



**MONETA GOLD INC.**

Consolidated Financial Statements

For the nine month period ended September 30, 2021

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



**MONETA GOLD INC.**  
Consolidated Statements of Financial Position

As at	Notes	(Unaudited) September 30 2021	(Audited) December 31 2020
		\$	\$
<b>Current assets</b>			
Cash and equivalents		15,089,613	5,852,006
Investments		43,646	56,233
Prepaid expenses		67,248	22,798
Receivables		40,266	36,956
Sales taxes recoverable		496,124	110,411
Interest receivable		5,165	2,235
<b>Total current assets</b>		<b>15,742,062</b>	<b>6,080,639</b>
Reclamation deposit	5, 14	161,000	-
Property, plant and equipment	6	641,713	-
Exploration and evaluation assets	7, 14	52,640,702	2,103,733
<b>Total assets</b>		<b>69,185,477</b>	<b>8,184,372</b>
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	12	985,553	1,088,362
Deferred premium on flow-through shares	3, 10	4,260,900	1,399,836
<b>Total current liabilities</b>		<b>5,246,453</b>	<b>2,488,198</b>
Asset retirement obligation	8, 14	600,216	-
Deferred tax liability	10, 14	691,000	-
Loan payable	16	60,000	60,000
<b>Total liabilities</b>		<b>6,597,669</b>	<b>2,548,198</b>
<i>Going concern</i>	1		
<i>Contingent liabilities</i>	12		
<i>Covid 19 impact</i>	16		
<i>Subsequent events</i>	17		
<b>Shareholders' equity</b>			
Capital stock	9, 14	130,290,867	62,921,151
Contributed surplus		8,859,622	8,408,744
Deficit		(76,562,681)	(65,693,721)
<b>Total shareholders' equity</b>		<b>62,587,808</b>	<b>5,636,174</b>
<b>Total liabilities and shareholders' equity</b>		<b>69,185,477</b>	<b>8,184,372</b>

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



**MONETA GOLD INC.**

Consolidated Statements of Changes In Shareholders' Equity

	Notes	Capital Stock		Contributed Surplus	Deficit	Shareholders' Equity
		Shares	\$			
<b>Balance as at December 31, 2020</b>		<b>57,865,450</b>	<b>62,921,151</b>	<b>8,408,744</b>	<b>(65,693,721)</b>	<b>5,636,174</b>
Share issuance on private placement financing	9	9,525,617	22,550,084			22,550,084
Fair value of broker compensation warrants	9		(490,060)	490,060		-
Deferred premium on flow through shares	3, 9		(4,260,900)			(4,260,900)
Share issuance costs - cash	9		(1,579,582)			(1,579,582)
Share issuance on exercise of stock options	9, 11	694,583	688,475			688,475
Fair value of stock options exercised	9		357,066	(357,066)		-
Acquisition of mineral claims and Northern Gold Mining Inc.	9, 14	24,917,878	49,337,400			49,337,400
Share issuance for investment advisory services	8	246,039	500,000			500,000
Share issuance on exercise of warrants	9	242,046	232,364			232,364
Fair value of warrants exercised	9		34,869	(34,869)		-
Share based compensation on vested options	9			352,753		352,753
Loss and comprehensive loss					(10,868,960)	(10,868,960)
<b>Balance as at September 30, 2021</b>		<b>93,491,612</b>	<b>130,290,867</b>	<b>8,859,622</b>	<b>(76,562,681)</b>	<b>62,587,808</b>
<b>Balance as at December 31, 2019</b>		<b>51,922,258</b>	<b>58,342,255</b>	<b>7,943,908</b>	<b>(61,380,624)</b>	<b>4,905,539</b>
Share issuance on private placement financing	9	5,839,025	6,304,617			6,304,617
Fair value of broker compensation warrants	9		(117,347)	117,347		-
Deferred premium on flow through shares	3, 9		(1,399,836)			(1,399,836)
Share issuance costs - cash	9		(287,715)			(287,715)
Share issuance on exercise of stock options	9, 11	66,667	38,000			38,000
Fair value of stock options exercised	9		14,312	(14,312)		-
Acquisition of mineral claims and other issuances	8					-
Share based compensation on vested options	6					-
Share issuance on exercise of warrants	6					-
Fair value of warrants exercised	6					-
Share based compensation on vested options	9			98,005		98,005
Loss and comprehensive loss					(2,300,225)	(2,300,225)
<b>Balance as at September 30, 2020</b>		<b>57,827,949</b>	<b>62,894,286</b>	<b>8,144,948</b>	<b>(63,680,849)</b>	<b>7,358,385</b>



