

CONSOLIDATED FINANCIAL STATEMENTS OF

MONUMENT MINING LIMITED

(Expressed in thousands of United States dollars)

Condensed Consolidated Interim Financial Statements
For the three month and six months ended December 31, 2014
(Unaudited)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the three and six months ended December 31, 2014.

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MONUMENT MINING LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

For the three and six months ended December 31, 2014

(in thousands of United States dollars, except per share amounts or otherwise stated)

	Notes	December 31, 2014 Unaudited \$	June 30, 2014 Audited \$
ASSETS			
Current assets			
Cash and cash equivalents	4	25,579	24,734
Investment in marketable securities	5	229	-
Trade and other receivables	6	3,493	5,537
Prepaid expenses and deposits		520	609
Inventories	7	17,020	16,541
Total current assets		46,841	47,421
Non-current assets			
Inventories	7	770	5,304
Property, plant and equipment	9	38,835	40,644
Exploration and evaluation	10	171,249	161,346
Deferred costs	11	165	-
Total non-current assets		211,019	207,294
Total assets		257,860	254,715
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	14	8,508	10,114
Finance lease obligations	15	247	259
Gold forward sale contract	16	2,593	-
Total current liabilities		11,348	10,373
Non-current liabilities			
Finance lease obligations	15	290	452
Gold forward sale contract	16	-	2,593
Derivative liabilities	17	-	95
Asset retirement obligations	18	11,043	11,536
Deferred tax liabilities		1,950	2,047
Total non-current liabilities		13,283	16,723
Total liabilities		24,631	27,096
Equity			
Share capital	19	116,907	115,895
Capital reserves – warrants	20	2,612	2,612
Capital reserves – options	20	10,306	10,291
Retained earnings		103,404	98,821
Total equity		233,229	227,619
Total liabilities and equity		257,860	254,715
Subsequent events	29		

Approved on behalf of the Board:

“Robert Baldock”
Robert Baldock, Director

“Gerald Ruth”
Gerald Ruth, Director

MONUMENT MINING LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three and six months ended December 31, 2014

UNAUDITED

(in thousands of United States dollars, except per share amounts or otherwise stated)

	Notes	Three months ended		Six months ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		\$	\$	\$	\$
Mining operations					
Revenue		13,830	8,340	22,009	24,342
Production costs	21	(9,294)	(5,807)	(15,373)	(14,476)
Income from mining operations		4,536	2,533	6,636	9,866
Corporate expenses	22	(1,408)	(1,634)	(2,307)	(6,308)
Income before other items		3,128	899	4,329	3,558
Other income/(loss)					
Interest income		25	232	66	445
Loss due to changes in fair value of marketable securities	5	(359)	-	(604)	-
Gain due to changes in fair value of derivative liabilities	17	13	390	95	664
Foreign currency exchange gain/(loss)		230	(28)	658	(1,152)
Impairment recovery	8	54	-	112	-
(Loss)/income from other items		(37)	594	327	(43)
Income before income taxes		3,091	1,493	4,656	3,515
Income tax expense		(33)	(41)	(73)	(321)
Total net and comprehensive income		3,058	1,452	4,583	3,194
Earnings per share					
- Basic	23	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.01
- Diluted	23	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.01
Weighted average number of common shares					
- Basic	23	305,544,117	275,094,987	302,881,073	275,076,508
- Diluted	23	305,544,117	275,128,038	302,881,073	275,133,583

MONUMENT MINING LIMITED**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the three and six months ended December 31, 2014

UNAUDITED

(in thousands of United States dollars, except per share amounts or otherwise stated)

	Notes	Common shares	Capital reserve - warrants	Capital reserve - options	Retained earnings	Total equity
		\$	\$	\$	\$	\$
Opening Balance: June 30, 2013		108,637	2,612	6,893	101,452	219,594
Stock options exercised		34	-	(11)	-	23
Share-based compensation	20	-	-	3,489	-	3,489
Stock options forfeited		-	-	(86)	-	(86)
Net income for the period		-	-	-	3,194	3,194
Closing Balance: December 31, 2013		108,671	2,612	10,285	104,646	226,214
Opening Balance: June 30, 2014		115,895	2,612	10,291	98,821	227,619
Common shares issued	20	1,019	-	-	-	1,019
Share issue costs	20	(7)	-	-	-	(7)
Share-based compensation	20	-	-	15	-	15
Net income for the period		-	-	-	4,583	4,583
Closing Balance: December 31, 2014		116,907	2,612	10,306	103,404	233,229

MONUMENT MINING LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the three and six months ended December 31, 2014

UNAUDITED

(in thousands of United States dollars, except per share amounts or otherwise stated)

	Notes	Three months ended		Six months ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		\$	\$	\$	\$
Operating activities					
Net income for the year		3,058	1,452	4,583	3,194
Adjustments to reconcile profit to net cash provided from operating activities:					
Depreciation, depletion and amortization		2,467	1,597	4,127	4,102
Accretion expense on asset retirement obligations		49	33	96	66
Share-based compensation		3	40	9	3,394
Gain due to changes in fair value of derivative liabilities	17	(13)	(390)	(95)	(664)
Deferred income tax provision		33	41	72	321
Foreign exchange (gain)/loss		(521)	(146)	(936)	213
Impairment recovery	8	(55)	-	(112)	-
Loss due to changes in fair value of marketable securities	5	359	-	604	-
Cash provided from operating activities before change in working capital items		5,380	2,627	8,348	10,626
Change in non-cash working capital items:					
Trade and other receivables		(492)	2,381	2,045	(1,133)
Prepaid expenses and deposits		347	(5)	89	243
Inventories		2,756	(1,646)	2,338	(440)
Accounts payable and accrued liabilities		1,565	(264)	(1,875)	(1,942)
Restricted cash		65	(194)	324	-
Cash provided from operating activities		9,621	2,899	11,269	7,354
Financing activities					
Share issue costs on acquisition	20	(7)	-	(7)	-
Proceeds from exercise of stock options and warrants	20	-	24	-	24
Payment of finance lease obligations	15	(73)	(4)	(149)	(9)
Cash (used in)/provided from financing activities		(80)	20	(156)	15
Investing activities					
Expenditures on mineral properties, net of recoveries		(4,484)	(2,776)	(7,837)	(6,020)
Expenditures on plant and equipment		(856)	(1,387)	(1,219)	(3,239)
Investment in marketable securities	5	-	-	(939)	-
Reclamation of asset retirement obligations	18	-	-	(108)	-
Penalty interest on gold forward purchase agreement		-	-	-	450
Deferred business development costs	11	97	-	(165)	-
Cash used in investing activities		(5,243)	(4,163)	(10,268)	(8,809)
Increase/(decrease) in cash and cash equivalents		4,298	(1,243)	845	(1,440)
Cash and cash equivalents at the beginning of the period	4	21,281	41,736	24,734	41,933
Cash and cash equivalents at the end of the period	4	25,579	40,493	25,579	40,493
Cash and cash equivalents consist of:					
Cash		25,034	40,289	25,034	40,289
Restricted cash		545	204	545	204
		25,579	40,493	25,579	40,493

Supplemental Cash Flow Information (Note 26)

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2014

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(in thousands of United States dollars, except per share amounts or otherwise stated)

1. Corporate Information and Nature of Operations

Monument Mining Limited ("Monument" or "the Company") is a natural resource company incorporated and domiciled under the Canada Business Corporations Act, engaged in the acquisition, exploration, development and operation of gold and Polymetallic mineral property interests. Its primary activities include open pit mining and operation of a gold treatment plant at the 100% owned Selinsing Gold project ("Selinsing") and exploration and development on the 100% owned Buffalo Reef, Famehub, Star Destiny and Mengapur projects in Malaysia and the 100% owned Murchison Gold project ("Murchison") in Western Australia. The head office, principal address and registered and records office of the Company are located at 1100 Melville Street, Suite 1580, Vancouver, British Columbia, Canada V6E 4A6. Its gold project operations, exploration and development activities are carried out in Malaysia and Australia through its wholly owned subsidiaries.

