 2017 for the year ended December 31, 2017 ("**AIF**"). The AIF and other continuous disclosure documents, including the Company's press releases and quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and the Company's website at www.monetaporcupine.com.

The MD&A is presented in the following sections:

FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

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

OUTLOOK

The previously announced (2016/2017) 40,000 metre drill program recommenced during the quarter on the Golden Highway Project after a comprehensive technical review of all gold projects. Four contract drill rigs were mobilized in late September and early October 2017 to the Discovery, Windjammer North and LC target areas. A total of 6,720m have been drilled at the Discovery, LC and Windjammer North target areas as of the date of this report. Assay results are pending.

During the quarter the technical review of targets continued with high grade drill targets being generated on the South-West ("SW"), "55", Gap and Windjammer South target areas. A new drill target has also been identified at Westaway located between the SW and the "55" target areas. Drill testing of the 8 drill targets showing potential for high grade gold mineralization within the Golden Highway Project will be conducted during the fourth quarter of 2017 in a program totalling some 20,000 drill metres.

Resampling and assaying during the quarter of drill core from drill hole WJ-88-38 at the Windjammer North target which had not been sampled from a previous drilling campaign returned assays of 0.76m @ 20.31g/t Au at a depth of 267.0m and 0.90m @ 6.18g/t Au at a depth of 185.2m. The intercepts are from quartz veined, green carbonate altered ultramafic units.

The Company has completed a review of the gold potential of the properties within the Porcupine Gold Camp including Kayorum, North Tisdale and Nighthawk Lake and has developed a program to drill targets at North Tisdale and Nighthawk Lake during Q4 2017.

CORPORATE OVERVIEW

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

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

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

Moneta holds a 100% interest in 5 core gold projects and a 50% JV with Kirkland Lake Gold strategically located on or along the Destor Porcupine Fault Zone corridor ("Destor"), one of the key mineralized structures in the Abitibi Greenstone belt in Ontario, with excellent infrastructure including access roads, water, electricity, and mills. Most gold mineralization in the region is associated with the Destor, including significant resources and producing mines now operated by Porcupine Gold Mines (Goldcorp) and several others such as Tahoe Resources (formerly Lake Shore Gold), McEwen Mining (formerly Primero), and Kirkland Lake Gold (formerly St Andrew Goldfields). The Golden Highway Camp has experienced rapid advancement of gold resources by Moneta and others including Osisko Mining, reflecting the strong regional gold potential.