**MONETA GOLD INC.**

Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the period ending September 30,	Notes	Three months		Nine months	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Expenses</b>					
Exploration and evaluation expenditures	7	3,920,621	541,150	8,949,163	2,887,521
Legal, audit & investment advisory		223,094	29,720	1,876,459	128,157
General & administration		282,831	127,110	788,083	251,259
Share based compensation	9, 11	181,477	92,163	352,753	98,005
Wages and benefits	11	307,578	285,837	423,376	383,075
		4,915,601	1,075,980	12,389,834	3,748,017
<b>Other items</b>					
Other income		(32,032)	(32,971)	(79,670)	(98,913)
Unrealized loss on investments		11,222	-	12,587	-
Interest income		(17,251)	(5,709)	(53,955)	(25,583)
<b>Loss before income taxes</b>		4,877,540	1,037,300	12,268,796	3,623,521
Deferred taxes	9, 10	-	-	(1,399,836)	(1,323,296)
<b>Loss and comprehensive loss</b>		4,877,540	1,037,300	10,868,960	2,300,225
<b>Deficit - beginning of period</b>		71,685,141	62,643,549	65,693,721	61,380,624
<b>Deficit - end of period</b>		76,562,681	63,680,849	76,562,681	63,680,849
<b>Loss per share (basic and diluted)</b>		\$0.05	\$0.02	\$0.13	\$0.04
<b>Weighted average outstanding shares</b>		93,305,634	56,431,983	86,599,316	53,431,334

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



Nine months ended September 30,	2021	2020
	\$	\$
<b>Operating activities</b>		
Loss and comprehensive loss	(10,868,960)	(2,300,225)
Adjust for non-cash items		
Share based compensation	9      352,753	98,005
Accretion expense	8      2,216	
Depreciation expense	8,042	
Deferred premium on flow-through shares	3, 9, 10      (1,399,836)	(1,323,296)
Share issuance for investment advisory services	500,000	
Unrealized loss on investments	12,587	
Net change in non-cash working capital balances	(539,211)	(138,671)
Cash used in operating activities	(11,932,409)	(3,664,187)
<b>Investing activities</b>		
Acquisition of property, plant, equipment	6      (649,755)	-
Exploration and evaluation assets	7      (71,569)	(23,967)
Cash used in investing activities	(721,324)	(23,967)
<b>Financing activities</b>		
Common shares issued on private placement, net of issue costs	9      20,970,502	6,016,902
Common shares issued on exercise of stock options	9, 11      688,475	38,000
Common shares issued on exercise of warrants	9      232,364	
Cash provided from financing activities	21,891,341	6,054,902
<b>Net increase in cash and equivalents</b>	<b>9,237,607</b>	<b>2,366,748</b>
Cash and equivalents, beginning of period	5,852,006	4,715,417
<b>Cash and equivalents, end of period</b>	<b>15,089,613</b>	<b>7,082,165</b>

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

## 1. Nature of operations and going concern

### Nature of operations

Moneta Gold Inc. ("Moneta" or the "Company") is a public company listed on the Toronto Stock Exchange (TSX: ME) (OTCQX: MEAUF) (XETRA: MOP) and incorporated under the laws of the Province of Ontario on October 14, 1910. Moneta is a mineral resource exploration and development company actively exploring for gold on its land package in the Timmins Camp in Timmins, Ontario (Canada). The Company's registered office is 65 Third Avenue, Timmins, Ontario, P4N 1C2. Moneta, a former gold producer, is currently an exploration stage company and has no properties in current production and no production revenues at the present time.

### Going concern

These interim 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 September 30, 2021. 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 these interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. The COVID-19 pandemic continues to negatively impact global financial markets, and this may adversely affect the Company's ability to raise capital for future exploration.

## 2. Basis of Preparation

### Statement of Compliance

These interim 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, 2020, except as noted below under changes in accounting policies. These interim consolidated financial statements should be read in conjunction with the 2020 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 consolidated financial statements were approved by the Board of Directors of the Company on November 8, 2021.

### Basis of Measurement

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

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

## 3. Significant accounting policies

The principal accounting policies are set out below:

### a) Basis of presentation and consolidation

The interim consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries: Northern Gold Mining Inc., Wounded Bull Resources Inc. and 508825 Ontario Ltd. All the subsidiaries, except for Northern Gold Mining Inc. are inactive with limited operations. The financial statements of subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. All intercompany balances and

transactions have been eliminated upon consolidation. The Company's presentation currency and functional currency is the Canadian Dollar.

**b) Foreign currency translation**

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired, or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in the Statements of Loss and Comprehensive Loss, except for differences arising on the translation of available for sale equity instruments that are recorded in other accumulated comprehensive income.

The Company translates the assets and liabilities of its wholly owned subsidiary, Wounded Bull Resources Inc., at the rate of exchange in effect at the reporting date. Income and expenses are translated at the rate of exchange prevailing at the date of the transaction. All resulting exchange differences are recognized in other comprehensive income and accumulated in a cumulative translation reserve under shareholders' equity.

**c) Financial instruments****(i) Financial assets*****Classification and measurement***

The Company's business model and a financial instrument's contractual cash flows determine its classification and measurement in the financial statements. Upon initial recognition, each financial asset will be classified as follows:

- Fair value through profit or loss (FVPL);
- Amortized cost; or
- Fair value through other comprehensive income (FVOCI).

