

CONSOLIDATED FINANCIAL STATEMENTS OF

MONUMENT MINING LIMITED

(Expressed in thousands of United States dollars)

Three and nine months ended March 31, 2014

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 nine months ended March 31, 2014.

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MONUMENT MINING LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

For the three and nine months ended March 31, 2014

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

	Notes	March 31, 2014 Unaudited \$	June 30, 2013 Audited \$
ASSETS			
Current assets			
Cash and cash equivalents	4	23,765	41,933
Trade and other receivables	5	2,130	464
Prepaid expenses and deposits		735	1,100
Inventories	6	18,602	24,259
Loan receivable	7	6,903	6,600
Total current assets		52,135	74,356
Non-current assets			
Inventories	6	5,192	3,390
Property, plant and equipment	8	41,086	37,618
Exploration and evaluation	9	157,272	127,189
Total non-current assets		203,550	168,197
Total assets		255,685	242,553
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	12	7,779	11,975
Finance lease obligations	13	252	15
Deferred revenue	14	961	-
Share repurchase obligation	15	-	951
Total current liabilities		8,992	12,941
Non-current liabilities			
Finance lease obligations	13	510	-
Gold forward sale contract	16	2,593	2,593
Derivative liabilities	17	238	822
Asset retirement obligations	18	5,219	5,324
Deferred tax liabilities		1,520	1,279
Total non-current liabilities		10,080	10,018
Total liabilities		19,072	22,959
Equity			
Share capital	19	119,961	108,637
Capital reserves – warrants	20	2,612	2,612
Capital reserves – options	20	10,309	6,893
Retained earnings		103,731	101,452
Total equity		236,613	219,594
Total liabilities and equity		255,685	242,553
Subsequent events	28		

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 nine months ended March 31, 2014

UNAUDITED

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

	Notes	Three months ended		Nine months ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		\$	\$	\$	\$
Mining operations					
Revenue		12,094	20,325	36,436	60,770
Production costs	21	(8,806)	(8,419)	(23,283)	(22,480)
Income from mining operations		3,288	11,906	13,153	38,289
Corporate expenses	22	(2,057)	(1,953)	(8,367)	(4,934)
Income before other items		1,231	9,953	4,786	33,355
Other income/(loss)					
Interest income		242	58	688	728
Accretion expense on convertible notes		-	(135)	-	(662)
Gain due to changes in fair value of derivative liabilities	17	(80)	1,273	584	1,511
Loss on retirement of convertible notes		-	(6,964)	-	(6,964)
Loss on buyout of gold inducement		-	(1,412)	-	(1,412)
Legal settlement expense	15	(2,696)	(11,972)	(2,696)	(11,972)
Foreign currency exchange (loss) gain		(60)	58	(1,212)	(539)
Gain/(loss) on disposal of assets		-	8	-	18
Impairment loss		-	(3,837)	-	(3,838)
Gain on buyout of put option	15	453	-	453	-
Income/(loss) from other items		(2,141)	(22,923)	(2,183)	(23,130)
Income before income taxes		(910)	(12,970)	2,603	10,226
Income tax expense		(3)	(1)	(324)	(1)
Net income		(913)	(12,971)	2,279	10,225
Net income/(loss)					
- Attributable to non-controlling interests		-	2	-	(93)
- Attributable to common shareholders		(913)	(12,973)	2,279	10,318
Total comprehensive income		(913)	(12,971)	2,279	10,225
Comprehensive income/(loss)					
- Attributable to non-controlling interests		-	2	-	(93)
- Attributable to common shareholders		(913)	(12,973)	2,279	10,318
Earnings per share					
- Basic	23	\$ (0.003)	\$ (0.050)	\$ 0.008	\$ 0.050
- Diluted	23	\$ (0.003)	\$ (0.050)	\$ 0.008	\$ 0.050
Weighted average number of common shares					
- Basic	23	289,915,586	240,030,252	279,950,658	218,311,953
- Diluted	23	289,939,883	241,367,629	279,962,008	220,466,359

MONUMENT MINING LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three and nine months ended March 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	Capital reserve - acquisition	Retained earnings	Total	Non- controlling interest	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance: June 30, 2012		68,695	2,612	6,400	-	68,614	146,321	24,186	170,507
Private placements		19,864	-	-	-	-	19,864	-	19,864
Exercise of convertible units		7,951	-	-	-	-	7,951	-	7,951
Warrants exercised	19	11,929	-	-	-	-	11,929	-	11,929
Stock options exercised		907	-	(323)	-	-	584	-	584
Share-based compensation		-	-	722	-	-	722	-	722
Stock options forfeited		-	-	(11)	-	-	(11)	-	(11)
Net income for the year		-	-	-	-	10,318	10,318	(93)	10,225
Acquisition during the period		-	-	-	7,460	-	7,460	(24,093)	(16,633)
Closing Balance: March 31, 2013		109,346	2,612	6,788	7,460	78,932	205,138	-	205,138
Opening Balance: June 30, 2013		108,637	2,612	6,893	-	101,452	219,594	-	219,594
Common shares issued	19	11,296	-	-	-	-	11,296	-	11,296
Stock options exercised		57	-	(21)	-	-	36	-	36
Share-based compensation	20	-	-	4,565	-	-	4,565	-	4,565
Stock options forfeited	20	-	-	(1,128)	-	-	(1,128)	-	(1,128)
Net income for the year		-	-	-	-	2,279	2,279	-	2,279
Share issue costs	19	(29)	-	-	-	-	(29)	-	(29)
Closing Balance: March 31, 2014		119,961	2,612	10,309	-	103,731	236,613	-	236,613