The condensed consolidated interim financial statements of the Company for the period ended December 31, 2014 comprising the Company and its subsidiaries are presented in thousands of United States (US) dollars and all values are rounded to the nearest thousand dollar except per share amounts or where otherwise indicated. The Company is listed on the TSX Venture Exchange ("TSX-V: MMY").

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors of the Company on February 27, 2015.

2. Basis of Preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2014 which have disclosed a detailed discussion of the Company's significant accounting policies along with significant accounting estimates and judgments used or exercised by management in the preparation of these financial statements. A summary of significant accounting policies are presented in Note 3 and have been consistently applied in each of the periods presented.

These condensed consolidated interim financial statements were prepared on a going concern basis under the historical cost method except for certain derivatives, which are measured at fair value.

3. Significant Accounting Policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended June 30, 2014 except where otherwise indicated.

a) Critical accounting estimates and judgments

When preparing interim financial statements, management makes a number of judgments, estimates and assumptions in the recognition and measurement of assets, liabilities, income and expenses. Actual financial results may not equal the estimated results due to differences between estimated or anticipated events and actual events. The judgments, estimates and assumptions made in the preparation of these condensed interim consolidated financial statements were similar to those made in the preparation of the Company's annual financial statements for the year ended June 30, 2014.

b) New and amended standards and interpretations

There was a new standard and interpretation, effective for annual periods commencing from January 1, 2014, that the Company has applied for the first time in the current financial year. The nature and the impact of the new standard are described below.

IFRIC 21 – Levies ("IFRIC 21")

The Company adopted IFRIC 21 on January 1, 2014, with retrospective application. IFRIC 21 provides guidance on the accounting for a liability to pay a levy, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Asset* and those where the timing and amount of the levy is certain. Levies are imposed by a government in accordance with legislation and do not include income taxes, fines or other penalties imposed for breaches of legislation. IFRIC 21 defines an obligating event as the legislatively identified activity that triggers the payment of the levy. Recognition of a liability to pay a levy is at the date of the obligating event. The fact that the Company is economically compelled to continue to

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operate in the future does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

The Company has concluded that the adoption of IFRIC 21 did not have an effect on the unaudited condensed consolidated interim financial statements for the current period or prior periods presented.

Effective for future annual periods

IFRS 9 – Financial Instruments (“IFRS 9”)

IFRS 9 will replace IAS 39 “Financial Instruments: Recognition and Measurement” (IAS 39). IFRS 9 requires that all financial assets be classified as measured at amortized cost or at fair value based on the Company’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified at fair value through profit and loss, financial guarantees and certain other exceptions. In response to delays to the completion of the remaining phases of the project, on December 16, 2011, the IASB issued amendments to IFRS 9 which deferred the mandatory effective date of IFRS 9 from January 1, 2013 to annual periods beginning on or after January 1, 2018. The amendments also provided relief from the requirement to restate comparative financial statements for the effects of applying IFRS 9. The Company is evaluating any potential impact of this standard.

IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”)

IFRS 15 establishes the principles to report the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2017, with early application permitted. The Company is evaluating any potential impact of this standard.

4. Cash and Cash Equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates.

	December 31, 2014	June 30, 2014
	\$	\$
Cash and cash equivalents	25,034	24,526
Restricted cash	545	208
	25,579	24,734

As at December 31, 2014, the Company has restricted cash of \$0.55 million (June 30, 2014: \$0.21 million), which represents issued letters of credit for payment guarantees for equipment. Subsequent to the quarter, \$9.4 million has been set aside as restricted cash (Note 29).

5. Marketable Securities

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Balance, June 30, 2014				
Investment in marketable securities			939	
Loss on fair value of investment			(604)	
Loss on foreign exchange			(106)	
Balance, December 31, 2014			229	
Change in fair value				
Loss on fair value of investment	(359)	-	(604)	-
Loss on foreign exchange	(41)	-	(106)	-
	(400)	-	(710)	-

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In conjunction with the Gascoyne JV Properties Acquisition, 4,000,000 GCY shares were subscribed for at a price of AUD\$0.25 per share on September 4, 2014. As of December 31, 2014, the fair value of the shares is \$0.23 million (June 30, 2014: \$nil).

6. Trade and Other Receivables

	December 31, 2014	June 30, 2014
	\$	\$
Trade receivable	1,262	1,075
Interest receivable	17	14
Goods and services tax receivable	126	109
Other receivable	2,088	4,339
	3,493	5,537

Trade and other receivables are non-interest bearing. Trade receivable consists of \$1.20 million relating to gold sales and \$0.06 million relating to general trades. Other receivable includes \$1.57 million from Phoenix Lake Sdn Bhd. and \$0.34 million from ZCM Minerals Sdn Bhd. in relation to proceeds received from oxide iron ore sales pursuant to the Company's Harmonization Agreement (Note 10 (e)).

7. Inventories

	December 31, 2014	June 30, 2014
	\$	\$
Current Assets		
Mine operating supplies	2,967	3,595
Stockpiled ore	5,675	9,178
Material discharged from gravity plant for CIL process	988	1,082
Work in progress	2,165	2,653
Finished goods	1,510	33
Restricted finished goods (a)	3,715	-
	17,020	16,541
Non-current Assets		
Restricted finished goods (a)	-	4,604
Stockpiled ore (b)	770	700
	770	5,304
	17,790	21,845

The cost of inventory expensed during the quarter ended December 31, 2014 was \$8.53 million (Q2 Fiscal 2014: \$4.21 million).

- The balance of restricted inventory in the amount of \$3.72 million at December 31, 2014 was 5,000 ounces of gold to secure the Gold Forward Sale contract (Note 16) (June 30, 2014: \$4.60 million).
- The portion of the ore stockpile that is to be processed more than 12 months from the reporting date is classified as non-current inventory. As at December 31, 2014, stockpiled ore represents 40,302 tonnes of refractory sulfide ore with 1,204 ounces of contained gold (June 30, 2014: 40,188 tonnes of refractory sulfide ore with 1,200 ounces of contained gold).

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8. Loan Receivable

	December 31, 2014		June 30, 2014	
	\$		\$	
Current Assets				
Net Veris loan		6,348		6,460
Impairment provision		(6,460)		(6,460)
Impairment recovery		112		-
		-		-

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Impairment recovery	54	-	112	-
	54	-	112	-

On January 12, 2012, the Company entered into an "Agreement for Sale of Gold" (the "Second Gold Forward Purchase Agreement") with Queenstake Resources USA Ltd (the "Seller") whereby \$5.00 million was paid in advance to purchase 3,665 troy ounces of gold to be delivered on the settlement date of June 12, 2012, or alternatively receive (at the Company's option) an amount of \$6.00 million. The Seller is a subsidiary of Veris Gold Corporation ("Veris"), which is a related party to the Company. Subsequent to the initial agreement, the following amendments have been agreed:

- On June 15, 2012, the Company signed an "Extension for Sale of Gold" with the Seller to extend the settlement date from June 12, 2012 to October 31, 2012 with monthly penalty interest at the rate of 2.25%.
- The settlement date of the Second Gold Forward Purchase Agreement was further extended to June 30, 2013, and the gold to be delivered on the settlement date was increased from 3,665 troy ounces to 3,839 troy ounces of gold, or alternatively receiving an amount of \$6.60 million in cash at the Company's discretion.
- On June 30, 2013, the Company signed the third extension with the Seller to receive the aggregated amount of \$6.60 million in cash from the Seller by September 30, 2013. The extension was subject to a fixed installment payment schedule and interest bearing at 10% per annum on the remaining balance.
- On September 30, 2013, Veris paid \$0.45 million of the accrued interest and penalty amounts on the outstanding \$6.60 million loan. In addition, Veris agreed to sign and lodge a Promissory Note against the Ketz Property located in Yukon, Canada before October 15, 2013, for the unpaid amount, net of the accounts payable due from Monument to Veris (Note 24(a)). Veris further undertook to pay all remaining balances on or before December 31, 2013.
- On October 20, 2013, Monument was advised by Veris's legal counsel that the Ketz River Holding shares are already pledged to Deutsche Bank, although there is no specific pledge of the actual property and a second charge is not allowed to be registered against the Veris loan.
- On March 31, 2014, a formal demand notice was issued to Veris as notification that Monument reserves the right to pursue legal action in collecting the total amount owed of \$6.36 million debt, net of the accounts payable due from Monument to Veris of \$0.54 million and interest receivable due from Veris to Monument of \$0.30 million.
- During May and June 2014, the Company sent several demand notices for repayment of the Veris loan through its appointed litigation counsel, and initiated the negotiation process with Veris management. It stated, among others, that Veris must treat Monument equally with other unsecured creditors regarding to loan settlement.
- On June 9, 2014, Veris filed for and obtained protection from their creditors under the Companies' Creditors Arrangement Act ("CCAA"). The Company has reviewed the CCAA proceeding, the preliminary list of creditors as prepared by the Veris Group, and notified Ernst & Young Inc., the Monitor of the Veris Group, that Monument will advance a claim for the full indebtedness and reserve all of its right in this regards.

As a result, a net impairment loss (\$6.46 million) was recorded in the income statement as of June 30, 2014. The Company has not conceded the loan receivable as a bad debt, however an impairment charge and provision for impairment against the loan receivable are necessary due to the uncertainty of collectability.

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As at December 31, 2014 the Company recorded an impairment recovery of \$0.11 million (June 30, 2014: \$nil). The recovery relates to fiscal year 2015 services provided by Veris, which have been billed to Monument. The Company recorded the fiscal 2015 service charges due to Veris as an impairment recovery through earnings which has been offset against the outstanding balance of the Veris loan receivable.

9. Property, Plant and Equipment

	Mineral Properties	Buildings	Property, Plant & Machinery	Vehicles, furniture & equipment	Construction in Progress	Total
	\$	\$	\$	\$	\$	\$
Cost						
As at June 30, 2013	27,979	1,421	30,429	3,141	2,364	65,334
Transfer	(416)	797	(414)	(2)	(732)	(767)
Addition	2,864	726	5,542	421	1,038	10,591
Disposal	-	-	-	-	(99)	(99)
As at June 30, 2014	30,427	2,944	35,558	3,560	2,571	75,059
Transfer	-	693	151	(757)	(667)	(580)
Addition	1,083	11	52	130	586	1,862
As at December 31, 2014	31,510	3,648	35,761	2,933	2,490	76,341
Accumulated depreciation						
As at June 30, 2013	(18,762)	(299)	(7,658)	(997)	-	(27,716)
Charge for the period	(3,278)	(322)	(2,834)	(332)	-	(6,766)
Transfer	-	-	67	-	-	67
As at June 30, 2014	(22,040)	(621)	(10,425)	(1,329)	-	(34,415)
Charge for the period	(1,359)	(195)	(1,397)	(160)	-	(3,111)
Transfer	-	(127)	148	(1)	-	20
As at December 31, 2014	(23,399)	(943)	(11,674)	(1,490)	-	(37,506)
Net book value						
As at June 30, 2013	9,217	1,122	22,771	2,144	2,364	37,618
As at June 30, 2014	8,387	2,323	25,133	2,231	2,571	40,644
As at December 31, 2014	8,111	2,705	24,087	1,443	2,490	38,835

For the six months ended December 31, 2014, a net balance of \$0.56 million of property, plant and equipment relating to the research work for Phase IV was transferred to exploration and evaluation under metallurgical testing for both Selinsing Gold Project and Buffalo Reef Prospect (Note 10 (a) and (b), respectively).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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10. Exploration and Evaluation

	Selinsing Gold Property \$	Buffalo Reef Prospect \$	Famehub Prospect \$	Murchison Project \$	Mengapur Project \$	Star Destiny Prospect \$	Total \$
	Note 10 (a)	Note 10 (b)	Note 10 (c)	Note 10 (d)	Note 10 (e)	Note 10 (f)	
Balance, June 30, 2013	6,855	16,196	5,063	-	88,405	10,670	127,189
Acquisition of mineral properties	93	-	-	11,395	7,349	-	18,837
Assay and analysis	377	328	-	30	1,642	147	2,524
Drilling	579	459	-	431	739	-	2,208
Geological	445	272	27	259	793	137	1,933
Metallurgical	180	(5)	-	18	790	51	1,034
Site activities	656	460	-	496	619	1	2,232
Asset retirement obligations	-	(95)	-	600	4,745	-	5,250
Property fees	-	85	-	36	-	-	121
Stock-based compensation	-	-	-	-	13	5	18
Balance, June 30, 2014	9,185	17,700	5,090	13,265	105,095	11,011	161,346
Acquisition of mineral properties	26	-	-	3,029	-	-	3,055
Assay and analysis	103	271	-	472	49	(20)	875
Drilling	10	341	-	528	41	-	920
Geological	67	332	-	593	117	9	1,118
Metallurgical	270	419	-	237	263	19	1,208
Site activities	34	587	-	865	426	77	1,989
Asset retirement obligations	-	495	-	11	(3)	-	503
Property fees	-	16	-	214	-	-	230
Stock-based compensation	-	-	-	-	3	2	5
Balance, December 31, 2014	9,695	20,161	5,090	19,214	105,991	11,098	171,249

Title to mineral properties

Although the Company has taken steps to verify the title to its mineral properties, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to administrative delays common in Malaysia, unregistered prior agreements or transfers and title may be affected by undetected defect. To the best of the Company's knowledge, titles to its properties are in good standing.

Realization of assets

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental

The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in

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compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

a) Selinsing Gold Property

This property is located in Pahang State, Malaysia. The Company acquired a 100% interest in the Selinsing Gold Property in 2007 and since then has developed a producing mine including the first open pit and a gold treatment plant with an initial capacity of 400,000 tonnes per annum. Commercial production commenced on September 1, 2010 and the mill capacity increased to 1,000,000 tonnes per annum in fiscal 2013.

The Company continued exploration work at the Selinsing depth. For the six months ended December 31, 2014 the Company incurred exploration and site expenditure of \$0.16 million and metallurgical (research and development) of \$0.27 million.

FELDA Land

The Company extended its Selinsing property by acquiring exclusive irrevocable exploration licenses over 896 acres of FELDA Land through a subsidiary Able Return Sdn Bhd. The FELDA land is located east and south adjacent to Selinsing and Buffalo Reef, gazetted as a group settlement area covering 3,920 acres of land. The tenements of the FELDA land are owned by local individuals called "Settlers". On April 2, 2013, the Company obtained consent from FELDA allowing exploration to commence at the acquired FELDA land. Exploration expenditure incurred for fiscal year to date on the FELDA land was \$0.08 million at December 31, 2014.

b) Buffalo Reef prospect

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a company incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef Tenement property interests, which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located. Exploration activities remain active and for the six months ended December 31, 2014 the Company incurred exploration and site expenditure of \$0.74 million relating to site activities, drilling, assaying and geological work and metallurgical work for R&D of \$0.38 million at Buffalo Reef. Exploration activities also consisted of reclamation work performed during Q1 2015, relating to environmental activities of \$0.49 million.