Financial assets classified as amortized cost arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. Cash, receivables, interest receivable, and sales taxes recoverable are classified as amortized cost. Investments are classified as fair value through profit or loss.

At September 30, 2021, the Company does not have any financial assets classified fair value through other comprehensive income.

***Impairment***

IFRS 9 requires an expected credit loss ("ECL") impairment model for all financial assets measured at amortized cost. The ECL model results in an allowance for credit losses being recorded on financial assets regardless of whether there has been an actual impairment.

The ECL model requires the recognition of credit losses based on up to 12 months of expected losses for receivables (Stage 1) and the recognition of lifetime expected losses on receivables that have experienced a significant increase in credit risk since origination (Stage 2), and that is for which there is objective evidence of impairment at the reporting date (Stage 3). As of September 30, 2021, there was no material ECL accrued.

***Derecognition of financial assets***

Financial assets are derecognized when the contractual rights to receive cash flows from the asset expire.

**(ii) Financial liabilities*****Classification and measurement***

Financial liabilities are classified into one of two categories:

- Fair value through profit or loss (FVPL); or
- Other financial liabilities.

Other financial liabilities are non-derivative financial liabilities that are not classified as fair value through profit or loss. After initial recognition, such liabilities are measured at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities and loans payable are classified as other financial liabilities.

The Company does not have any financial liabilities classified as fair value through profit or loss.

***Determination of fair value***

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. After initial recognition, fair value is determined by management using available market information or other valuation methodologies.

The fair value of cash, receivables, interest receivable, and sales taxes recoverable, accounts payable and accrued liabilities all approximate their carrying amounts due to their short-term maturities. Investments in marketable securities are recorded at fair value.

**d) Cash and equivalents**

Cash and equivalents include cash in bank and highly liquid investments which are cashable with an original term to maturity of 90 days or less.

**e) Exploration and evaluation assets**

Acquisition costs related to exploration properties are capitalized as exploration and evaluation assets at fair value at the time of purchase. The acquisition costs are written off when an exploration and evaluation asset is disposed of through sale or abandonment.

Exploration and evaluation expenditures incurred on exploration properties are expensed until such time that a future economic benefit is more likely to be realized than not by the establishment of ore resources. Exploration and evaluation expenditures incurred after the establishment of commercially viable and technically feasible gold resources on a property are to be capitalized as Property, Plant and Equipment. Exploration and evaluation assets are not depreciated until the properties are in commercial production.

**f) Impairment of long-lived assets**

The Company reviews its long-lived assets within its cash generating units, consisting primarily of exploration and evaluation assets, at each reporting period end, for any indicators of impairment whenever events or changes in circumstances indicate that such carrying value may not be recoverable.

To determine whether a long-lived mining asset may be impaired, the recoverable amount is compared to the carrying value of the individual asset. If the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down and the impairment loss is recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings). Where it is not possible to estimate the recoverable amount of a specific non-financial asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

A previously recognized impairment loss may be reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognized. If this is the case, the

carrying amount of the asset is increased to its recoverable amount and is recognized in the Statement of Loss and Comprehensive Loss. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset.

**g) Income taxes**

Income taxes are recognized in Loss, except where they relate to items recognized in other comprehensive income or directly in capital stock, in which case the related taxes are recognized in Comprehensive Loss or Capital Stock. Deferred income taxes are calculated using the balance sheet liability method for unused tax losses, unused tax credits and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates enacted or substantively enacted at the Statement of Financial Position date. The effect on deferred income tax assets and liabilities resulting from a change in enacted tax rates is included in income in the period in which the change is enacted or substantively enacted.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**h) Share capital**

Common shares issued by the Company are classified as capital stock. Incremental costs directly attributable to the issue of new common shares, such as share issue costs, are recognized under capital stock as a deduction from the share proceeds.

**i) Flow-through shares**

Under Canadian income tax legislation, the Company may issue flow through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A temporary non-cash deferred flow through premium 'liability' is recognized on the Statement of Financial Position. The liability is reversed upon renunciation of such qualifying expenditures to the flow through investors and reported as a reduction in deferred tax expense on the Statement of Loss and Comprehensive Loss.

**j) Share based payments*****Stock options***

The fair value of stock options granted to directors, officers, and employees is measured at grant date using the Black-Scholes valuation model using assumptions for risk-free interest rates, dividend yield, volatility factors of the expected market price of the Company's common shares, expected forfeitures and expected life of the options. The fair value of these share-based payments is recognized as a charge to the Statement of Loss and Comprehensive Loss with a corresponding credit to shareholders' equity on the Statement of Financial Position.

The fair value of stock options, subject to a vesting schedule, is recognized using the accelerated method and is measured using Black Scholes and assumptions at the time of vesting. The applicable fair value of any stock options which are exercised are transferred from contributed surplus to capital stock. Management is required to estimate forfeitures and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

***Purchase warrants and broker compensation options***

Purchase warrants are classified as capital stock and measured at fair value on the date of issue using the Black-Scholes option pricing model. Broker compensation options are classified as issuance costs and a deduction from capital stock and measured at fair value on the date of issue using the Black-Scholes option pricing model. The fair value of the purchase warrants and broker compensation options are not subsequently revalued.