MONUMENT MINING LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the three and nine months ended March 31, 2014

UNAUDITED

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

	Notes	Three months ended		Nine months ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		\$	\$	\$	\$
Operating activities					
Income for the year		(913)	(12,971)	2,279	10,225
Adjustments to reconcile profit to net cash provided from operating activities:					
Depreciation, depletion and amortization		2,554	2,926	6,656	7,883
Accretion expense on asset retirement obligations		34	26	101	71
Share-based compensation		27	128	3,423	390
Accretion expense on convertible notes		-	134	-	662
Gain due to changes in fair value of derivative liabilities	17	80	(1,273)	(584)	(1,511)
Deferred income tax provision		(26)	-	295	-
Foreign exchange loss/(gain)		(150)	(136)	62	208
Impairment loss		-	3,837	-	3,838
Gain on buyout of put option		(453)	-	(453)	-
Loss on buyout of gold inducement		-	1,412	-	1,412
Cash provided from operating activities before change in working capital items		1,153	1,047	11,779	30,142
Change in non-cash working capital items:					
Trade and other receivables		(325)	(1,734)	(1,458)	(1,773)
Prepaid expenses and deposits		122	(65)	365	(599)
Inventories		1,286	(1,474)	846	(4,154)
Accounts payable and accrued liabilities		2,039	1,771	97	676
Restricted cash		-	722	-	3,093
Cash provided from operating activities		4,275	267	11,629	27,385
Financing activities					
Cash for issuance of shares	19	(29)	20,173	(29)	20,173
Proceeds from exercise of stock options and warrants		13	-	37	12,513
Early retirement of convertible notes		-	(6,454)	-	(6,454)
Buyout of gold inducement		-	(6,007)	-	(6,007)
Payment for share repurchase obligation	15	(3,203)	-	(3,203)	-
Payment of finance lease obligations	13	(44)	(4)	(53)	(11)
Cash provided from financing activities		(3,263)	7,707	(3,248)	20,214
Investing activities					
Exploration on mineral properties, net of recoveries		(13,249)	(3,721)	(19,269)	(26,853)
Expenditures on plant and equipment		(4,491)	(278)	(7,730)	(1,487)
Funds held in escrow		-	(1,000)	-	(1,000)
Reclamation of asset retirement obligations		-	-	-	(6)
Penalty interest on gold forward purchase agreement		-	-	450	-
Cash (used in) investing activities		(17,740)	(4,999)	(26,549)	(29,346)
Increase/(decrease) in cash and cash equivalents		(16,728)	2,975	(18,168)	18,253
Cash and cash equivalents at the beginning of the period	4	40,493	34,678	41,933	19,400
Cash and cash equivalents at the end of the period	4	23,765	37,653	23,765	37,653
Cash and cash equivalents consist of:					
Cash		23,560	24,420	23,560	24,420
Funds held in escrow		-	10,000	-	10,000
Restricted cash		205	3,233	205	3,233
		23,765	37,653	23,765	37,653

Supplemental Cash Flow Information (Note 26)

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2014

UNAUDITED

(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 Murchison Gold project in 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 March 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 May 28, 2014.

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, 2013 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, 2013 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, 2013.

b) New and amended standards and interpretations

There were a number of new standards and interpretations, effective for annual periods commencing from 1 January 2013, that the Company has applied for the first time in the current financial year. These include IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 27 Separate Financial Statements, IAS 28 Investment in Associates and Joint Ventures and IFRS 13 Fair Value Measurement. While none of these standards required a restatement of previous financial statements, they did result in disclosures being updated. Several other amendments apply for the first time in 2013, however they do not impact the interim condensed consolidated financial statements of the Company. The nature and the impact of each new standard and/or amendment is described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2014

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

IFRS 10 - Consolidated Financial Statements ("IFRS 10")

IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" (IAS 27) and SIC 12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control and provides guidance on which entities are consolidated in an entity's consolidated financial statements. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The application of IFRS 10 and IAS 27 did not impact the Company's accounting for its interests in subsidiaries.

IFRS 11 – Joint Arrangements ("IFRS 11")

IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" (IAS 31) and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 11 requires a venture to classify its interest in joint arrangement as either a joint operation or a joint venture. For a joint operation, the joint operator will recognize its portion of the assets, liabilities, revenues and expenses. For a joint venture, the joint venture will account for its interest in the venture's net assets using the equity method of accounting. The choice to proportionally consolidate joint ventures is eliminated. The Company currently does not have any arrangements that fall under the scope of this standard.

IFRS 12 – Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interests in other entities including subsidiaries, joint arrangements, associates and structured entities. This standard outlines the disclosure requirements that address the nature of, and risks associated with an entity's interests in other entities. The Company currently does not have any interests that fall under the scope of this standard.

IFRS 13 – Fair Value Measurement ("IFRS 13")

IFRS 13 defines the framework for measuring fair value and sets out the disclosure requirements about fair value measurements. IFRS 13 is the single standard to be used across all IFRS standards where fair value measurements are required or permitted. Application of IFRS 13 has not materially impacted the fair value measurements of the Company.

IFRIC 20 – Stripping Costs in Production Phase of a Surface Mine ("IFRIC 20")

IFRIC 20 applies to waste removal costs that are incurred in surface mining activities during the production phase of the mine. It recognizes the costs from waste removal activities or stripping activities which provide improved access to ore as stripping activity asset, a non-current asset, when certain criteria are met. Depreciation should be over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. Refer to Note 3(c) for details of the financial effect of adopting this interpretation.