Panau and Perangih Prospect

The Company has previously undertaken field work at Satak, Serau ("Panau") and Tekai prospects. The Panau prospect has been identified as having the best potential for hosting near-surface oxide resources. The fiscal 2015 drilling program for the Perangih prospect continued during the quarter. For the six months ended December 31, 2014 the Company incurred exploration and site expenditure \$0.85 million at Panau.

c) Famehub prospect

On August 13, 2010, the Company acquired a 100% interest in Famehub Venture Sdn. Bhd. ("Famehub"), a company incorporated in Malaysia to purchase a land package consisting of approximately 32,000 acres of prospective exploration land as well as the associated data base. This land is located to the east of the Selinsing Gold Project and the Buffalo Reef prospect. The Famehub prospect is subject to future development, no further work has been performed due to the priority focus on Buffalo Reef.

d) Murchison project

On February 21, 2014, Monument acquired the Murchison Gold Project from KGL Resources Limited and its subsidiaries (the "Vendors"), including a number of mining and exploration tenements and lease applications covering approximately 98 square kilometers of mining land prospective for resource extension, and a fully operational gold processing plant, a newly developed camp site and all necessary infrastructure. The Murchison Project is in the Murchison Mineral Field approximately 765 kilometers North and East of Perth, a highly prospective historical gold province within the Murchison District of Western Australia.

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The Murchison Project acquisition has been accounted for as an asset acquisition. The net identifiable assets acquired are as follows:

	Total
	\$
Mineral properties	11,995
Plant and equipment	4,243
Asset retirement obligation (Note 18)	(1,345)
	14,893

In consideration for the Murchison Project net assets, the Company paid \$13.71 million to the Vendors and incurred \$1.18 million in due diligence and transaction costs for total consideration of \$14.89 million. On acquisition, the mineral properties and plant and equipment values included asset retirement obligations of \$0.60 million and \$0.75 million, respectively.

During the fiscal year to date, the Company has incurred \$2.92 million of expenditures on resource confirmation and exploration activities that comprised of \$0.76 million on site activities for wages, rent, travel, fuel, and general site administration, \$0.71 million on assay and metallurgical activities, \$0.59 million on geological and mine modelling activities, \$0.53 million on drilling activities, \$0.21 on property fees, \$0.11 million on environmental activities and \$0.01 relating to revaluation of asset retirement obligations.

Tuckanarra gold project

On November 13, 2014 Monument completed the acquisition of the Tenement Purchase Agreement (“Agreement”) with Phosphate Australia Limited for the acquisition of the Tuckanarra Gold Project (“Tuckanarra”). Pursuant to the Agreement, the Company has agreed to acquire, free and clear of any encumbrances, a 100% interest in Tuckanarra consisting of eight exploration and prospecting licenses and a mining lease application covering a total of 99.73km² in the Murchison Mining District in Western Australia and containing approximately 100,000 historical indicated and inferred Joint Ore Reserves Committee (JORC) compliant ounces of gold.

In consideration for Tuckanarra, the Company paid a total \$2.77 million comprised of \$1.75 million (AUD\$ 2.0 million) in cash and 10,000,000 fully paid common shares at a deemed issue price of CAD\$0.25 per share (Note 19 (b)), or in the amount of \$1.02 million calculated under IFRS 2 “Share-based Payments”. The transaction cost totaling \$0.26 million included \$0.04 million in legal, \$0.06 million in technical due diligence and \$0.16 million in stamp duties that were recorded against the property, bringing total value of the mineral property to \$3.03 million.

	Total
	\$
Mineral properties	3,029
	3,029

e) Mengapur project

The carrying values of \$105.99 million as of December 31, 2014 was comprised of aggregate acquisition costs of \$89.04 million and development costs since of \$16.95 million, of which \$0.90 million was incurred during the current fiscal year.

Mengapur Project acquisition and Harmonization Agreement

In February and December 2012 the Company acquired 100% interest in Cermat Aman Sdn. Bhd. (“CASB”), a Malaysian company, through MMSB. As a result, the Company now holds a 100% interest in the Mengapur Project.

The previous owner of the Mengapur Project, Malaco Mining Sdn. Bhd. and its group of companies and shareholders (collectively, “Malaco”) held the rights to oxide magnetite material contained in top soil overburden at the Mengapur Project, including Areas A, B and C of the Mengapur Project.

MMSB is the exclusive operator of the Mengapur Project. It entered into a Harmonization Agreement with Phoenix Lake Sdn. Bhd. (“PLSB”) and ZCM Minerals Sdn. Bhd. (“ZCM”) (together the “Third Parties”). Pursuant to the Harmonization Agreement, the Third Parties have exclusive rights to mine near-surface oxide iron ores contained in top soil overburden at Area A and Area B under certain conditions, and to purchase the mined oxide iron ore material from MMSB for RM28 per tonne; MMSB has full right to protect its other mineral assets in the same top soil and continue developing access to sulfide and transitional resources. The Company carries out grade control and supervision over the mining operation with all costs recovered in full.

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Area C stockpile acquisition and profit sharing arrangement

On February 6, 2014, the Company acquired certain overburden in top soils of approximately 1.2 million tonnes that were previously stockpiled at Area C in conjunction with a profit sharing arrangement for production of magnetite from top soils at Area C for an aggregated value of \$7.35 million (CAD\$8.00 million) (Note 19 (b)).

f) Star Destiny prospect

On November 21, 2011, the Company acquired a 100% interest in Star Destiny Sdn. Bhd. ("Star Destiny") through its wholly owned Malaysian subsidiary, Monument Mengapur Sdn. Bhd. Star Destiny holds an exploration permit covering a 750 hectare property in Pahang State, Malaysia, adjacent to the Mengapur Polymetallic Project. The Company carried out a significant drill program in fiscal 2013 and has continued the sample preparation and assay work incurring \$0.09 million for the current fiscal year.

11. Deferred Costs

	December 31, 2014	June 30, 2014
	\$	\$
Intec transaction	159	-
Other deferred costs	6	-
	165	-

Joint Venture Properties Acquisition and Concurrent Private Placements

On September 4, 2014 the Company announced that it has entered into a heads of agreement ("Heads of Agreement") with Gascoyne Resources Limited ("GCY") for the acquisition of 50% interests in three properties located near Burnakura, in the Murchison region of Western Australia by way of joint venture arrangements. The Gascoyne JV Properties Acquisition and the private placement are inter-dependent and shall be closed concurrently (collectively the "Proposed Transaction").

The Company initiated the transaction on September 4, 2014 by investing \$0.93 million (AUD \$1.00 million) in Gascoyne for 4 million GCY shares (Note 5).

On December 22, 2014 Monument and GCY announced that both parties mutually agreed to terminate the Heads of Agreement due to certain conditions precedent to the completion of the transaction were not met. The Company expended \$0.12 million in legal costs and \$0.10 in technical due diligence costs relating to the Proposed Transaction.

Intec Project

During Q2 fiscal 2015, the Company initiated due diligence on the Intec Transaction with intention to obtain an interim license from Intec International Projects Pty ("Intec") in order to exploit sulphide gold and copper recovery technology (the "Intec Technology") at Selinsing Gold Plant (the "Intec Project"). It also initiated the first stage of the Intec Project to replicate and optimize at the Selinsing operation site, the Intec results achieved in the Intec Laboratories in Burnie, Tasmania and Sydney, Australia during 2013 and 2014, which achieved an average recovery of 70% of the available gold from Buffalo Reef concentrate. The Heads of Agreement was signed subsequent to December 31, 2014 (Note 29). For the three month period ending December 31, 2014 the Company incurred costs of \$0.16 million relating to the Intec transaction that comprised of \$0.07 million for legal costs, \$0.06 million for technical due diligence and \$0.03 for metallurgical drilling.

12. Capital Management

The Company manages its capital to ensure that it will be able to continue to meet its financial and operational strategies and obligations, while maximizing the return to shareholders through the optimization of equity financing. Management continuously monitors its capital position and periodically reports to the Board of Directors.

The Company is sensitive to changes in commodity prices and foreign exchange. The Company's policy is to not hedge gold sales. The Company's capital management policy has not changed in the current fiscal year.