**k) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease; whether it contains a right to control the use of an identified asset for a period of time in exchange for consideration. All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less (“short-term leases”).

For leases of low value assets or short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Company has one lease for office premises and one lease for residential premises. Both lease contracts have a term that is month-to-month, with cancellation by either party with one to two month’s notice. The Company does not have any other lease arrangements.

The Company applies the short-term lease recognition exemption to its short-term leases for both the office and residential premises, resulting in a lease expense for the nine months ended September 30, 2021 of \$14,700 (September 30, 2020 - \$12,150).

**l) Government grants**

Monetary assistance received from the government, based on compliance of certain conditions relating to the operating activities of the entity, are recognized as government grants. Government grants are recognized in the consolidated statement of comprehensive loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. A forgivable loan may be treated as a government grant if there is reasonable assurance that the terms for forgiveness of the loan would be met.

**m) Other income recognition**

The Company currently has no revenue from active mining operations. Royalty income is recognized in the period in which it is earned in accordance with the terms of the royalty agreement, with collection reasonably assured. Interest revenue is recognized in the period in which it is earned.

**n) Other comprehensive loss (earnings)**

Other comprehensive loss is the change in net assets that results from transactions and events, not included in loss for the period and other than changes in the shareholders’ equity. The Company’s comprehensive loss (earnings), components of other comprehensive income, and cumulative translation adjustments on foreign currency gains or losses related to foreign operations, are presented in the Statement of Loss and Comprehensive Loss and the Statement of Changes in Shareholders’ Equity.

**o) Loss (earnings) per share**

Basic loss (earnings) per share is computed by dividing net loss (earnings) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted loss (earnings) per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

**p) Related party transactions**

A related party is a person or entity that is related to the Company; that has control or joint control over the Company; that has significant influence over the Company; or is a member of the key management personnel of the Company.

An entity is related to the Company if the entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).

A related party transaction is a transfer of resources, services or obligations between the Company, and a related party, regardless of whether a price is charged. All transactions with related parties are in the normal course of business and are measured at fair value.

**q) Asset retirement obligations**

An asset retirement obligation is recognized for the expected costs of reclamation at mineral properties where the Company is legally or contractually responsible for such costs. Asset retirement obligations arise from the Company obligation to undertake site reclamation and remediation in connection with the exploration of mineral properties. The Company recognizes the estimated reclamation costs when environmental disturbance occurs but only when a reasonable estimate can be made.

The asset retirement obligation recognized is estimated on the risk adjusted costs required to settle present obligations, discounted using a pre-tax risk free discount rate consistent with the expected timing of expected cash flows. Changes in the estimated undiscounted cash flows and risk-free discount rate used in calculating the present value of the asset retirement obligation are offset to the reclamation cost asset previously recognized for the specific property. Actual reclamation expenditures incurred reduce the carrying value of the reclamation provision.

**r) Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. If the Company is virtually certain that some or all of a provision will be reimbursed, for example under an insurance contract, such reimbursement is recognized as a separate asset. Provisions may be discounted using a current pre-tax rate that reflects the risks specific to the liability. The expense relating to any provision is presented in the Statement of Loss and Comprehensive Loss.

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.

**s) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the President and Chief Executive Officer.

**t) IFRS 3, "Business Combinations" ("IFRS 3")**

In October 2018, the IASB issued amendments to the guidance in IFRS 3, that revises the definition of a business. The revised guidance introduces an optional concentration test that, if met, eliminates the need for further assessment. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. These amendments are effective and shall be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting periods beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Company applied the revised definition of a business, to determine accounting for its asset acquisition of Northern Gold Mining Inc. acquired on February 24, 2021, to the financial statements at September 30, 2021.

Refer to Notes 9 & 14 for additional disclosures related to Moneta's acquisition of Northern Gold Mining Inc..

**4. Key sources of estimation uncertainty and judgement**

In the application of the Company's accounting policies described in Note 3, management is required to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent

assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year.

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

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

**a) Share based payments**

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

**b) Exploration and evaluation expenditures**

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

**c) Impairment of long-lived assets**

The carrying amounts of 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.

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

**e) Contingent liabilities**

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

**MONETA GOLD INC.**

Notes to the Consolidated Financial Statements  
For the nine months ended September 30, 2021

**5. Reclamation deposit**

The Company has a reclamation deposit of \$161,000 with the Ministry of Northern Development and Mines as a financial guarantee covering the cost of mine reclamation related to the Company's acquisition of Northern Gold Mining Inc.