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

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

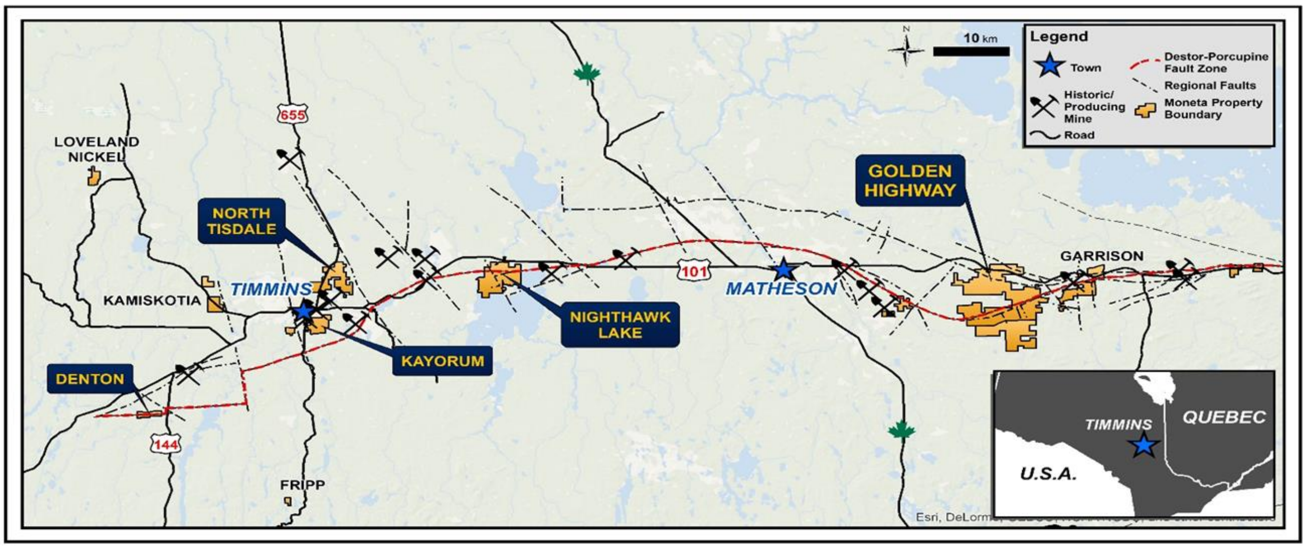

Figure I: Moneta's Key Gold Exploration Properties

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

The Golden Highway Project captures 12kms of the Destor Porcupine Fault Zone Corridor, one of the most prolific Archean gold-bearing structures in the world. The project currently hosts a NI 43-101 resource, spanning only 4km of the corridor and found primarily within sedimentary host rocks along a southern splay of the Destor. Resource growth potential along the remaining 8km of largely untested mafic volcanic rocks along the Destor in contact with ultramafic units is also good, where limited historical drilling has already confirmed gold mineralization. The main unconformity which occurs as the mafic volcanic-sediment contact also remains largely untested. Moneta also has a 50% stake in the Garrison JV with Kirkland Lake Gold in the Golden Highway Camp.

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

OVERALL PERFORMANCE

GOLDEN HIGHWAY CAMP

Summary

During the quarter drill testing of mineralized targets generated in the technical review undertaken during the second and third quarters of 2017 recommenced on the Golden Highway Project with 4 contract drill rigs being mobilized in late September and early October to the Discovery, Windjammer North and LC target areas (see Figure 2). A total of 6,720m have been drilled at the Discovery, LC and Windjammer North target areas as of the date of this report. There is currently one drill rig operating on the Discovery target, one on the Windjammer North target and two on the LC target. Drill targets have also been developed for the SW, "55", Westaway, Gap and Windjammer South targets areas within the Golden Highway Project area. Additional rigs will be mobilized as required to complete the planned program of some 20,000m during the fourth quarter of 2017.