The Company's objectives when managing capital are to:

- Ensure the Company has sufficient cash available to support the mining, exploration, and other areas of the business in any gold price environment;
- Ensure the Company has the capital and capacity to support a long-term growth strategy; and
- Minimize counterparty credit risk.

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Monument has the ability to adjust its capital structure by issuing new equity, issuing new debt, and by selling or acquiring assets. The Company can also control how much capital is returned to shareholders through dividends and share buybacks.

The Company is not subject to any externally imposed capital restrictions.

The capital of the Company consists of items included in equity and debt, net of cash and cash equivalents.

	December 31, 2014	June 30, 2014
	\$	\$
Total equity attributable to shareholders	233,229	227,619
Total borrowings	-	-
	233,229	227,619
Less: cash and cash equivalents	(25,579)	(24,734)
Total capital	207,650	202,885

13. Financial Instruments and Financial Risk

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents and trade and other receivables), financial assets at fair value through profit or loss (FVTPL) (marketable securities) other financial liabilities (trade and other payables) and the financial liabilities at fair value through profit or loss (FVTPL) (gold forward contract and derivative financial instruments).

a) Fair value measurement

The carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables and other financial liabilities – accounts payable and accrued liabilities are considered reasonable approximations of their fair values due to the short-term nature of these instruments. The fair values of the Company's financial assets and liabilities measured on a recurring basis include the following:

		December 31, 2014	June 30, 2014
	Derivative instruments at FVTPL	\$	\$
Financial instrument – assets			
Investment in marketable securities	Level 1	229	-
Financial instrument – liabilities			
Derivative warrant liabilities	Level 2	-	95

b) Risk exposures and responses

The Company's financial instruments are exposed to market risk, credit risk, and liquidity risk.

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. Market risk is comprised of three types of risk: foreign currency risk, price risk and interest rate risk.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent financial instruments held by the Company are not denominated in US dollars.

At reporting date, the Company is exposed to foreign currency risk through the following assets and liabilities denominated in Malaysian ringgit (RM), Australian dollar (AUD) and Canadian dollar (CAD):

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(in 000's, US dollar equivalent)	December 31, 2014			June 30, 2014		
	\$	\$	\$	\$	\$	\$
	AUD	RM	CAD	AUD	RM	CAD
Financial instrument – assets						
Cash and cash equivalents	33	2,685	2,204	528	1,771	7,264
Restricted cash	-	545	-	-	208	-
Trade and other receivable	111	2,088	35	97	4,398	34
Investment in marketable securities	229	-	-	-	-	-
Financial instruments – liabilities						
Accounts payable and accrued liabilities	(1,677)	(6,517)	(313)	(1,278)	(8,486)	(350)
Derivative warrant liabilities	-	-	(13)	-	-	(95)

The Company has not hedged any of its foreign currency risks. The derivative components associated to foreign currency fluctuation are fair valued at each reporting date and gains or losses are recorded in profit or loss.

Based on the above net exposures as at December 31, 2014 and assuming that all other variables remain constant, a 5% depreciation or appreciation of the RM against the US dollar would result in an increase/decrease of approximately \$0.06 million (June 30, 2014 – \$0.11 million) in the Company's net income, a 5% depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately \$0.13 million (June 30, 2014 – increase/decrease \$0.34 million) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately \$0.08 million (June 30, 2014 – increase/decrease \$0.03 million) in net income.

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or foreign currency risk. The Company has not hedged any of its commodity risks.

The Company values the warrant derivative liabilities at fair value using the Black-Scholes option pricing model and record gains and losses to other income. As at December 31, 2014 and assuming that all other variables remain constant, a 5% increase/decrease in the market price of the Company's shares would result in unrealized fair value loss/income of approximately \$0.01 million (June 30, 2014: \$0.04 million) in the Company's net income.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Generally, the Company's interest income will be reduced during sustained periods of lower interest rates as higher yielding cash equivalents and short-term investments mature and the proceeds are reinvested at lower interest rates. The converse situation will have a positive impact on interest income.

To limit interest rate risk, the Company uses a restrictive investment policy. The fair value of the investments of financial instruments included in cash and cash equivalents is relatively unaffected by changes in short-term interest rates. The investments are generally held to maturity and changes in short-term interest rates do not have a material effect on the Company's operations.

Credit risk

The Company's credit risk on the trade receivable is negligible and the balances were collected subsequent to end of reporting period.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents (Note 4). The amount of \$10.97 million (June 30, 2014: \$2.41 million) is held with a Malaysian financial institution, \$0.03 million with an Australian financial institution (June 30, 2014: \$0.50) and \$14.6 million (June 30, 2014: \$21.79 million) is held with a Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through budgeting and forecasting cash flows to ensure it has sufficient cash to meet its short-term requirements for operations, business development and other contractual obligations. The Company's cash and cash equivalents are highly

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liquid and immediately available on demand for the Company's use. The table below summarizes the maturity profile of the Company's non-derivative and derivative financial liabilities as at December 31, 2014.

	December 31, 2014		June 30, 2014	
	\$	\$	\$	\$
	Current	Non-Current	Current	Non-Current
	<1 year	1-3 years	<1 year	1-3 years
Non derivative liabilities				
Accounts payable and accrued liabilities	8,508	-	10,114	-
Finance lease obligations	247	290	259	452
	8,755	290	10,373	452
Derivative liabilities				
Warrants	-	-	-	95
	-	-	-	95

14. Accounts Payable and Accrued Liabilities

	December 31, 2014	June 30, 2014
	\$	\$
Trade payables	6,136	5,371
Salaries and benefits payable	273	155
Other payable	2,099	4,588
	8,508	10,114

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest-bearing and are normally settled on 30-day terms
- Salaries and benefits payables are non-interest-bearing and are normally settled on 30-day terms
- Other payables are non-interest-bearing and have an average term of 30-days, including, among others, amounts due to the owner of oxide materials in Area A and B at Mengapur Project in relation to proceeds received from sales of oxide iron ore, net of associated royalties and operation expenditure incurred by the Company as operator and leaseholder.

15. Finance Lease Obligations

	December 31, 2014	June 30, 2014
	\$	\$
Current Liabilities		
Finance Lease	247	259
	247	259
Non-current Liabilities		
Finance Lease	290	452
	537	711

The Group has a finance lease for equipment related to the on-site SGS laboratory at Mengapur. The related equipment has been capitalized and is being amortized using the straight-line method over the three year lease term.

16. Gold Forward Sale contract

In conjunction with the issuance of convertible notes that were converted in fiscal 2013, the Company entered into a gold forward sale contract resulting in the advance of \$4.78 million (CAD\$5.00 million) to the Company on August 11, 2010. Net proceeds amounted to \$4.25 million after subtracting transaction costs in the amount of \$0.54 million, of which \$0.48 million was for commission and \$0.06 million for legal and regulatory fees. The advance will be settled for 5,000 ounces of gold subject to adjustment for fluctuations in the CAD/USD foreign exchange rate (the "Gold Forward Sale"). The Gold Forward Sale has a term of five years plus one day.