**6. Property, plant and equipment**

The following table summarizes information regarding the Corporation's property, plant and equipment as at September 30, 2021:

September 30, 2021										
Class	Amortization period	Cost (\$)				Accumulated depreciation (\$)				Net book value
		Opening balance	Additions / transfers	Write-off / disposals	Closing balance	Opening balance	Depreciation	Write-off / disposals	Closing balance	
Vehicles	5 years	-	49,755	-	49,755	-	3,317	-	3,317	46,438
Building	20 years	-	567,000	-	567,000	-	4,725	-	4,725	562,275
Land	Not amortized	-	33,000	-	33,000	-	-	-	-	33,000
<b>Total</b>		-	<b>649,755</b>	-	<b>649,755</b>	-	<b>8,042</b>	-	<b>8,042</b>	<b>641,713</b>

**7. Exploration and evaluation assets**

	Nine months ended September 30, 2021	Year ended December 31, 2020
	\$	\$
Acquisition costs		
Balance, beginning of period	2,103,733	2,073,444
Acquisition costs, net	50,536,969	30,289
Balance, end of period	52,640,702	2,103,733

Acquisition costs	December 31, 2020	Additions / (Disposals)	September 30, 2021
	\$	\$	\$
Garrison <sup>(1)</sup>		50,469,839	50,469,839
Golden Highway Project	1,722,014	550	1,722,564
North Tisdale	144,333	13,644	157,977
Kayorum	130,634		130,634
Buffonta <sup>(2)</sup>	-	40,000	40,000
Nighthawk Lake	19,624		19,624
Denton Thorneloe and other	87,128	12,936	100,064
	2,103,733	50,536,969	52,640,702

**MONETA GOLD INC.**

Notes to the Consolidated Financial Statements  
For the nine months ended September 30, 2021



Acquisition costs	December 31, 2019	Additions	December 31, 2020
	\$	\$	\$
Golden Highway Project	1,718,832	3,182	1,722,014
North Tisdale	129,890	14,443	144,333
Kayorum	130,134	500	130,634
Nighthawk Lake	19,624		19,624
Denton Thorneloe and other	74,964	12,164	87,128
	2,073,444	30,289	2,103,733

<sup>(1)</sup> On February 24, 2021 Moneta acquired all the shares of Northern Gold Mining Inc., owner of the Garrison project. The acquisition was treated as an asset purchase with a value of \$50,465,400 assigned to Garrison property. Refer to Notes 9 & 14 for additional disclosures.

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

There were no property disposals and no indications of impairment of exploration and evaluation assets during the nine months ending September 30, 2021 (December 31, 2020: \$Nil). Capitalized acquisition costs totaled \$52,640,702 at September 30, 2021 (December 31, 2020: \$2,103,733). Exploration and evaluation expenditures for the nine months ended September 30, 2021 of \$8,949,163 (September 30, 2020: \$2,887,521), were charged to the Statement of Loss and Comprehensive Loss.

**8. Asset retirement obligation**

The Company's asset retirement obligation is estimated based on the Company's site remediation and restoration plan and the estimated timing of the costs to be paid in future years. The total undiscounted amount of cash flows required to settle the Company's asset retirement obligation is approximately \$608,000.

Balance as of February 24, 2021	\$598,000
Accretion	\$2,216
Change in estimate	Nil
Balance September 30, 2021	\$600,216
Total undiscounted value of payments	\$608,000
Weighted average discount rate	0.39%
Weighted average expected life	4 years
Inflation rate	2.00%

**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.

**Capital stock transactions**

On August 24, 2021 Moneta released a press relates that effective August 26, 2021 that it has changed its name to Moneta Gold Inc. from Moneta Porcupine Mines Inc. – as previously approved by shareholders on June 24, 2021.

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

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

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

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

On February 24, 2021 Moneta announced that the Company had completed the acquisition of all the issued and outstanding shares of Northern Gold Mining Inc., as previously announced on January 14, 2021. Under the terms of the Transaction, O3 Mining was issued 24,917,878 common shares of Moneta and currently owns approximately 27% of the outstanding Moneta shares. The shares are subject to a hold period ending December 31, 2022. Based on the closing share price on February 23, 2021 of \$1.98 the Acquisition is valued at \$49,337,400. Refer to Notes 3 & 14 for additional disclosures relating to the acquisition of Northern Gold Mining Inc.

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

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

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

In Q1 2021, the non-cash deferred premium on flow-through shares 'liability' of \$1,399,836 from the July 2020 financing was transferred from the statement of financial position to a deferred tax credit on the consolidated statements of loss, comprehensive loss and deficit when the flow through expenditures were renounced, in the normal course.

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

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

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

In Q2 2021, 246,039 shares were issued as payment for investment advisory services performed as part of the Acquisition.

In Q3 2021, 38,333 stock options were exercised by employees at an average exercise price of \$1.02. The initial fair value of \$7,542, previously charged to contributed surplus, was transferred to capital stock.

In Q3 2021, 250,000 stock options were exercised by a past director at an average exercise price of \$1.33. The initial fair value of \$220,941, previously charged to contributed surplus, was transferred to capital stock.