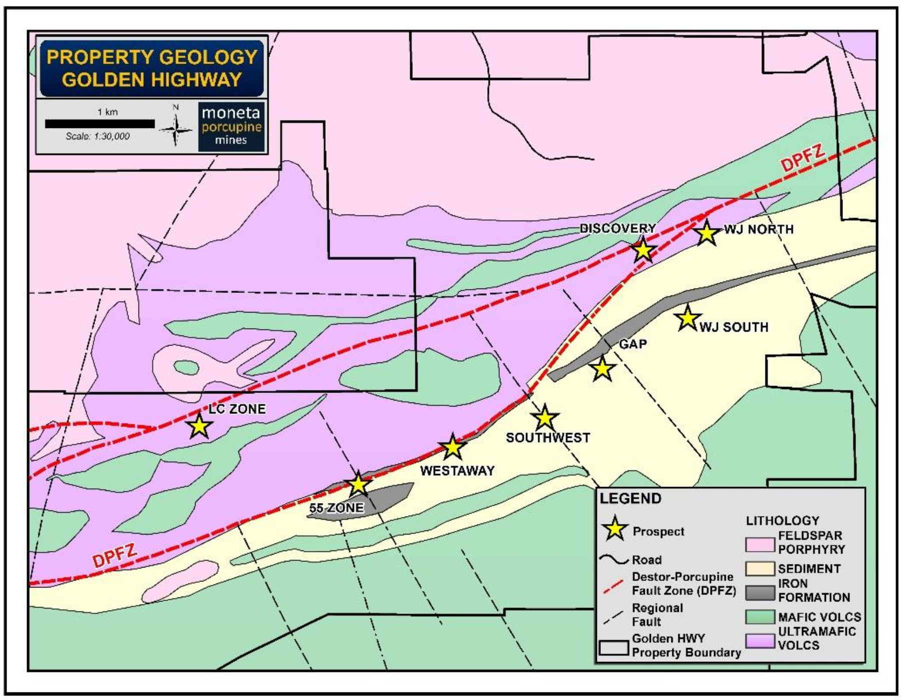

Figure 2: Golden Highway Project; Target Areas

Discovery Target

The Discovery Target is located on a southern splay of the Destor and is hosted within altered komatiitic ultramafic rocks of the Kidd-Munro assemblage to the north and the sheared fault contact with greywacke units of the Timiskaming age sedimentary rocks to the south. The faulted contact dips steeply to the south (~75°). A total of 6 structural zones have been modelled within a south dipping structural corridor over an aggregate width of 35m and trend ENE (070°), parallel to the Destor. The mineralized structures have been traced for a strike length of 250m and over a height of 275m and remain open in both directions. The individual mineralized zones dip at the same orientation as the Destor and are noted by strong quartz veining, quartz stock-work and pyrite alteration.

The ultramafic rocks have been altered to grey-green and green carbonate (fuchsite) with pervasive ankerite and chlorite-pyrite fracture filling and alteration of the sediments and ultramafic units. Quartz (silica) alteration and veining is associated with mineralization often with fluorite rims. Mineralization occurs within the altered and sheared ultramafic units, quartz feldspar and feldspar porphyry dykes and quartz cemented breccia zones. Altered clasts of quartz feldspar and feldspar porphyry dykes occur as clasts within the breccia zones.

The initial drill program, designed to confirm and test the extent and grade of the zones, will consist of a total of 6 drill holes for 3,070m. The Discovery Zone target is located outside of the historical resource. Previous drilling of the Discovery Zone has returned assays of up to 7.20m @ 6.24g/t Au and 7.00m @ 5.86g/t Au.

LC Zone Target

The LC Zone is located to the immediate south of the Destor Fault Zone and is associated with the deeper of two SE dipping syenite feldspar porphyry intrusions.

The deeper intrusion is silicified and hosts strong “measle” style alteration consisting of coarse pyrite clots up to 1cm in size occurring as replacement and fracture filling within strongly buff to white bleached silicified albite altered intrusive giving the appearance of “measles”. Gold bearing white quartz veining and brecciation generally occurs with pyrite and chlorite veinlets associated with this alteration style on or near to the margins of the intrusion.

The syenite feldspar porphyry bodies are hosted within generally weakly altered komatiitic ultramafic and minor mafic volcanic rock units of the Kidd-Munro assemblage, with some shearing occurring to the immediate north associated with the Destor. The upper intrusion hosts weaker alteration and gold mineralization. The deeper altered intrusive body has been traced for over 600m. The bodies dip ~50° to the SE and are seen to occur up to 75m in thickness and be separated by 25-40m of weakly altered ultramafic and lesser mafic volcanic units. The mineralized quartz veining and brecciation zones are variable in size and have been seen up to 10m in thickness. Coarse visible gold has previously been observed in 3 locations hosted by quartz veining and drill intercepts of up to 6.71m @ 10.82g/t Au and 6.57m @ 9.53g/t Au have been returned.

Drilling is planned to consist of 7 drill holes drilled on an azimuth of 300° (NW) for a total of 2,910m, designed to test the true width of the mineralization. The LC target is located outside of the NI 43-101 resource.

Windjammer North Target

The Windjammer North Target is located immediately south of and parallel to the regional Destor Fault Zone, trending ENE (070°) and is hosted primarily within altered komatiitic ultramafic rocks of the Kidd-Munro assemblage. The target zone consists of at least five west plunging (~25°W) zones up to 50m wide, that can be traced for over 400m along strike. The zones show an aggregate thickness of over 100m.

The zone contains massive to brecciated ultramafic metavolcanics that have been altered to grey to green-grey fuchsitic carbonate in the western and central portion of the zone with more mafic metavolcanics to the east displaying albite bleaching and sericite alteration. Fracture-filling chlorite and specular hematite are common. Gold mineralization is associated with pyrite-rich white to light grey quartz veining and veinlets. The structural corridor has been intruded by variably altered felsic intrusive dykes. Historical results from previous drilling of up to 8.10m @ 10.69g/t Au and 7.80m @ 7.86g/t Au have been returned from the Windjammer North target area.