Standards issued but not yet effective

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, 2015. 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.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the Interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, with early application permitted. The adoption of IFRIC 21 may have an impact on the Company's accounting for production and similar taxes, which do not meet the definition of an income tax in IAS 12. However, the Group is still assessing and quantifying the effect.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2014

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

c) IFRIC 20 Stripping costs in the production phase of a surface mine

Previously, the Company capitalised production stripping costs for those operations where this was considered to be the most appropriate basis for matching the cost against the related economic benefits and the effect was material. The amount of stripping costs capitalised was based on the life-of-mine average strip ratio that was obtained by dividing the total tonnage of waste expected to be mined over the life of the mine, by the quantity of economically recoverable reserves expected to be mined across the life of the mine.

Production stripping costs incurred in the period were deferred to the extent that the current period actual strip ratio exceeded the life-of-mine average strip ratio. Such deferred costs were then charged to profit or loss based on the Units of Production method. No stripping liabilities were recognised. The life-of-mine ratio was based on economically recoverable reserves and resources of the Selinsing mine.

IFRIC 20 now provides specific guidance on how to account for production stripping costs. It requires such costs to be capitalised where certain recognition criteria are met. IFRIC 20 differs from the life of mine average strip ratio approach in a number of ways, including the level at which production stripping costs are assessed, i.e., at a component level rather than a life-of-mine level.

Identification of stripping activity assets

The first difference is the requirement to identify the components of each ore body. This will determine whether any stripping activity assets should be recognised and, if so, the level at which such assets are initially recognised. IFRIC 20 defines a component as a specific volume of the ore body that is made more accessible by the stripping activity. An identified component of the ore body is considered to typically be a subset of the total ore body of the mine. This effectively requires that a lower unit of account than the entire life of mine (which is used in the current life of mine average strip ratio approach) is to be used. A mine may have several components, which are identified based on the mine plan. As well as providing a basis for measuring the costs reliably at recognition stage, the identification of components is necessary for the subsequent depreciation or amortisation of the stripping activity asset, which will take place as each identified component is mined.

Depreciation of the stripping activity asset(s)

IFRIC 20 requires that any stripping activity asset(s) is to be depreciated/amortised over the expected useful life of the identified component of the ore body that has been made more accessible by the activity. The method used should be the one that best reflects the consumption of economic benefits. IFRIC 20 requires the use of the units of production method unless another method is more appropriate.

Impact on the Financial Statements

IFRIC 20 has been applied prospectively to production stripping costs incurred on or after the beginning of the earliest period presented, which is July 1, 2012 for the Company. No reclassification is required due to the application. Stripping costs undertaken and capitalised during the production phase of the initial Selinsing pit are not required to be reclassified as the identifiable component of the ore body aligned with the life of mine model. Since the adoption of IFRIC 20, stripping activity commenced for the newly identified Selinsing Deep component of the ore body and have been capitalised in accordance with IFRIC 20.

The Company will continue to amortise stripping activity assets over the remaining expected useful life of the identified component of the ore body as previously accounted for and in accordance with IFRIC 20.

4. Cash and Cash Equivalents

	March 31, 2014	June 30, 2013
	\$	\$
Cash and cash equivalents	23,560	40,346
Restricted cash	205	1,587
	23,765	41,933

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

The Company has restricted cash of \$0.21 million (June 30, 2013: \$1.59 million), which represents issued letters of credit for payment guarantees for equipment.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2014

UNAUDITED

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

5. Trade and Other Receivables

	March 31, 2014	June 30, 2013
	\$	\$
Trade receivable	2,024	152
Interest receivable	11	8
Goods and services tax receivable	67	29
Other receivable	28	275
	2,130	464

Trade and other receivables are non-interest bearing.

6. Inventories

	March 31, 2014	June 30, 2013
	\$	\$
Current Assets		
Mine operating supplies	3,381	2,792
Stockpiled ore	10,757	15,477
Material discharged from gravity plant for CIL process	1,133	1,309
Work in progress	3,291	3,513
Finished goods	40	1,168
	18,602	24,259
Non-current Assets		
Restricted finished goods (a)	4,535	3,390
Stockpiled ore (b)	657	-
	5,192	3,390
	23,794	27,649

The cost of inventory expensed during the quarter ended March 31, 2014 was \$8.59 million (Q3 Fiscal 2013 - \$6.56 million).

- (a) The balance of restricted inventory at March 31, 2014 was 5,000 ounces of gold to secure the Gold Forward Sale contract (Note 16) (June 30, 2013: 5,000 ounces).
- (b) 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 March 31, 2014, stockpiled ore represents 33,587 tonnes of refractory sulfide ore with 941 ounces of contained gold.

7. Loan Receivable

	March 31, 2014	June 30, 2013																				
	\$	\$																				
Current Assets																						
Gold forward purchase agreement	6,903	6,600																				
	6,903	6,600																				
	Change in fair value																					
	<table border="0" style="width: 100%;"> <thead> <tr> <th colspan="2" style="text-align: center;">Three months ended</th> <th colspan="2" style="text-align: center;">Nine months ended</th> </tr> <tr> <th style="text-align: center;">March 31, 2014</th> <th style="text-align: center;">March 31, 2013</th> <th style="text-align: center;">March 31, 2014</th> <th style="text-align: center;">March 31, 2013</th> </tr> <tr> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">21</td> <td style="text-align: center;">-</td> <td style="text-align: center;">481</td> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">21</td> <td style="text-align: center;">-</td> <td style="text-align: center;">481</td> </tr> </tbody> </table>		Three months ended		Nine months ended		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	\$	\$	\$	\$	-	21	-	481	-	21	-	481
Three months ended		Nine months ended																				
March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013																			
\$	\$	\$	\$																			
-	21	-	481																			
-	21	-	481																			
Gold forward purchase agreement	-	481																				
	-	481																				

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)

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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 Ketzra 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 Ketzra 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.