In July 2020, the Company completed a non-brokered equity financing for \$6,304,617 upon the issuance of 5,839,025 common shares comprised of (a) 2,506,081 shares at a price of \$0.84 per share and (b) 3,332,943 shares at a price of \$1.26 per share, issued on a flow-through basis to be used to incur eligible Canadian exploration expenditures. A non-cash deferred premium on flow-through share's 'liability' of \$1,399,836 was reported representing the premiums of \$1.26 and \$0.84 received over the closing price of \$1.02 on the shares issued on a flow-through basis. A total of 333,699 broker compensation warrants, exercisable at \$1.26 and expiring in July 2022, were issued in connection with the financing. The estimated fair value, with a two-year term was \$117,347 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.36 per broker compensation warrant. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 0.27%, term: 2 years, expected volatility: 75.16%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In Q1 2020, the non-cash deferred premium on flow-through shares 'liability' of \$1,323,296 from the July 2019 and September 2019 financings was transferred from the statement of financial position to a deferred tax credit on the consolidated statements of loss, comprehensive loss and deficit when the flow through expenditures were renounced, in the normal course.

In Q2 2020, 66,666 stock options were exercised by directors at an average exercise price of \$0.48. The initial fair value of \$14,311, previously charged to contributed surplus, was transferred to capital stock.

### **Stock options**

The Company has established a stock option plan whereby the Board of Directors may grant options to directors, officers, employees, and consultants to acquire common shares of the Company. The maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Options granted have a maximum term of five years and vest immediately or over time at the discretion of the Board.

The following table summarizes the outstanding stock options:

	Nine months ended September 30, 2021		Year ended December 31, 2020	
	Weighted		Weighted	
	Average Exercise Price	# Options	Average Exercise Price	# Options
Outstanding, beginning of period	\$1.08	3,987,500	\$1.08	3,295,833
Transactions during the period:				
Granted <sup>(1)</sup>	2.07	341,666	0.96	1,441,667
Options exercised <sup>(2)</sup>	0.99	(694,583)	0.54	(104,167)
Expired <sup>(3)</sup>	1.02	(20,000)	1.14	(645,833)
Outstanding, end of period	\$1.17	3,614,583	\$1.08	3,987,500
Weighted average remaining contractual life (years)	-		1.88	
Exercisable, end of period	\$1.14	3,321,908	\$1.08	3,711,393

<sup>(1)</sup> In Q3 2021, the Company granted 116,666 stock options to the previous CFO as part of a civil lawsuit settlement. The options were issued at an average exercise price of \$1.96. The estimated fair value, with terms slightly over two years and vesting immediately was \$99,269 using the Black Scholes valuation model. The grant date fair value of the options is \$0.85 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 0.42%, term: 2.2 years, expected volatility: 80%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%

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

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

In Q4 2020, the Company granted 858,333 stock options to officers, directors and certain employees at an average exercise price of \$0.90. The estimated fair value, with terms ranging from two to five years and 250,000 vesting evenly over three years on a yearly basis, 404,166 two year quarterly vesting period and 204,166 vesting immediately, was \$167,172 using the Black Scholes valuation model. The weighted average grant date fair value ranged from \$0.30 to \$0.42 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 0.27% to 0.48%, term: 2-5 years, expected volatility: 64% to 74%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In Q3 2020, the Company granted 500,000 stock options to officers and directors at an average exercise price of \$1.08. The estimated fair value, with terms ranging from two to five years and vesting 33,333 one year quarterly vesting period, 66,667 two year quarterly vesting period and 400,000 vesting immediately, was \$188,738 using the Black Scholes valuation model. The weighted average grant date fair value ranged from \$0.36 to \$0.54 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 0.29% to 0.41%, term: 2-5 years, expected volatility: 65% to 74%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In Q2 2020, the Company granted 83,334 stock options to employees at an average exercise price of \$0.60. The estimated fair value, with a three-year term and quarterly vesting period over twenty-four months, was \$10,478 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.16 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 0.50%, term: 3 years, expected volatility: 59%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

<sup>(2)</sup> In Q3 2021, 288,333 stock options were exercised by directors and long-time employees at an average exercise price of \$1.29. The initial fair value of \$228,483, previously charged to contributed surplus, was transferred to capital stock.

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

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

In Q4 2020, 37,500 stock options were exercised by a director and a long-time employee at an average exercise price of \$0.60. The initial fair value of \$7,865, previously charged to contributed surplus, was transferred to capital stock.

In Q2 2020, 66,667 stock options were exercised by directors at an average exercise price of \$0.48. The initial fair value of \$14,312, previously charged to contributed surplus, was transferred to capital stock.

<sup>(3)</sup> In Q2 2021, 20,000 stock options at an average exercise price of \$1.02 expired unexercised

During 2020, 645,833 stock options at an average exercise price of \$1.14 expired unexercised.