The current drill program consists of a total of 6 drill holes for 3,060m designed to confirm and test the size and grade potential including the eastern and western extensions of the mineralized zones at Windjammer North.

As part of the technical review resampling of previously un-sampled diamond core from new target areas was undertaken. For the Windjammer North target hole WJ-88-38, which is located ~150m east of the nearest hole within the mineralized corridor, was sampled across mineralized zones. The sampling returned assays of 0.76m @ 20.31g/t Au at a depth of 267.0m and 0.90m @ 6.18g/t Au at a depth of 185.2m. The intercepts are from quartz veined, green carbonate altered ultramafic rocks. The intercepts are interpreted to be extensions of the newly identified west plunging mineralization zones and the current drill program will test the western extensions of the zones that have not been systematically drilled.

Table 1: Significant assay results: 2017 Core Sampling Program: Windjammer North

Project	Target	Hole	From	To	Length	Au
Name	Area	#	(m)	(m)	(m)	g/t
Golden Highway	Windjammer North	WJ-88-38	185.20	186.10	0.90	6.18
Golden Highway	Windjammer North	WJ-88-38	267.00	267.76	0.76	20.31

Other Drill Targets

The review of the Golden Highway targets for economic potential has continued through the quarter with several additional drill targets being identified:

- SW Target: At the SW drill target area 2 distinct sets of quartz-carbonate-pyrite, one trending WNW (340°) and dipping west and the second trending WNW (300°) and dipping to the south-west have been identified to show continuity south of the main banded iron formation within Timiskaming clastic sediments. They have been traced up to 800m depth, over 250m strike length and have widths of over 3m. Multiple significant results from previous drilling have been returned from sampling.
- "55" Target: A series of E-W structures associated with quartz feldspar porphyry intrusions intersect 340° trending structures with mineralization along the intersections have returned several mineralized structural corridors intersected in previous drilling campaigns. The area is located with Timiskaming sediments located between 2 banded iron formation units and mineralization occurs within quartz-carbonate-pyrite veins and breccias.
- Westaway Target: Located between the 55 and SW targets on the southern edge of a banded iron formation within Timiskaming sediments with limited historical drilling returning intercepts of up to 1.50m @ 10.42g/t Au (MN-96-178) and 1.10m @ 11.16g/t Au (MN-96-178) hosted in quartz-carbonate-pyrite veining.
- Gap Target: Located to the east of the SW zone, a WNW (300°) SW dipping zones with quartz feldspar porphyry dykes intruded into Timiskaming sediments within a ENE (070°) structural corridor south of the main banded iron formation returned intercepts of up to 9.0m @ 7.50g/t Au in hole MSW11-283.

Drill targeting and modelling of targets with new drill information and ongoing interpretation is continuing.

Golden Highway Resource Update

The new geological interpretation and new planned drill program will be used as the basis for any possible resource update. The current resource estimate was completed in October 2012 and excludes some 50,000 metres of primarily in-fill drilling completed in 2013 and 2014.

The new drilling not included in the 2012 resource estimate also includes step-out drilling and drill testing of new zones in the Windjammer North, Discovery, Twin Creeks and the more distal LC Zones. These zones primarily occur within the mafic volcanic package which abuts and occurs in contact with ultramafic units along the Destor Fault Zone to the north.

The current resource is primarily established with the Timiskaming sediment package to the south, located in unconformable contact with the mafic volcanic package, occurring within a structurally controlled transgression basin associated with quartz felspar intrusive dykes of the same age.

Upon completion of the current drill program testing for higher grade targets and structures within the Golden Highway Project area, the company will review the timing and possibility of updating the NI 43-101 resource estimate in 2018 after incorporating the 2017 drill program results as well as the previous 50,000 metre program primarily drilled as in-filling completed in 2013/2014.

