1.1 Date

The following management discussion and analysis of Monument Mining Limited ("Monument" or the "Company") as of May 29, 2012 should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the nine months ended March 31, 2012 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Comparative information included in the March 31, 2012 interim consolidated financial statements and in this MD&A have been restated in accordance with IFRS. Information prepared in accordance with Canadian general accepted accounting principles ("Canadian GAAP") has been noted. This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of the three and nine months ended March 31, 2012, as well as our outlook.

NON-GAAP PERFORMANCE MEASURES

The Company has included the non-GAAP performance measure "unit cash cost per ounce sold". This non-GAAP performance measure does not have any standardized meaning prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other companies. This measure is used by management to identify profitability trends and to assess cash generating capability from the sale of gold on a consolidated basis in each reporting period, expressed on a per unit basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. Accordingly, unit cash cost per ounce of gold sold is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared using IFRS. More specifically, management believes that these figures are a useful indicator to investors and management of a mine's performance as they provide: (i) a measure of the mine's cash margin per ounce, by comparison of the cash operating costs per ounce to the price of gold, (ii) the trend in costs as the mine matures and, (iii) an internal benchmark of performance to allow for comparison against other mines. Total cash cost includes mine site operating costs such as mining, processing, administration and royalties, offset by sales of silver by-product, but is exclusive of amortization, depletion, reclamation, capital costs, exploration costs and corporate administration costs.

All amounts herein are expressed in United States dollars unless otherwise indicated. Additional information relating to the Company's activities may be found on the Company's website at www.monumentmining.com and at www.sedar.com.

1.2 Overview

Monument, a company listed on the TSX Venture Exchange ("TSX-V":MMY) and the Frankfurt Stock Exchange("FSE":D7Q1), is a resource company engaged in acquisition, exploration and development of mineral properties as well as production including extraction and processing ores. Its primary business objective is to advance its mineral projects from exploration and development to production, and to increase its gold and other mineral assets through acquisition of prospective exploration land or gold and other mineral projects at an advanced development stage. The Company's Head Office is located in Vancouver, BC, Canada. It operates through its subsidiaries in Pahang State, Malaysia.

The Company's current 100% owned primary gold properties - Selinsing Gold Project ("Selinsing"), Buffalo Reef Prospect ("Buffalo Reef") and Famehub properties ("Famehub") - are located in the Central Gold Belt of Western Malaysia. While the gold production at Selinsing continues to generate healthy cash flow in fiscal 2012, Management seeks further growth of gold resources and expansion of gold production capacity. During the nine month period ended March 31, 2012, the Company acquired 49% of Mersing Gold Project through an earn-in agreement which has potential to host primary gold mineralization. It has also commenced the Phase III gold processing plant expansion at the Selinsing Gold mine from 400,000 tpa to approximately 1,000,000 tpa targeting completion in June 2012. As of March 31, 2012, 83% of the construction was complete in line with the budget. In conjunction with the Phase III expansion, the Tailing Storage Facility (the "TSF") upgrade was completed in January 2012 to accommodate 10 years discharge from the 1 million tonnes per annum ("tpa") gold treatment plant.

During the nine month period ended March 31 2012, exploration at those gold mineral properties has produced a total of 8,356 drill metres, of which 4,566 drill metres were attributed to the third quarter. The faster drilling progress in the third quarter reflected an increased productivity from the in-house drill team as result of coaching programs provided to the drillers in the past half a year. The drilling program is aimed to convert the current inferred gold resources at Selinsing and Buffalo Reef to NI 43-101 compliant measured and indicated reserves and increases the total resources on those properties to support sustainable gold production. Snowden Mining Industry Consultants ("Snowden") is currently engaged to update the resources based on drill results and continuous preliminary geological and metallurgical study.

Fiscal 2012 is a year of expansion and diversification for the Company as it moves towards building a middle tier mineral resource Company based on its current portfolio. In November 2011, the Company acquired 100% common shares of Star Destiny Sdn. Bhd., which holds an exploration permit pertaining to prospective land totaling 750 Hectares in Pahang State, Malaysia as a stepping stone for potential strategic growth. The property is adjacent to the west and south of the Mengapur Polymetalic Project (the Mengapur Project"), another major project of the Company.

The Mengapur Project is located in Pahang State, Malaysia and contains multiple minerals including copper, gold and silver, etc. according to a historical feasibility study performed in early 1990s. The Company's management believes this project might introduce significant economic prospects that can add potential value toits shareholders and diversify their investment risk. The due diligence on the Mengapur Project commenced in August 2011.Snowden Mining Industry Consultants ("Snowden") was engaged by the Company to prepare a NI 43-101 compliant Mengapur Project technical report presenting historical data on the Mengapur Project completed in November 2011. The Mengapur Project technical report and its amendment were SEDAR filed in December 2011 and February 2012 as amended (refer to www.sedar.com).

Concurrent with the completion of due diligence, on November 24, 2011, the Company signed a Definitive Acquisition Agreement to acquire a 70% of interest in the Mengapur Project (the "Mengapur Acquisition").At the General and Special Meeting held on December 30, 2011, shareholders approved, pending TSX-V ("TSX Venture Exchange")acceptance, the Company's proposed Mengapur Acquisition and the private placement up to CAD$70 million (the "Private Placement") to fund the Mengapur Acquisition and development. The Private Placement may create the proposed placee, Tulum Corporation Ltd., as a "control person", who is, defined under applicable rules of the TSX-V, acquiring more than 20% of the Company's issued and outstanding shares at the closing of the Private Placement.