8. Property, Plant and Equipment

	Mineral Properties	Buildings	Property, Plant & Machinery	Vehicles, furniture & equipment	Construction in Progress	Total
	\$	\$	\$	\$	\$	\$
Cost						
As at June 30, 2012	24,967	1,096	24,759	2,334	8,717	61,873
Transfer	279	-	8,438	-	(8,717)	-
Addition	100	325	207	807	2,364	3,803
Disposal	-	-	(525)	-	-	(525)
Reclassification	2,633	-	-	-	-	2,633
Impairment on long-lived assets	-	-	(2,450)	-	-	(2,450)
As at June 30, 2013	27,979	1,421	30,429	3,141	2,364	65,334
Transfer	-	-	-	-	(182)	(182)
Addition	2,270	225	4,422	280	1,071	8,268
Reclassification	-	695	(108)	(588)	-	-
As at March 31, 2014	30,249	2,341	34,744	2,833	3,253	73,419
Accumulated depreciation						
As at June 30, 2012	(13,425)	(155)	(4,162)	(702)	-	(18,444)
Charge for the period	(5,337)	(144)	(3,564)	(295)	-	(9,340)
Disposal	-	-	68	-	-	68
As at June 30, 2013	(18,762)	(299)	(7,658)	(997)	-	(27,716)
Charge for the period	(2,112)	(177)	(2,086)	(243)	-	(4,617)
Reclassification	-	(127)	148	(21)	-	0
As at March 31, 2014	(20,874)	(603)	(9,596)	(1,261)	-	(32,333)
Net book value						
As at June 30, 2012	11,542	941	20,597	1,632	8,717	43,429
As at June 30, 2013	9,217	1,122	22,771	2,144	2,364	37,618
As at March 31, 2014	9,375	1,738	25,148	1,572	3,253	41,086

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9. Exploration and Evaluation

	Selinsing Gold Property	Buffalo Reef	Famehub	Mersing Gold Project	Star Destiny	Mengapur Project	Murchison Project	Total
	\$	\$	\$	\$	\$	\$	\$	\$
	Note 9 (a)	Note 9 (b)	Note 9 (c)		Note 9 (d)	Note 9 (e)	Note 9 (f)	
Balance, June 30, 2012	3,403	15,398	5,063	2,421	6,585	82,355	-	115,225
Acquisition of mineral properties	44	(35)	-	5	-	477	-	491
Assay and analysis	265	144	-	-	580	92	-	1,081
Drilling	1,943	897	-	-	2,035	3,982	-	8,857
Geological	444	379	-	-	702	494	-	2,019
Metallurgical	175	134	-	-	149	127	-	585
Site activities	581	628	-	-	607	878	-	2,694
Mine development	-	518	-	-	-	-	-	518
Asset retirement obligations	-	764	-	-	-	-	-	764
Property fees	-	2	-	-	-	-	-	2
Stock-based compensation	-	-	-	-	12	-	-	12
Reclassification to PP&E	-	(2,633)	-	-	-	-	-	(2,633)
Impairment on long-lived assets	-	-	-	(2,426)	-	-	-	(2,426)
Balance, June 30, 2013	6,855	16,196	5,063	-	10,670	88,405	-	127,189
Acquisition costs	-	-	-	-	-	11,695	10,902	22,597
Assay and analysis	301	264	-	-	127	1,449	-	2,141
Drilling	513	265	-	-	-	647	62	1,487
Geological	426	217	-	-	121	597	4	1,365
Metallurgical	(6)	(5)	-	-	48	441	6	484
Site activities	623	288	-	-	1	177	57	1,146
Due Diligence	-	-	-	-	-	-	493	493
ARO Adjustment	-	3	-	-	-	-	-	3
Environmental	-	-	-	-	-	-	7	7
Property fees	-	85	-	-	-	-	34	119
Stock-based compensation	-	-	-	-	4	9	-	13
Amortization	-	-	-	-	-	173	-	173
Mine Modelling	-	-	-	-	-	55	-	55
Balance, March 31, 2014	8,712	17,313	5,063	-	10,971	103,648	11,565	157,272

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.

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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 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 in September 1, 2010. During fiscal 2013, the Phase III gold plant upgrade was completed at a total cost of \$8.72 million and placed into production, bringing the total mill capacity to 1,000,000 tonnes per annum. Exploration expenditure incurred year to date was \$1.86 million at March 31, 2014.

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 year to date on the FELDA land was \$1.45 million at March 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. The Company carried out ore production at the southern area of the Buffalo Reef project from January 2013 to September 2013. Exploration activities remain active at the Buffalo Reef prospect and expenditure incurred YTD was \$1.12 million at March 31, 2014.

c) Famehub Acquisition

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. During the three months ended March 31, 2014, the Company assessed the carrying value of the Famehub property and there was no indicator of impairment.

d) Star Destiny Sdn Bhd acquisition

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 \$0.30 million year to date. The exploration lease expired on September 23, 2012. The Company had filed a renewal application for exploration and a number of applications for granting mining leases over the prospective land pending the relevant government authority's approval.

e) Mengapur project acquisition

On February 16, 2012 and December 31, 2012, the Company acquired an accumulative 100% interest in the Mengapur Polymetallic Project through its wholly owned Malaysian subsidiary Monument Mengapur Sdn. Bhd. ("MMSB") for total consideration of \$76.00 million in cash.