PORCUPINE CAMP

During the quarter the Company continued to review the economic potential of the Kayorum, North Tisdale and Nighthawk Lake projects. This has involved updating the historical databases and reviewing the results and potential for significant mineralization within the project areas. Drill targets have been generated for the North Tisdale and Nighthawk Lake areas which will be drilled during Q4 2017.

- North Tisdale: The regional contact between Porcupine sediments and ultramafic and mafic units has been traced through the North Tisdale ground. Historical drilling has returned assays of up to 0.77m @ 73.0g/t Au and 0.46m @ 113.6g/t A from veins within the ultramafic units. Historical holes were not sampled where they intersected altered, quartz veining and hosting altered quartz feldspar porphyry dykes. A two hole drill program of up to 950m is planned to test this contact.
- Nighthawk Lake: Altered ultramafic hosted shearing and quartz veining along the southern splay of the Destor has been previously drilled at Nighthawk Lake and returned values of up to 4.60m @ 11.37g/t Au (NHL97-13) and 1.41m @ 12.51 g/t Au (NHL97-21). A program of 2 drill holes for 625m of drilling to test the orientation of veining and extensions of historical intercepts is planned for Q4 2017.

FINANCIAL REVIEW

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

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

SUMMARY OF QUARTERLY RESULTS

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

Highlights		**2017**		2016				2015
($ except per share data)	**Sep 30**	**Jun 30**	**Mar 31**	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Revenue	**-**	**-**	**-**	-	-	-	-	-
Loss (earnings) and comprehensive loss (earnings)	**512,098**	**448,931**	**(285,698)**	2,388,490	323,487	135,199	92,416	396,189
Loss (earnings) per share	**$0.00**	**$0.00**	**$0.00**	$0.01	$0.00	$0.00	$0.00	$0.01

SIGNIFICANT EVENTS DURING Q3 2017

The Company mobilized 4 contract drill rigs to the Discovery, Windjammer North and LC target areas of the Golden Highway Project and recommenced drilling during Q3, 2017. A total of 6,720m has been drilled to date at the Discovery, LC and Windjammer North target areas. Assay results are pending. The Company continued a significant program of geological re-interpretation as reported herein under OVERALL PERFORMANCE which has resulted in several drill targets being generated for which additional drill rigs will be mobilized to drill test targets during the fourth quarter of 2017 to complete some 20,000m drilling.

During Q3 2017, the Company granted 600,000 stock options to directors, officers or employees at an average exercise price of $0.17. The estimated fair value of 600,000 stock options, with a three year term, was $37,526 using the Black Scholes valuation model, and is to be recognized quarterly using the accelerated method and charged to share based compensation over a three year vesting period. The weighted average grant date fair value was $0.06 per stock option. The underlying assumptions used in the estimation of fair value are, as follows: risk free rate: 1.00%, term: 3 years, expected volatility: 61%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the Consolidated Statements of Loss (Earnings), Comprehensive Loss (Earnings) and Deficit for the nine months ended September 30, 2017 and the corresponding notes thereto. All references to "Q3 2017" or "Q3 2016" relate to the three month periods ended September 30 of those years unless stated otherwise. All references to "YTD 2017" or "YTD 2016" relate to the nine month periods ended September 30 of those years unless stated otherwise. Moneta has not generated any material operating revenues as it is in the exploration and development stage and, therefore, operating losses are anticipated to continue in the future.

Moneta reported a loss and comprehensive loss of $512,098 in Q3 2017 (YTD 2017: $675,331) as compared to $323,487 in Q3 2016 (YTD 2016: $551,102). The variation period over period relates to the restart of exploration activities, offset by the non-cash 'deferred premium on flow-through shares' transferred from the statement of consolidated financial position to a deferred tax recovery on the consolidated statement of loss (earnings), comprehensive loss (earnings) and deficit upon the renunciation of flow-through expenditures, in the normal course, in Q1 2017.