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In addition, 5,000,000 common share purchase warrants were issued to the Lender on closing of the Gold Forward Sale. Each share purchase warrant is exercisable at CAD\$0.50 per share, expiring five years from the date of issuance of the Notes. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

Upon initial recognition, the Company first allocated the proceeds to the liability component based on the estimated fair value with the residual value being allocated to the deferred revenue. Transaction costs were allocated to the various components pro-rata as follows:

	Proceeds	Transaction costs	Net proceeds
	\$	\$	\$
Allocation			
Deferred revenue	2,919	326	2,593
Warrants (Note 17 (a))	1,865	210	1,655
	4,784	536	4,248

17. Derivative Liabilities

	December 31, 2014	June 30, 2014
	\$	\$
Derivative Liabilities		
Derivative warrant liability – gold forward sale contract (a)	-	19
Derivative warrant liability - convertible units (b)	-	76
	-	95

a) Derivative warrant liability – Gold Forward Sale Contract

A summary of the changes in derivative warrant liability in conjunction with Gold Forward Sale Contract (Note 16) for the period ended December 31, 2014 and the year ended June 30, 2014 are set out below:

	December 31, 2014		June 30, 2014	
	\$		\$	
	Units	Fair Value	Units	Fair Value
Opening balance	5,000,000	19	5,000,000	164
Fair value re-measured during the year	-	(19)	-	(145)
Closing balance	5,000,000	-	5,000,000	19

Terms

Exercise price	CAD\$0.50	CAD\$0.50
Expiry date	Aug 11, 2015	Aug 11, 2015

Fair value assumptions

Risk free rate	1.00%	1.71%
Expected dividends	Nil	Nil
Expected life (years)	0.61	1.36
Volatility	43.57%	45.32%

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b) Derivative warrant liability – Convertible Notes

A summary of the changes in derivative warrant liability in conjunction with Convertible units for the period ended December 31, 2014 and the year ended June 30, 2014 are set out below:

	December 31, 2014		June 30, 2014	
	Units	Fair Value	Units	Fair Value
Opening balance	20,000,000	76	20,000,000	658
Issued from exercise of convertible units (Note 14)	-	-	-	-
Fair value re-measured during the year	-	(76)	-	(582)
Closing balance	20,000,000	-	20,000,000	76

Terms		
Exercise price	CAD\$0.50	CAD\$0.50
Expiry date	Aug 11, 2015	Aug 11, 2015
Fair value assumptions		
Risk free rate	1.00%	1.71%
Expected dividends	Nil	Nil
Expected life (years)	0.61	1.36
Volatility	43.57%	45.32%

18. Asset Retirement Obligations

The Company's asset retirement obligations ("ARO") consist of reclamation and closure costs for mine development and exploration activities. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total undiscounted cash flows required to settle the Company's obligations is estimated to be \$15.14 million (June 30, 2014: \$15.94 million), comprised of \$13.90 million for Malaysia projects (June 30, 2014: \$14.50 million) and \$1.24 million for the Murchison Gold Project in Australia (June 30, 2014: \$1.44 million). The obligations are expected to be settled over the next four to twelve years.

As at December 31, 2014 the present value of the Company's ARO was \$11.04 million (June 30, 2014: \$11.54 million), comprised of \$9.86 million for Malaysia projects (June 30, 2014: \$10.19 million) using a pre-tax risk-free rate of 4.15% (June 30, 2014: 4.04%) and an inflation rate of 2.70% (June 30, 2014: 3.30%) and \$1.18 million (June 30, 2014: \$1.35 million) for the Murchison Gold Project using a pre-tax risk-free rate of 2.50% (June 30, 2014: 2.50%) and an inflation rate of 2.30% (June 30, 2014: 3.00%). Significant reclamation and closure activities include land rehabilitation, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities.

The following is an analysis of the asset retirement obligations:

	December 31, 2014	June 30, 2014
	\$	\$
Opening Balance	11,536	5,324
Additions	498	6,914
Accretion expense	219	133
Reclamation performed	(108)	-
Reassessment of liabilities	(46)	(750)
Foreign exchange	(1,056)	(85)
Closing Balance	11,043	11,536

For the six months ended December 31, 2014, ARO decreased by \$0.49 million from \$11.54 million to \$11.04 million. The decrease mainly resulted from foreign exchange gain of \$1.06 million (June 30, 2014: \$0.09 million), reassessment of the liability of \$0.05 million (June 30, 2014: \$0.75 million) and reclamation work performed of \$0.11 million (June 30, 2014: \$nil). The decrease to the ARO balance was offset by an increase to additions of \$0.50 million (June 30, 2014: \$6.91 million increase) and accretion expense of \$0.22 million (June 30, 2014: \$0.13 million).

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The additions of \$6.91 million during fiscal 2014 related to Mengapur (\$5.57 million) which has arisen due to existing and estimated future disturbance activity to the top soils of Areas A, B and C and Murchison (\$1.34 million) due to pre-existing disturbances prior to its acquisition. The changes in the estimated cash outflows and the change in the discount rate are capitalized and added to the costs of the corresponding assets in accordance with Company's accounting policy.

19. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Common shares

Issued and outstanding:

	Number of Shares	Value assigned \$
Balance, June 30, 2013	275,058,030	108,637
Issued for exercised stock options	160,000	57
Issued for Mengapur magnetite transaction (i)	25,000,000	7,230
Share issue costs (i)	-	(29)
Balance, June 30, 2014	300,218,030	115,895
Issued for Tuckanarra Gold Project (ii)	10,000,000	1,019
Share issue costs (ii)	-	(7)
Balance, December 31, 2014	310,218,030	116,907

- i. The Company acquired a Stockpile of approximately 1.2 million tonnes of material at Area C of the Mengapur Project for consideration of RM24.00 (approximately CAD\$8.33) per tonne or CAD\$10,000,000 (the "Aggregate Purchase Price") by way of issuing 20,000,000 fully paid Monument common shares at a deemed price of CAD\$0.50 per share. It also entered into the Profit-Sharing Agreement (Note 10 (e)) by issuing an additional 5,000,000 fully paid Monument common shares at CAD\$0.50 per share, under which, Monument will pay Malaco net profits after return of capital up to \$5 per tonne of iron product.

The transaction was completed on February 6, 2014 while the Company's share price closed at CAD\$0.32 per share, as a result \$7.35 million was recognized under Exploration and Evaluation Properties (Note 10 (e)) comprised of \$5.86 million (CAD\$6.40 million) for the stockpile, \$1.46 million (CAD\$1.60 million) for the profit-sharing arrangement and \$0.03 million for transaction costs; and \$7.23 million was credited to share capital with \$0.09 million foreign exchange loss charged against earnings.

- ii. On November 13, 2014 the Company issued to Phosphate Australia Pty Limited 10,000,000 fully paid common shares at a deemed issue price of CAD\$0.25 per share (Note 10 (d)) for \$1.02 million, as calculated under IFRS 2 "Share-based Payments" based on the spot price at closing date of CAD\$0.115 per share. The shares are subject to a four month plus one day holding period expiring March 14, 2015.

20. Capital Reserves

	December 31, 2014	June 30, 2014
	\$	\$
Warrants (a)	2,612	2,612
Options (b)(c)	10,306	10,291
	12,918	12,903

a) Share purchase warrants

Due to the Company's functional currency being the US dollar, the issued and outstanding warrants that have an exercise price denominated in Canadian dollars are derivative instruments. The warrants have been recognized as a liability in the statement of financial position with changes in fair value recorded in profit or loss.

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As at December 31, 2014 the following warrants were outstanding:

Derivative liability warrants issued in conjunction with:	Gold forward contract Qty	Exercise of convertible notes Qty	Total Qty	Derivative warrant liabilities \$
Balance, June 30, 2014	5,000,000	20,000,000	25,000,000	95
Change in fair value	-	-	-	(95)
Balance, December 31, 2014	5,000,000	20,000,000	25,000,000	-

b) Stock options

On February 7, 2014 the Company's shareholders approved a new 15% Fixed Stock Option Plan (the "New Plan") to replace the 2012 Plan. The maximum number of shares reserved for issuance under the New Plan is 41,258,705, representing 15% of the number of issued and outstanding shares of the Company on the date it was implemented. At December 31, 2014, a total of 18,042,705 common shares are available for future grant under the New Plan.