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The Mengapur Polymetallic Project is located in Pahang State, Malaysia, approximately 130 kilometers from Monument's wholly-owned Selinsing Gold Mine near Sri Jaya, 12 kilometers from a highway and 75 kilometers from the Malaysian port of Kuantan. The Mengapur Project includes the mineralized bodies over both mining licenses (lot #10120) and contains a historic Cu-S-Au-Ag oxide and sulfide resource from a previous drilling campaign conducted in the 1980's as previously reported in Snowden report (January, 2012) consisting of 224 million tonnes, averaging 0.597% Cu equivalent (6.54% S, 0.25% Cu, 0.16 g/t Au, and 8.86 g/t Ag) at a cut-off grade of 0.336% Cu equivalent.

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.

A "Harmonization Agreement between Phoenix Lake Sdn. Bhd. ("PLSB"), ZCM Minerals Sdn. Bhd. ("ZCM") (together the "Third Party") and MMSB, the exclusive operator of the lot 10210, has formed a base to allow the Third Party to mine near-surface oxide iron ores contained in top soil overburden at Area A and Area B and allows Monument to protect its other mineral assets in the same top soil and continue developing access to sulfide and transitional resources. The Company carries grade control and supervision over the mining operation with all costs recovered in full.

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 the same area with Malaco. In consideration, the Company has issued 25 million fully paid Monument common shares at CAD\$0.50 per share for an aggregated value of \$11.58 million (CAD\$12.50 million).

The carrying values of \$103.65 million as of March 31, 2014 was comprised of aggregated acquisition costs of \$93.23 million and development costs since of \$10.42 million, of which \$3.55 million was incurred year to date.

f) 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.

An aggregated \$14.89 million was incurred to close this transaction including \$13.71 million paid to the Vendors and \$1.18 million in due diligence and transaction costs. The amount paid to the Vendors comprised of \$0.23 million (AUD\$0.25 million) on a non-refundable deposit and \$13.48 million (AUD\$15.00 million) in acquiring the assets.

The assets acquired under the Sale Deed have been treated as an asset acquisition, with the purchase consideration allocated between mineral properties (\$11.39 million) and mining equipment (\$3.50 million).

10. 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 2014 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.

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.

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	March 31, 2014	June 30, 2013
	\$	\$
Total equity attributable to shareholders	236,613	219,594
Less: cash and cash equivalents	(23,765)	(41,933)
Total capital	212,848	177,661

11. 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) (derivative financial instruments) other financial liabilities (trade and other payables, share repurchase obligation and convertible notes) 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:

		March 31, 2014	June 30, 2013
		\$	\$
Derivative instruments at FVTPL			
Financial instrument – assets			
Gold forward purchase agreement	Level 2	6,903	6,600
Financial instrument – liabilities			
Derivative warrant liabilities	Level 2	238	822

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):

	March 31, 2014			June 30, 2013		
	AUD	RM	CAD	AUD	RM	CAD
(in 000's, US dollar equivalent)						
Financial instrument – assets						
Cash and cash equivalents	504	2,265	7,968	-	2,283	7,300
Restricted cash	-	205	-	-	1,587	-
Trade and other receivable	11	84	78	-	9	131
Financial instruments – liabilities						
Accounts payable and accrued liabilities	(42)	(50)	(502)	-	(9,165)	(3,143)
Share repurchase obligation	-	-	-	-	-	(951)
Derivative warrant liabilities	-	-	(238)	-	-	(822)

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.

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Based on the above net exposures as at March 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 \$0.13 million (June 30, 2013 – \$0.26 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 \$0.35 million (June 30, 2013 – increase/decrease \$0.13 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 \$0.02 million (June 30, 2013 – increase/decrease \$0.00 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 March 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 \$0.02 million (June 30, 2013: \$0.14 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 \$2.47 million (June 30, 2013: \$3.87 million) is held with a Malaysian financial institution, \$0.50 million with an Australian financial institution (June 30, 2013: nil) and \$7.97 million (June 30, 2013: \$7.30 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 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 March 31, 2014.

	March 31, 2014		June 30, 2013	
	\$	\$	\$	\$
	Current	Non-Current	Current	Non-Current
	<1 year	1-3 years	<1 year	1-3 years
Non derivative liabilities				
Accounts payable and accrued liabilities	7,779	-	11,975	-
Finance lease obligations	252	510	15	-
Share repurchase obligation	-	-	951	-
	8,031	510	12,941	-
Derivative liabilities				
Warrants	-	238	-	822
	-	238	-	822

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12. Accounts Payable and Accrued Liabilities

	March 31, 2014	June 30, 2013
	\$	\$
Trade payables	7,655	7,404
Salaries and benefits payable	123	2,689
Other payable	1	1,882
	7,779	11,975

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

13. Finance Lease Obligations

	March 31, 2014	June 30, 2013
	\$	\$
Current Liabilities		
Finance Lease	252	15
	252	15
Non-current Liabilities		
Finance Lease	510	-
	510	-
	762	15

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.

14. Deferred Revenue

	March 31, 2014	June 30, 2012
	\$	\$
Gold balance deficiency	961	-
	961	-

15. Share Repurchase Obligation

	March 31, 2014	June 30, 2013
	\$	\$
Current Liability		
Share repurchase obligation	-	951
	-	951

On February 15, 2013, the Convertible Notes previously issued by the Company were fully converted to 20,000,000 common shares and 20,000,000 common share purchase warrants under an early retirement arrangement at CAD\$0.40 per unit for a premium payment of \$6.45 million (CAD\$6.50 million) to the Note holders. Included in the early retirement agreement was a put option which provided the rights to the Note holders that cause the Company to repurchase common shares converted from the Notes when the share price below is CAD\$0.40. These rights were scheduled to expire on August 12, 2015.