Exploration and evaluation expenditures were $418,784 in Q3 2017 (YTD 2017: $1,994,736) and primarily relate to the restart of exploration activities including drilling, modeling, and target generation efforts on the *Golden Highway* project, as compared to $234,660 in Q3 2016 (YTD 2016: $323,531). Further details are presented in the following table:

	Three months				Nine months			
For the periods ended September 30,	**2017**		2016		**2017**		2016	
	$		$		$		$	
Drilling and Geophysics	**177,912**	**42%**	48,330	21%	**1,315,029**	**66%**	48,330	0%
Lab assay costs	**23,457**	**6%**	7,447	3%	**107,288**	**5%**	7,447	0%
Wages, benefits and contract labour	**179,640**	**43%**	41,041	17%	**475,315**	**24%**	95,021	86%
Other	**37,775**	**9%**	137,842	59%	**97,104**	**5%**	172,733	14%
Exploration and evaluation expenditures	**418,784**	**100%**	234,660	100%	**1,994,736**		323,531	

Share based compensation charges, related to options vested during the period, were $35,803 in Q3 2017 (YTD 2017: $100,462) as compared to $466 in Q3 2016 (YTD 2016: $1,397). Wages and benefits were $50,000 in Q3 2017 (YTD 2017: $154,520) as compared to $41,667 in Q3 2016 (YTD 2016: $121,129). General & administration expenses decreased period over period at $28,340 in Q3 2017 (YTD 2017: $77,079) as compared to $53,704 in Q3 2016 (YTD 2016: $101,579). Legal and audit expenses were $720 in Q3 2017 (YTD 2017: $53,817) unchanged period over period from $11,475 in Q3 2016 (YTD 2016: $52,165).

Other income was $10,402 in Q3 2017 (YTD 2017: $34,444) as compared to $10,397 in Q3 2016 (YTD 2016: $37,129) representing royalty income from a perlite operation. Interest income was $11,147 in Q3 2017 (YTD 2017: $35,377) as compared to $8,088 in Q3 2016 (YTD 2016: $11,570), representing interest earned on higher cash balances period over period.

CONSOLIDATED FINANCIAL POSITION

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

Consolidated assets

Consolidated assets were $8,145,509 at September 30, 2017 as compared to $10,672,459 as at December 31, 2016. Cash and equivalents were $5,827,617 at September 30, 2017 as compared to $8,549,319 at December 31, 2016.

Receivables, primarily comprised of royalty income receivable, were $17,400 at September 30, 2017 as compared to $31,200 as at December 31, 2016. Sales taxes recoverable were $265,577 at September 30, 2017 as compared to $124,799 at December 31, 2016. Interest receivable on short term investments was $34,698 at September 30, 2017 as compared to $12,960 as at December 31, 2016.

Exploration and evaluation assets were $1,969,475 at September 30, 2017 as compared to $1,936,830, at December 31, 2016, representing the capitalization of project acquisition costs. Exploration expenditures are expensed to the Statement of Loss and Comprehensive Loss.

Consolidated liabilities

Consolidated liabilities were $205,927 at September 30, 2017 as compared to $528,546 at December 31, 2016. The non-cash deferred premium on flow-through shares 'liability' of $1,635,462 was transferred from the statement of consolidated financial position to a deferred tax credit on the consolidated statement of loss (earnings), comprehensive loss (earnings) and deficit upon the renunciation of flow-through expenditures, in the normal course, in Q1 2017.

Shareholders' equity

Shareholders' equity was $7,939,582 at September 30, 2017 as compared to $8,508,451 at December 31, 2016. The increase is primarily due to the loss and comprehensive loss for the nine months ended September 30, 2017 of $675,331.

LIQUIDITY AND CAPITAL RESOURCES

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

The consolidated working capital ratio at September 30, 2017, was 30 : 1 as compared to 17 : 1 at December 31, 2016. At September 30, 2017, the Company held cash and equivalents of $5,827,617 (December 31, 2016: $8,549,319), receivables of $17,400 (December 31, 2016: $31,200), sales taxes recoverable of $265,577 (December 31, 2016: $124,799), and short term interest receivable of $34,698 (December 31, 2016: $12,960).

Current liabilities at September 30, 2017 are comprised of accounts payable and accrued liabilities of $205,927 (December 31, 2016: $528,546) and relate to expenses incurred during the quarter and payable in the normal course.