## Warrants

	Exercise Price	Expiry Date	Nine months ended September 30, 2021 #	Year ended December 31, 2020 #
Outstanding, beginning of period			575,744	242,045
Issued during the period				
Broker Warrants <sup>(1)</sup>	\$1.26	July 2022		333,699
Issued during the period				
Broker Warrants <sup>(2)</sup>	\$1.92	February 2023	173,437	
Issued during the period				
Broker Warrants <sup>(3)</sup>	\$2.76	February 2023	366,850	
Warrants issued during period			540,287	333,699
Broker Warrants <sup>(4)</sup>	\$0.96	July 2021	242,046	
Warrants exercised during period			242,046	-
Outstanding, end of period			873,985	575,744

<sup>(1)</sup> In July 2020, 333,699 broker compensation warrants, exercisable at \$1.26 and expiring in July 2022, were issued in connection with the equity financing completed in the same period.

<sup>(2)</sup> In February 2021, 173,437 broker compensation warrants, exercisable at \$1.92 and expiring in February 2023, were issued in connection with the equity financing completed in the same period.

<sup>(3)</sup> In February 2021, 366,850 broker compensation warrants, exercisable at 2.76 and expiring in February 2023, were issued in connection with the financing completed in the same period.

<sup>(4)</sup> In June 2021, 242,045 broker compensation warrants were exercised at \$0.96 for proceeds of \$232,364.

**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 September 30, 2021 (26.5%) and year end December 31, 2020 (26.5%), has been reconciled as follows:

	Nine months ended September 30, 2021 \$	Year ended December 31, 2020 \$
Income tax recovery at statutory rates	3,251,231	1,493,644
Increase (decrease) related to:		
Flow-through expenditures	(2,371,528)	(1,129,848)
Shared based compensation	(93,480)	(97,962)
Disposition of exploration and evaluation assets	-	-
Non deductible professional fees	(106,000)	
Other	75,212	66,046
	755,435	331,880
Valuation allowance	(755,435)	(331,880)
Deferred premium on flow through shares	(1,399,836)	(1,323,296)
Deferred tax (recovery)	(1,399,836)	(1,323,296)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. Deferred tax assets are recognized when the Company concludes that sufficient positive evidence exists to demonstrate that it is probable that a deferred tax asset will be realized. The Company's deferred tax assets and liabilities are comprised of the following:

	Nine months ended September 30, 2021 \$	Year ended December 31, 2020 \$
Deferred tax assets:		
Net operating loss carry forwards	7,151,699	2,582,000
Net capital loss carry forwards	527,000	527,000
Resource deductions	2,646,356	3,882,000
Investment tax credits	1,577,176	
Deferred mining taxes	183,091	
Asset retirement obligations	158,470	
Other	525,000	196,000
<b>Subtotal</b>	<b>12,768,792</b>	<b>7,187,000</b>
Deferred tax liabilities		
Deferred mining tax liability on E&E	(691,000)	7,187,000
<b>Subtotal</b>	<b>(691,000)</b>	<b>7,187,000</b>
Less: Valuation allowance	12,768,792	(7,187,000)
<b>Deferred tax liability</b>	<b>(691,000)</b>	<b>-</b>

The Company has recorded a valuation allowance as the Company does not consider it more likely than not that the deferred tax assets will be realized in the foreseeable future. As at September 30, 2021 the Company has a deferred tax liability on exploration and evaluation assets of \$691,000.

The Company has non-capital losses of \$27,010,000 (2020: \$9,743,000) available for deduction against future taxable income, which if not utilized will expire between the years of 2026 and 2041.

Year of expiry	Nine months ended September 30, 2021 \$	Year ended December 31, 2020 \$
2026	307,000	307,000
2027	327,000	317,000
2028	652,000	652,000
2029	618,000	618,000
2030	1,675,000	745,000
2031	2,490,000	940,000
2032	3,178,000	1,288,000
2033	5,119,000	759,000
2034	2,736,000	576,000
2035	1,153,000	453,000
2036	1,127,000	527,000
2037	998,000	438,000
2038	1,081,000	471,000
2039	500,000	400,000
2040	2,199,000	1,252,000
2041	2,850,000	
	<b>27,010,000</b>	9,743,000

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

#### 11. Related party transactions

The Company expensed a salary of \$187,500 YTD 2021 (YTD 2020: \$133,333) to an officer and director for President, CEO and Chief Geologist services provided to the Company under an ongoing employment agreement. The Company expensed a salary of \$292,495 YTD 2021 as part of a civil lawsuit settlement. No further cash expenditures are required as part of the civil lawsuit settlement. A salary of \$382,621 (YTD 2020) was paid to the former officer for President and CFO and director and other services provided to the Company under a previous employment agreement. The Company expensed a salary of \$120,692 YTD 2021 (YTD 2020: \$Nil) to the current officer for CFO and Corporate Secretary services provided to the Company under an ongoing employment agreement.

Director fees payable in cash in YTD 2021 amounted to \$85,500 (YTD 2020: \$9,000) of which \$31,500 (YTD 2020: \$9,000) is included in accounts payable and accrued liabilities. There were no loans to directors or officers during Q3 2021 (Q3 2020: \$NIL). All related party transactions were completed in the normal course of business.

In Q3 2021, the Company granted 116,666 stock options to the previous CFO as part of a civil lawsuit settlement. The options were issued at an average exercise price of \$1.96. The estimated fair value, with terms slightly over two years and vesting immediately was \$99,269 using the Black Scholes valuation model.