In light of an alleged fundamental breach of the early retirement agreement by one of the former note holders who held 17,500,000 converted Monument shares, management has obtained legal advice that it has a supportable position that the Company does not have a liability related to this repurchase clause.

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During the quarter, the Company settled the share repurchase obligation where the holder of 2,500,000 converted shares has agreed to forbear from exercising its rights with respect to the Repurchase Obligation in consideration for a payment of \$0.5 million. This agreement resulted in de-recognition of the share repurchase obligation. In addition, the Company has also settled the put option in dispute with the former note holder who held 17,500,000 converted shares where the holder has agreed to waive their claim of the put option in consideration for a payment of \$2.70 million. These rights were previously disputed due to an alleged breach of the early retirement agreement.

16. Gold Forward Sale contract

In conjunction with the issuance of convertible notes that have subsequently been converted, 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.

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	1,865	210	1,655
	4,784	536	4,248

The Company's obligations under the Gold Forward Sale contract are secured by designated gold metal accounts. In connection with such security, the Company has deposited an aggregate of 5,000 ounces of gold. The continuity schedule of the restricted gold metal accounts is as follows:

	Designated Gold (in Ounces)
Balance, June 30, 2012	8,800
Deposited	3,653
Unrestricted on retirement of Notes	(7,453)
Balance, June 30, 2013	5,000
Net Movement	-
Balance, March 31, 2014	5,000

17. Derivative Liabilities

	March 31, 2014	June 30, 2013
	\$	\$
Non-current Liabilities		
Derivative warrant liability – gold forward sale contract (a)	47	164
Derivative warrant liability - convertible units (b)	191	658
	238	822

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	Three months ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	\$	\$	\$	\$
Gain/(Loss) in fair value of derivative financial instruments				
Derivative warrant liability – private placement	-	-	-	4
Derivative unit liability - convertible notes	-	34	-	164
Derivative warrant liability - gold forward sale (a)	(16)	230	117	262
Derivative warrant liability - convertible units (b)	(64)	608	467	607
Derivative liability – gold inducement	-	381	-	(7)
	(80)	1,253	584	1,030

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 March 31, 2014 and the year ended June 30, 2013 are set out below:

	March 31, 2014		June 30, 2013	
	Units	Fair Value	Units	Fair Value
Opening balance	5,000,000	164	5,000,000	608
Fair value re-measured during the year	-	(117)	-	(444)
Closing balance	5,000,000	47	5,000,000	164

Terms

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

Fair value assumptions

Risk free rate	1.71%	1.25%
Expected dividends	Nil	Nil
Expected life (years)	1.36	2.12
Volatility	45.32%	44.22%

b) Derivative warrant liability – Convertible Notes

A summary of the changes in derivative warrant liability in conjunction with Convertible units for the period ended March 31, 2014 and the year ended June 30, 2013 are set out below:

	March 31, 2014		June 30, 2013	
	Units	Fair Value	Units	Fair Value
Opening balance	20,000,000	658	-	-
Issued from exercise of convertible units	-	-	20,000,000	1,986
Fair value re-measured during the year	-	(467)	-	(1,328)
Closing balance	20,000,000	191	20,000,000	658

Terms

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

Fair value assumptions

Risk free rate	1.71%	1.25%
Expected dividends	Nil	Nil
Expected life (years)	1.36	2.12
Volatility	45.32%	44.22%

18. Asset Retirement Obligations

The Company's asset retirement obligations 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

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undiscounted cash flows required to settle the Company's obligations is estimated to be \$6.58 million (June 30, 2013: \$6.87 million) and is expected to be settled over the next ten years. As at March 31, 2014 this amount has been discounted using a pre-tax rate of 2.45% (June 30, 2013: 2.50%) and inflation rate of 1.80% (June 30, 2013: 1.80%). 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:

	March 31, 2014	June 30, 2013
	\$	\$
Opening Balance	5,324	5,042
Additions	-	1,214
Accretion expense	101	97
Reclamation performed	-	(6)
Reassessment of liabilities	(33)	(1,007)
Foreign exchange	(173)	(16)
Closing Balance	5,219	5,324

The reduction of the asset retirement obligations of \$0.11 million mainly resulted from foreign exchange of \$0.17 million (June 30, 2013: \$0.02 million decrease) and a reassessment of the liability of \$0.03 million (June 30, 2013: \$1.01 million decrease).

There were no additional ARO incurred during the period ended March 31, 2014. The additional \$1.21 million of ARO incurred during the year ended June 30, 2013 related to the Buffalo Reef property (\$0.75 million) which arose due to the commencement of disturbance activity and Selinsing Gold mine (\$0.46 million) due to the creation of an additional waste dump during the period.

The ARO in relation to the recently acquired Murchison Project in Australia remains under evaluation. Mining activities have been previously conducted at the Murchison project and an obligation for rehabilitation is present, which the Company has taken on through acquisition of the project. At March 31, 2014 the Company has not recognised a liability until the evaluation process can be completed and the obligation can be reliably estimated.

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, 2012	184,545,530	68,695
Issued for private placements	44,500,000	19,864
Issued for exercise of convertible units (Note 15)	20,000,000	7,951
Share repurchase obligation (Note 15)	-	(709)
Issued for exercised warrants	24,112,500	11,929
Issued for exercised stock options	1,900,000	907
Balance, June 30, 2013	275,058,030	108,637
Issued for exercised stock options	160,000	57
Issued for Mengapur magnetite transaction	25,000,000	11,296
Share issue costs	-	(29)
Balance, March 31, 2014	300,218,030	119,961

During the quarter, the Company issued 25 million fully paid common shares at CAD\$0.50 per common share to Malaco Mining Sdn. Bhd. ("Malaco"), pursuant to the terms of the Oxide Magnetite Purchase and Profit-Sharing Agreement (Note 9 (e)). The common shares issued to Malaco are subject to a statutory four month hold period expiring on June 6, 2014. The Company has incurred share issue costs of \$0.03 million for related fees in issuing the shares.