	Number of common shares under option plan	Weighted average exercise price CAD\$	Total \$
Balance, June 30, 2013	21,175,501	0.41	6,893
Granted	13,865,501	0.33	3,543
Exercised	(160,000)	0.25	(21)
Forfeited/expired	(15,665,501)	0.41	(124)
Balance, June 30, 2014	19,215,501	0.35	10,291
Granted	-	-	22
Forfeited/expired	(70,000)	0.33	(7)
Balance, December 31, 2014	19,145,501	0.35	10,306

During the six months ended December 31, 2014, 70,000 stock options had expired. The general terms of stock options granted under the New Plan include an exercise period of up to ten years and a vesting period of up to two years. The exercise prices of all stock options granted during the period were equal to the closing market prices at the grant date. Using the Black-Scholes option pricing model the following assumptions were used to estimate fair value of all stock options during the period:

	December 31, 2014	June 30, 2014
Fair value assumptions		
Risk free rate	n/a	1.86 - 2.54%
Expected dividends	n/a	Nil
Expected life (years)	n/a	5 - 10
Volatility	n/a	66 - 74%

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The following table summarizes the stock options outstanding at December 31, 2014:

Exercise price CAD\$	Options outstanding			Options exercisable	
	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price CAD\$
0.30	500,000	10-Jun-15	0.69	500,000	0.30
0.42	3,000,000	29-Sep-15	1.00	3,000,000	0.42
0.68	20,000	27-Jan-16	1.33	20,000	0.68
0.61	150,000	29-Aug-16	1.92	150,000	0.61
0.42	1,000,000	11-Jan-17	2.28	1,000,000	0.42
0.45	180,000	7-Mar-17	2.44	180,000	0.45
0.455	500,000	9-Oct-17	3.03	250,000	0.46
0.33	350,000	4-Sep-18	3.93	175,000	0.33
0.33	13,445,501	4-Sep-23	8.93	13,445,501	0.33
	19,145,501		6.76	18,720,501	0.35

c) Agent options

In the third quarter of fiscal 2013, the Company closed brokered private placements in two tranches by issuing 44,500,000 common shares for gross proceeds of \$21.99 million (CAD\$22.25 million) at CAD\$0.50 per common share. The Company issued 3,115,000 Agents Options in connection with the private placements. The fair value of these Agent Options (\$0.31 million) was recognized and debited to share issuance costs as incurred. Agent option activity is as follows:

	Number of common shares per agent option	Weighted average exercise price CAD\$
Balance, June 30, 2012	-	-
Granted	3,115,000	0.50
Balance, June 30, 2014 and December 31, 2014	3,115,000	0.50

The following table summarizes the agent options outstanding at December 31, 2014:

Exercise price CAD\$	Agent Options outstanding			Agent Options exercisable	
	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price CAD\$
0.50	2,100,000	12-Feb-15	0.37	2,100,000	0.50
0.50	1,015,000	6-Mar-15	0.43	1,015,000	0.50
	3,115,000		0.39	3,115,000	0.50

21. Production Costs

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Accretion of asset retirement obligation	49	33	96	66
Depreciation and amortization	2,437	1,563	4,061	4,040
	2,486	1,596	4,157	4,106
Mining	2,624	1,433	4,307	3,467
Processing	3,473	2,181	5,790	5,502
Royalties	695	584	1,095	1,380
Operations, net of silver recovery	16	13	24	21
	9,294	5,807	15,373	14,476

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22. Corporate Expenses

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Office and general expenses	63	93	115	192
Rent & utilities	22	26	70	52
Salaries & wages	311	522	700	1,068
Share-based compensation	3	40	9	3,394
Legal, accounting and audit	501	653	748	1,042
Shareholders communication	36	51	91	79
Travel	98	113	164	262
Regulatory compliance and filing	43	9	43	27
Project investigation	301	93	301	130
Amortization	30	34	66	62
	1,408	1,634	2,307	6,308

23. Earnings Per Share

The calculation of basic and diluted earnings per share for the relevant periods is based on the following:

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Net income for the period	3,058	1,452	4,583	3,194
Basic weighted average number of common shares outstanding	305,544,117	275,094,987	302,881,073	275,058,030
Effect of dilutive securities:				
Options	-	33,051	-	57,075
Diluted weighted average number of common share outstanding	305,544,117	275,128,038	302,881,073	275,115,105
Basic earnings per share	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.01
Diluted earnings per share	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.01

All warrants and options are potentially dilutive in the three and six months ended December 31, 2014 and 2013, but excluded from the calculation of diluted earnings per share are those for which the average market prices below the exercise price.

24. Related Party Transactions

a) Entities with directors in common

The transactions which have been entered into with related parties during the three and six months ended December 31, 2014 and 2013 as well as balances with related parties as at December 31, 2014 and 2013:

	December 31, 2014	June 30, 2014
	\$	\$
Veris Gold Corp. (formerly Yukon Nevada Gold Corp.)		
Payable balance	(714)	(552)
Queenstake Resources USA, Ltd		
Gold forward purchase (Note 8)	-	6,600
Loan receivable (Note 8)	7,062	-
Net balance	6,348	6,048

The sales to and purchases from related parties represent the compensation for management, travel and administrative services and are priced on a cost basis.

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	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Veris Gold Corp. (formerly Yukon Nevada Gold Corp.), a company with directors in common				
Reimbursement of expenses to related party	50	139	108	318
Queenstake Resources USA, Ltd, a company with directors in common				
Penalty income (Note 8)	-	-	-	172

b) Key management personnel

Key management includes directors – executive and non-executive. The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel:

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Salaries and directors' fees	420	342	745	676
Share-based payments	1	27	9	3,432
	421	369	754	4,108

25. Commitments and Contingencies

	2015*	2016	2017	2018	2019	Total
	\$	\$	\$	\$	\$	\$
Operating leases	99	70	48	4	-	221
Purchase commitments	1,786	437	14	-	-	2,237
Mineral property fees	80	161	160	156	150	707
	1,965	668	222	160	150	3,165

*Commitments relating to remaining 6 months of 2015.

Operating leases are for premises and purchase commitments are primarily for mining operations.

26. Supplemental Cash Flow Information

	Three months ended December 31,		Six months ended December 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Interest received	8	232	49	445
Income taxes paid	-	-	(1)	-

Non-cash working capital, financing and investing activities:

Share-based compensation charged to mineral properties	2	5	6	9
Amortization charged to mineral properties	264	135	516	268
Amortization inherent in inventory	2,436	-	4,061	268
Expenditures on mineral properties in accounts payable	121	(332)	2,497	1,954
Plant and equipment costs included in accounts payable	(44)	117	121	448
Fair value of exercise of stock options and warrants	-	11	-	11
Shares issued pursuant to acquisition of mineral properties	1,019	-	1,019	-

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27. Segment Disclosures

The Company operates primarily in the gold mining industry and its major product is gold. Its activities include gold production, acquisition, exploration and development of gold and Polymetallic properties. The Company's mining operations are in Malaysia. Other than the exploration area segment, no operating segments have been aggregated to form the above reportable operating segments.