In Q3 2021, 250,000 stock options were exercised by a previous director at an average exercise price of \$1.33 for gross proceeds of \$332,000.

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

During Q2 2021, a total of 387,500 stock options were exercised by directors at an average price of \$0.78 for gross proceeds of \$302,750.

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

All intercompany transactions were eliminated upon consolidation.

## 12. Contingent liabilities

### *Civil lawsuits*

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

A former employee of Moneta who initiated a civil lawsuit for wrongful dismissal has now concluded. A final settlement has been approved by the Moneta Board of Directors, settling the civil matter conclusively.

## 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 nine months ended September 30, 2021.

As of September 30, 2021, the Company had a net working capital of \$14,756,509 (December 31, 2020: \$4,992,277), excluding the non-cash deferred premium on flow through share liability of \$4,260,900 (December 31, 2020: \$1,399,836). The Company held cash in bank on September 30, 2021 of \$15,089,613 (December 31, 2020: \$5,852,006).

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

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

## 14. Northern Gold Mining Inc. acquisition

On January 14, 2021 Moneta announced the Company had entered into a definitive share purchase agreement (the "Purchase Agreement") with O3 Mining Inc. ("O3 Mining") pursuant to which Moneta would acquire all of the issued and outstanding shares of Northern Gold Mining Inc., a wholly-owned subsidiary of O3 Mining, that owns 100% of the Golden Bear assets, including the Garrison Gold project ("Garrison") located adjacent to and contiguous with Moneta's Golden Highway project in the Timmins Gold Camp (the "Transaction"). Under the terms of the Purchase Agreement, O3 Mining would receive approximately 25 million common shares of Moneta ("Moneta Shares"). Upon completion of the Transaction, and prior to the Financing, O3 Mining would own approximately 30% of the outstanding Moneta shares. Concurrent with the Transaction, Moneta would raise approximately \$20 million in equity.

On February 24, 2021 - Moneta announced that the Company had completed the acquisition of all the issued and outstanding shares of Northern Gold Mining Inc., as previously announced on January 14, 2021. Under the terms of the Transaction, O3 Mining was issued 24,917,878 common shares of Moneta and currently owns approximately 27% of the outstanding Moneta shares. The shares are subject to a hold period ending December 31, 2022. Based on the closing share price on February 23, 2021 of \$1.98 the Acquisition is valued at \$49,337,400.

As outlined in Note 3(t), the Company applied the revised definition of a business, to determine accounting for its asset acquisition of Northern Gold Mining Inc. acquired on February 24 2021, to the financial statements at September 30, 2021.

As the acquisition of Northern Gold Mining did not qualify as a business acquisition, Moneta accounted for the transaction as an asset acquisition, measured under IFRS 2, Share-based Payments. Below is a summary of the acquired assets and liabilities:

<b>Fair value of assets:</b>		
	Garrison Property	\$50,465,400
	Reclamation deposit	\$161,000
<b>Total fair value of assets</b>		<b>\$50,626,400</b>
<b>Fair Value of Liabilities</b>		
	Asset retirement obligation	\$598,000
	Deferred tax liability	\$691,000
<b>Total fair value of liabilities</b>		<b>\$1,289,000</b>
<b>Total fair value of net asset</b>		<b>\$49,337,400</b>

### 15. Financial instruments and risk management

The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward 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, 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 financial statements.

The aggregate gross credit risk exposure at September 30, 2021 was \$15,674,814 (December 31, 2020: \$6,057,841), and was comprised of \$15,089,613 (December 31, 2020: \$5,852,006) in cash held with Canadian financial institutions with a "AA-" credit rating, \$40,266 (December 31, 2020: \$36,956) in receivables, \$496,124 (December 31, 2020: \$110,411) in sales taxes recoverable, \$5,165 (December 31, 2020: \$2,235) in interest receivable and \$43,646 of marketable securities (December 31, 2020: \$56,233).

**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 September 30, 2021:

	Less than 1 year	1-3 years	Over 3 years	Total
Accounts payable and accrued liabilities	\$985,553	\$ -	\$ -	\$985,553
Loan payable	-	\$60,000	-	\$60,000
Asset Retirement Obligation			\$600,216	\$600,216
	\$985,553	\$60,000	\$600,216	\$1,645,769

**16. COVID-19 impact & loan payable**

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

As of the filing date of these unaudited financial statements for the nine months ended September 30, 2021, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to these 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, 2022 and bearing

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interest at 5% per annum starting on January 1, 2023. No principal repayment required before December 31, 2022. If the loan remains outstanding after December 31, 2022, only interest payments are required until full principal is due on December 31, 2025. If the outstanding principal, other than the amount of potential debt forgiveness of 33% of the amount borrowed, is repaid by December 31, 2022, the remaining principal amount will be forgiven, provided that no default under the CEBA loan has occurred.

**17. Subsequent events**

There are no subsequent events from the end of the quarter to the approval date of these financial statements.