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20. Capital Reserves

	March 31, 2014	June 30, 2013
	\$	\$
Warrants (a)	2,612	2,612
Options (b)(c)	10,309	6,893
	12,921	9,505

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.

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

Derivative Liability Warrants issued in conjunction with:	Private placement	Gold forward contract	Exercise of convertible notes	Total	Derivative warrant liabilities
	Qty	Qty	Qty	Qty	\$
Balance, June 30, 2012	67,325,000	5,000,000	-	72,325,000	612
Issued	-	-	20,000,000	20,000,000	1,986
Exercised	(24,112,500)	-	-	(24,112,500)	(1)
Expired	(43,212,500)	-	-	(43,212,500)	(3)
Change in fair value	-	-	-	-	(1,772)
Balance, June 30, 2013	-	5,000,000	20,000,000	25,000,000	822
Change in fair value	-	-	-	-	(584)
Balance, March 31, 2014	-	5,000,000	20,000,000	25,000,000	238

b) Stock options

On December 30, 2012, the Company's shareholders approved a "rolling" stock option plan (the "2012 Plan") pursuant to which the maximum number of common shares that could be reserved for issuance under outstanding stock options was 10% of the Company's issued and outstanding common shares as constituted on the date of any grant of 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 March 31, 2014, a total of 16,822,705 common shares are available for future grant under the New Plan:

	Number of common shares under option plan	Weighted average exercise price	Total
		CAD\$	\$
Balance, June 30, 2012	25,675,501	0.41	6,400
Granted	1,500,000	0.46	827
Exercised	(1,900,000)	0.31	(323)
Forfeited/expired	(4,100,000)	0.46	(11)
Balance, June 30, 2013	21,175,501	0.41	6,893
Granted	19,465,501	0.33	4,565
Exercised	(160,000)	0.25	(21)
Forfeited/expired	(20,115,501)	0.37	(1,128)
Balance, March 31, 2014	20,365,501	0.36	10,309

An additional 5,600,000 new stock options were granted in September 2013 under the New Plan subject to shareholder approval. As a result of the February 2014 AGM, the 5.6 million stock options were disapproved by shareholders. During the three month ended March 31, 2014, 60,000 stock options were exercised and 240,000 stock options were expired.

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The following table summarizes the stock options outstanding at March 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	1.44	500,000	0.30
0.42	3,000,000	29-Sep-15	1.75	3,000,000	0.42
0.60	600,000	30-Nov-15	1.92	600,000	0.60
0.68	20,000	27-Jan-16	2.07	20,000	0.68
0.62	150,000	28-Jul-16	2.58	150,000	0.62
0.61	150,000	29-Aug-16	2.66	150,000	0.61
0.42	1,000,000	11-Jan-17	3.03	500,000	0.42
0.45	180,000	07-Mar-17	3.18	90,000	0.45
0.455	400,000	17-Sep-17	3.72	200,000	0.455
0.455	500,000	09-Oct-17	3.78	250,000	0.455
0.33	420,000	04-Sep-18	4.68	-	-
0.33	13,445,501	04-Sep-23	9.68	13,445,501	0.33
	20,365,501		7.22	18,905,501	0.36

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\$	Total \$
Balance, June 30, 2012	-	-	-
Granted	3,115,000	0.50	-
Balance, June 30, 2013	3,115,000	0.50	-
Granted	-	-	-
Balance, March 31, 2014	3,115,000	0.50	-

The following table summarizes the agent options outstanding at March 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	1.37	2,100,000	0.50
0.50	1,015,000	06-Mar-15	1.43	1,015,000	0.50
	3,115,000		1.39	3,115,000	0.50

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21. Production Costs

	Three months ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	\$	\$	\$	\$
Accretion of asset retirement obligation	35	26	101	71
Depreciation and amortization	2,523	2,894	6,563	7,793
	2,558	2,920	6,664	7,863
Mining	2,296	1,496	5,764	3,808
Processing	3,417	2,682	8,919	7,157
Royalties	504	1,200	1,885	3,476
Operations, net of silver recovery	31	121	51	176
	8,806	8,419	23,283	22,480

22. Corporate Expenses

	Three months ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	\$	\$	\$	\$
Office and general expenses	123	165	315	327
Rent & utilities	25	46	77	143
Salaries & wages	513	655	1,581	1,829
Share-based compensation	27	128	3,423	390
Legal, accounting and audit	737	595	1,779	1,324
Shareholders communication	398	97	477	272
Travel	131	200	393	506
Regulatory compliance and filing	66	30	93	48
Project investigation	6	4	136	4
Amortization	31	33	93	91
	2,057	1,953	8,367	4,934

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		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Net income for the period attributable to common shareholders (US\$'000)	(913)	(12,973)	2,279	10,318
Basic weighted average number of common shares outstanding	289,915,586	240,030,252	279,950,658	218,311,953
Effect of dilutive securities:				
Warrants	-	-	-	-
Options	24,297	1,337,377	11,350	2,154,406
Convertible notes warrants	-	-	-	-
Convertible notes shares	-	-	-	-
Diluted weighted average number of common share outstanding	289,939,883	241,367,629	279,962,008	220,466,359
Basic earnings per share	\$ (0.00)	\$ (0.05)	\$ 0.01	\$ 0.05
Diluted earnings per share	\$ (0.00)	\$ (0.05)	\$ 0.01	\$ 0.05

All warrants and options are potentially dilutive in the three months ended March 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.