The Company's reportable operating segments reflect the Company's individual mining interests and are reported in a manner consistent with the internal reporting used by the Company's management to assess the Company's performance.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Non-mining, corporate and other operations are reported in "Corporate".

a) Operating segments

December 31, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Balance Sheet				
Current assets	41,875	2,391	2,575	46,841
Property, plant and equipment	24,410	14,405	20	38,835
Exploration and evaluation	-	171,249	-	171,249
Total assets	67,054	188,205	2,601	257,860
Total liabilities	9,833	11,253	3,545	24,631
<hr/>				
June 30, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Balance Sheet				
Current assets	4,937	20,576	21,908	47,421
Property, plant and equipment	4,313	36,254	77	40,644
Exploration and evaluation	13,265	148,081	-	161,346
Total assets	22,516	210,214	21,985	254,715
Total liabilities	6,843	16,444	3,809	27,096
<hr/>				
For the three month period ended December 31, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Income Statement				
Revenue	13,830	-	-	13,830
Depreciation and amortization	(2,831)	(364)	6	(3,189)
Profit/(loss) from operations	4,828	275	(2,045)	3,058
<hr/>				
For the three month period ended December 31, 2013	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Income Statement				
Revenue	8,340	-	-	8,340
Depreciation and amortization	(1,567)	(30)	(4)	(1,601)
Profit/(loss) from operations	2,534	-	(1,082)	1,452

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For the six month period ended December 31, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Income Statement				
Revenue	22,009	-	-	22,009
Depreciation and amortization	(4,061)	(565)	(66)	(4,692)
Profit/(loss) from operations	6,929	1,703	(4,049)	4,583
For the six month period ended December 31, 2013				
	\$	\$	\$	\$
Income Statement				
Revenue	24,342	-	-	24,342
Depreciation and amortization	(4,044)	(52)	(10)	(4,106)
Profit/(loss) from operations	9,866	-	(6,672)	3,194

b) Geographic segments

The Company's reportable segments operate within three geographic segments – Australia, Malaysia and Canada.

December 31, 2014	Australia	Malaysia	Canada	Total
	\$	\$	\$	\$
Balance Sheet				
Current assets	218	44,048	2,575	46,841
Property, plant and equipment	4,320	34,495	20	38,835
Exploration and evaluation	19,212	152,037	-	171,249
Total assets	23,749	231,510	2,601	257,860
Total liabilities	2,640	18,214	3,777	24,631
June 30, 2014				
	\$	\$	\$	\$
Balance Sheet				
Current assets	687	24,826	21,908	47,421
Property, plant and equipment	4,313	36,254	77	40,644
Exploration and evaluation	13,265	148,081	-	161,346
Total assets	18,266	214,464	21,985	254,715
Total liabilities	2,593	20,694	3,809	27,096

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
	\$	\$	\$	\$
Income Statement				
Revenue				
- Australia	-	-	-	-
- Malaysia	13,830	8,340	22,009	24,342
- Canada	-	-	-	-
	13,830	8,340	22,009	24,342

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28. Comparative Figures

Certain comparative figures have been reclassified to conform with the current period financial statement presentation to the financial statement presentation.

29. Subsequent Events

Monument Share capital

On January 2, 2015 the Company forfeited 30,000 options, with an exercise price of CAD\$0.45 and expiry on March 7, 2017, bringing total outstanding stock options to 19,115,501.

On February 6, 2015, Monument entered into a "Heads of Agreement" between Monument and Intec International Projects Pty Ltd whereby the Company has been granted an Interim License to exploit the Intec technology with several patents for the extraction of gold and copper from sulphide concentrate; and subject to success of the trial commercialization test work and certain conditions, Monument will obtain the license rights (the "Intec License") to exploit the Intec Technology in respect to an agreed territory which covers most of South East Asia, including Malaysia, Australia and China (together the "Intec Transaction"). The Company is obligated to incur expenditures during the trial commercialization testing period ranging from \$13 million to \$15 million and plans to update the market with the progress of the Intec trial commercialization test work from time to time.

According to the Heads of Agreement, Monument issued the consideration of 14 million fully paid common shares to Intec at a deemed value of CAD\$0.25 per share, placed in escrow with release based on achievement of certain milestones, bringing the total issued and outstanding common shares balance to 324,218,030.

On February 12, 2015 the Company had 2,100,000 agent options at CAD\$0.50 that expired, bringing the total outstanding agent options to 1,015,000 (Note 20(c)).

Restricted Cash

Subsequent to the period ended December 31, 2014, \$9.4 million cash has been set aside as restricted cash to be in compliance with a court order under the SMSB VS Monument case.

On October 10, 2012, Selinsing Mine Sdn Bhd ("SMSB") filed a Writ and Statement of Claim against Monument and its wholly-owned subsidiaries, Selinsing Gold Mine Manager Sdn. Bhd. and Able Return Sdn. Bhd. ("Able") (together "Monument"). SMSB claimed, among other things, a 5% "Joint Venture interest" in the profit of the gold production from one of the tenements of Monument's Selinsing Gold Mine. SMSB was the previous sub-lease holder and operator that sold the Selinsing Gold Mine to Monument and its subsidiaries free and clear of any encumbrances. The transaction was closed on June 25, 2007 and SMSB was paid in full. SMSB did not make its claim in relation to the purported "Joint Venture interest" until October, 2012. Monument denies that SMSB has any joint venture interest in the Selinsing Gold Mine and intends to continue to vigorously defend this claim.

On February 26, 2013, the High Court in Shah Alam, Selangor, granted SMSB's application for a summary judgment against Monument, including a conditional stay of the summary judgment for Monument to pay cash of approximately \$10 million into a bank account jointly operated by both parties' solicitors. Monument appealed that decision to the Court of Appeal at Putra Jaya. On July 8, 2013 the Court of Appeal at Putra Jaya allowed Monument's appeal and set aside the summary judgment. As a result of this decision, the Court of Appeal also ordered that SMSB pay costs to Monument in relation to the appeals; and the matter has been set down for full trial in the Shah Alam High Court; the Court of Appeal further ordered the matter to be heard by a judge other than the judge who had awarded the summary judgment in the first instance.

Thereafter, the Plaintiff filed another application to the Shah Alam High Court for an interim injunctive relief, including, among other things, restraining and preventing Monument's wholly-owned subsidiary, Selinsing Gold Mine Manager Sdn Bhd from disposing of and/or transferring the Plaintiff's purported 5% share of the profits obtained from the Selinsing Mine to Monument's wholly-owned subsidiary, Able Return Sdn Bhd, Monument or other third parties pursuant to the purported joint venture agreement claimed by the Plaintiff, and ordering that \$9.4 million be deposited within 30 days into a joint account to be maintained by legal counsel of the respective parties to the lawsuit, pending the hearing and determination from the coming full trial. The injunctive relief was granted by the Shah Alam High Court. Shah Alam High Court has also granted among others an injunction order restraining SMSB from interfering and disrupting the management of the business operation on MC 1/113 and MC 1/124 and from corresponding with any third parties on the subject matter.

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Monument filed an appeal to the Court of Appeal in Putrajaya on July 23 2014 and also filed an application with the Shah Alam High Court on July 25 2014 for a stay of the injunction order. Upon dismissal of the Court of Appeal in Putrajaya, Monument filed the motion for leave to appeal immediately in October 2014 in due course at Federal Court.

In January 2015, Monument's Motion for leave to appeal to the Federal Court against the order of the Court of Appeal has been denied by the Federal Court. As a result, \$9.4 million will be deposited by the Company into a joint account maintained by legal counsel of the respective parties to the lawsuit until disposal of the full trial, which was fixed for hearing on February 16 and 17, 2015, however, was postponed by the Court till July 2015. The joint bank account has been set accordingly and \$9.4 million has been set as restricted cash ready for transfer pending Malaysian central bank's approval.

Monument VS Summer and Kesit for 100% of SMSB shares

On February 16, 2015, Monument and its wholly owned subsidiary Able Return Sdn Bhd filed a writ at the Kuantan High Court against Summer Empire Sdn. Bhd. ("Summer") and Kesit Pty Ltd ("Kesit") claiming 100% of the issued shares of Selinsing Mine Sdn. Bhd.

Summer is the trustee appointed to hold 100% of the issued shares of SMSB in trust for Able, a wholly owned subsidiary of Monument through which Monument holds a 100% interest of the Selinsing Gold Mine. However, Summer transferred shares of SMSB to Kesit, an Australian company owned by Peter Steven Kestel and his wife. Peter Steven Kestel is a common director of Summer, Kesit and SMSB. The writ seeks return of 100% of the issued shares of SMSB to Able, on behalf of Monument, the rightful owner of those shares. If the above suit succeeds, Monument through Able will be the legal as well as the beneficial owner of SMSB and may then determine the future course that SMSB will take.