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2017.

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

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company reported a salary of $NIL (Q3 2016: $NIL) to an officer and director for the nine months ended September 30, 2017, for CFO services provided to the Company. The Company paid a salary of $58,333 (Q3 2016: $Nil) to an officer and director for the nine months ended September 30, 2017 for Co-CEO and Chief Geologist services provided to the Company under an ongoing employment agreement. The Company paid a salary of $150,000 (Q3 2016: $116,667) to an officer and director for the nine months ended September 30, 2017 for President and Co-CEO and other services provided to the Company under an ongoing employment agreement. During the period, 2,400,000 stock options were granted to directors, officers or employees at an exercise price of $0.16, subject to a three year term with immediate vesting and over two years. A Black Scholes fair value of $158,420 is to be charged to share based compensation over the vesting periods. There were no cash director fees during the period (Q3 2016: $NIL). There were no loans to directors or officers during the period (Q3 2016: $NIL). All related party transactions were completed in the normal course of business.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

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

The CEO and CFO evaluated the design and operating effectiveness of the Company's DC&P and ICFR as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* issued by the Canadian Securities Administrators. Based on that evaluation, it was concluded that as of September 30, 2017, the Company's DC&P and ICFR were effective in providing reasonable assurance that material information regarding this report, and the interim consolidated financial statements and other disclosures, was made known to them on a timely basis and reported as required, and that the financial statements present fairly, in all material aspects, the financial condition, results of operations and cash flows of the Company as of September 30, 2017. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR as at September 30, 2017.

CRITICAL ACCOUNTING ESTIMATES

Moneta's significant accounting policies are summarized in note 3 to the consolidated financial statements for the nine months ended September 30, 2017. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Significant areas requiring the use of management estimates include, but are not limited to, the determination of carrying value of exploration and evaluation assets, the valuation of share-based compensation transactions, the valuation of purchase warrants issued on financings, deferred income tax assets and liabilities, and accrued liabilities and contingencies. Estimates and assumptions are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

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

Share based payments

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

Exploration and evaluation expenditures

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

Impairment of long-lived assets

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

Decommissioning and restoration provision

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

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

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

Contingent Liabilities

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

CHANGES IN ACCOUNTING POLICIES

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

Recent Accounting Pronouncements

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

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). The mandatory effective date of IFRS 9 is for annual years beginning on or after January 1, 2018.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

Fair value

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

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

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly;
Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

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

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is concentrated in three specific areas: the credit risk on operating balances including sales taxes recoverable, royalty income and other receivables, interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at September 30, 2017 was $6,145,292 (December 31, 2016: $8,718,278), and was comprised of $5,827,617 (December 31, 2016: $8,549,319) in cash and equivalents held with Canadian financial institutions with an "AA-" credit rating, $17,400 (December 31, 2016: $31,200) in receivables, $265,577 (December 31, 2016: $124,799) in sales taxes recoverable, and $34,698 (December 31, 2016: $12,960) in interest receivable.

Market risk

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

Currency risk

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

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

Commodity price risk

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

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

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

The Company believes that its cash position and short term investments provide adequate liquidity to meet all of the Company's near-term obligations.

CONTINGENT LIABILITIES

Civil lawsuits
Two parties that own the surface rights and occupied buildings on the site of the former Moneta Mine, filed suit in 2005 against the Company, directors of the Company at that time, and other third parties claiming damages related to the mine subsidence. The Company believes the claims have no merit and intends to defend such claims vigorously. Accordingly, no provision has been made in these consolidated financial statements for these claims.

OUTSTANDING SHARE DATA

As at September 30, 2017, the Company had a total of 239,047,148 (December 31, 2016: 238,947,148) common shares outstanding, 13,850,000 (December 31, 2016: 11,120,000) stock options outstanding at an average exercise price of $0.22 per share (December 31, 2016: $0.23), and 24,379,766 (December 31, 2016: 24,379,766) warrants outstanding at an average exercise price of $0.41. Additional details are available in note 6 to the interim consolidated financial statements for the nine months ended September 30, 2017.