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24. Related Party Transactions

a) Entities with directors in common

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

	March 31, 2014	June 30, 2013
	\$	\$
Veris Gold Corp. (formerly Yukon Nevada Gold Corp.)		
Receivable balance	-	-
Payable balance	(480)	(375)
Queenstake Resources USA, Ltd – Gold forward purchase		
Gold forward purchase (Note 7)	6,903	6,600
Penalty income receivable balance (Note 7)	-	273

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

	Three months ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	\$	\$	\$	\$
Veris Gold Corp. (formerly Yukon Nevada Gold Corp.)				
Reimbursement of expenses from related party	-	-	-	-
Reimbursement of expenses to related party	128	120	411	402
Queenstake Resources USA, Ltd – Gold forward purchase				
Penalty income (Note 7)	-	-	172	545

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		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	\$	\$	\$	\$
Salaries and directors' fees	301	334	977	2,320
Share-based payments	10	73	3,442	242
	311	407	4,419	2,562

25. Commitments and Contingencies

	2014*	2015	2016	2017	2018	Total
	\$	\$	\$	\$	\$	\$
Operating leases	36	90	73	73	4	275
Purchase commitments	1,667	-	-	-	-	1,667
Mineral property fees	2	7	7	7	7	30
	1,705	97	80	80	11	1,973

*Commitments relating to remaining 3 months of fiscal 2014.

Operating leases are for premises and vehicle leases. Purchase commitments are primarily for mining operations.

The Company has a contingent liability for the Asset Rehabilitation Obligation in relation to the recently acquired Murchison Project in Australia. Assessment of the obligation remains under evaluation at balance date. Mining activities have been previously conducted at the Murchison project and an obligation for rehabilitation is present, which the Company has taken on

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through acquisition of the project. At March 31, 2014 the Company has not recognised a liability until the evaluation process can be completed and the obligation can be reliably estimated.

26. Supplemental Cash Flow Information

	Three months ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	\$	\$	\$	\$
Interest received	243	54	689	531
Non-cash working capital, financing and investing activities:				
Share-based compensation charged to mineral properties	5	-	13	12
Gold forward purchase agreement penalty interest	-	-	450	-
Amortization charged to mineral properties	182	119	450	351
Expenditures on mineral properties in accounts payable	(380)	782	1,581	2,260
Plant and equipment costs included in accounts payable	(67)	(233)	381	190
Fair value of exercise of stock options and warrants	10	-	21	323
Issuance of shares for Mengapur acquisition	11,534	-	11,534	-

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

March 31, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Balance Sheet				
Current assets	23,350	838	27,947	52,135
Property, plant and equipment	28,385	9,140	3,561	41,086
Exploration and evaluation	-	157,272	-	157,272
Total assets	56,269	167,907	31,509	255,685
Total liabilities	9,468	2,365	7,239	19,072

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June 30, 2013	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Balance Sheet				
Current assets	37,183	4,571	32,602	74,356
Property, plant and equipment	29,713	7,871	34	37,618
Exploration and evaluation	-	127,189	-	127,189
Total assets	70,286	139,630	32,637	242,553
Total liabilities	10,644	3,857	8,458	22,959
<hr/>				
For the three month period ended March 31, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Income Statement				
Revenue	12,094	-	-	12,094
Depreciation and amortization	(2,519)	(26)	(4)	(2,550)
Profit/(loss) from operations	3,287	-	(4,200)	(913)
<hr/>				
For the three month period ended March 31, 2013	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Income Statement				
Revenue	20,325	-	-	20,325
Depreciation and amortization	(2,919)	-	(8)	(2,927)
Profit/(loss) from operations	11,349	(1,524)	(22,796)	(12,971)
<hr/>				
For the Nine month period ended March 31, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Income Statement				
Revenue	36,436	-	-	36,436
Depreciation and amortization	(6,563)	(78)	(15)	(6,656)
Profit/(loss) from operations	13,153	-	(10,874)	2,279
<hr/>				
For the Nine month period ended March 31, 2013	Mine Operations	Exploration and Evaluation	Corporate	Total
	\$	\$	\$	\$
Income Statement				
Revenue	60,770	-	-	60,770
Depreciation and amortization	(7,861)	-	(23)	(7,884)
Profit/(loss) from operations	35,148	(1,752)	(23,171)	10,225

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b) Geographic segments

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

March 31, 2014	Australia	Malaysia	Canada	Total
	\$	\$	\$	\$
Balance Sheet				
Current assets	516	24,187	27,431	52,134
Property, plant and equipment	3,502	37,526	58	41,086
Exploration and evaluation	11,565	145,708	-	157,272
Total assets	15,582	212,611	27,492	255,685
Total liabilities	863	11,799	6,410	19,072

June 30, 2013	Australia	Malaysia	Canada	Total
	\$	\$	\$	\$
Balance Sheet				
Current assets	-	41,754	32,602	74,356
Property, plant and equipment	-	37,584	34	37,618
Exploration and evaluation	-	127,189	-	127,189
Total assets	-	209,916	32,637	242,553
Total liabilities	-	14,501	8,458	22,959

	Three months ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	\$	\$	\$	\$
Income Statement				
Revenue				
- Australia	-	-	-	-
- Malaysia	12,094	20,325	36,436	60,770
- Canada	-	-	-	-
	12,094	20,325	36,436	60,770

28. Subsequent Events

Share Capital

Subsequent to March 31, 2014, the Company cancelled 600,000 stock options, bringing total outstanding stock options to 19,765,501.