On February 21, 2012, the Company announced that it has closed the acquisition using cash on hand upon receipt of the TSX-V's acceptance. The Private Placement for the development of the Mengapur Project, pending the acceptance of TSX-V, has also been successfully negotiated at more favorable terms.

Financial and Operating Highlights

(1) Key gold production statistics

Selinsing Gold Mine	Fiscal 2010	Fiscal 2011	Q1 2012	Q2 2012	Q3 2012	Fiscal 2012 nine months
Operating results						
Ore mined (tonnes)	662,330	740,909	124,736	128,557	140,168	393,461
Ore processed (tonnes)	272,120	351,999	86,343	84,182	83,447	253,972
Average ore head grade (g/t Au)	3.08	4.31	4.53	5.25	3.37	4.40
Process recovery rate	58.7%	92.9%	95.1%	95.3%	93.3%	94.7%
Gold production (ounces)	13,793	44,438	11,846	11,736	10,676	34,258
Gold sold (ounces)	13,793	40,438	8,372	12,765	7,301	28,438
Financial results						
Gold sales (US$'000)[(a)]	16,316	56,627	14,430	21,084	12,394	47,908
Per ounce data						
Cash cost per ounce	216	242	297	307	303	303
Average spot gold price, US$/ounce	1,089	1,372	1,702	1,688	1,691	1,694
Average realized gold price, US$/ounce	1,183	1,400	1,724	1,652	1,698	1,685

(a) Three month period ended September 30, 2010 includes an amount of gold sold before the commercial production commenced.

(2) At March 31, 2012, the Phase III gold plant expansion construction at the Selinsing Gold Mine was approximately 83% complete costing $7.2 million compared to total budget of $8.1 million; the commissioning continues in the fourth quarter targeting completion by the end of May 2012 on schedule.

(3) On February 21, 2012, upon receipt of the TSX-V acceptance, the Company announced that it has closed the acquisition of a 70% interest in the Mengapur Polymetalic Project located in Pahang State, Malaysia; the private placement of up to CAD$70 million for the Mengapur Project development has also been successfully negotiated at more favorable terms and is currently pending the acceptance of the TSX-V.

(4) On March 26, 2012, the Company informed the market it had broken up a gold stealing syndicate at the Selinsing Gold Mine in Malaysia. The Company has called in the Malaysian Police for an immediate investigation and engaged Gold Security Group from Perth, Australia to work with the Police and to review and strengthen security measures at the gold mine. In the opinion of the Company, this incident will not impact the production performance for the year ended June 30, 2012.

(5) In May 2012, the Company announced the appointment of a number of positions including Vice President, Business Development, Vice President, Exploration, and a Senior Manager, Investor Relations. The appointment indicate a significant corporate development in the enhancement of the depth of the Company's management team in order to meet its commitment to shareholders to develop its mineral resources, especially the Mengapur Project, the government/community relations and shareholder communications and market exposure.

1.2.1 Property Agreements

Selinsing Gold Project

On June 25, 2007, through its wholly-owned Malaysian subsidiary, Polar Potential Sdn. Bhd., the Company acquired 100% of the Selinsing Gold Property including two mining concessions from Wira Mas Trust (the "Vendor"), together with a 100% interest in Able Return Sdn. Bhd., the former Trustee of Wira Mas Trust, a Malaysian company holding Malaysian Pioneer status which among other benefits provides a 5-year tax break from Malaysian Federal and other taxes. The property is located in Pahang State, Malaysia. The total acquisition cost of $30.3 million(CAD 29.2million)was comprised of $3.6 million(CAD 3.5 million)cash, a promissory note of $9.3million(CAD 9.0million)fair valuedat$8.4million(CAD 8.1 million),the issuance of 31,400,009 fully paid treasury shares at an ascribed value of $0.47 (CAD 0.50) per share and 5,000,000 share purchase warrants.

During the year ended June 30, 2011, the Company acquired exploration rights for consideration of $102,921, covering prospective land that lies adjacent to the Selinsing operating open pit, which allows the exploration programs to be scheduled accordingly.

Damar Consolidated Exploration Sdn. Bhd.

Concurrent with the acquisition of the Selinsing Gold Project, the Company acquired 100% of the shares of Damar Consolidated Exploration Sdn. Bhd. ("Damar"), a company incorporated in Malaysia, from Avocet Mining PLC ("Avocet"), the parent company of Damar located in London, United Kingdom; thereby acquiring the Buffalo Reef property, which is contiguous and continuous with the Selinsing Gold Project for approximately 4.2 kilometers along the regional gold trend. A total of $1.81million(CAD 1.75 million)cash, 15,000,000 fully paid treasury shares at $0.47 (CAD 0.50) per share and 7,500,000 share purchase warrants were paid as consideration to acquire 100% of the Damar shares and an Avocet promissory note payable of $1.78million(CAD 1.72 million).

The Company acquired exploration rights for consideration of $35,090, covering prospective land that lies adjacent to the Buffalo Reef, which allows the exploration programs to be scheduled accordingly.

Acquisition of Famehub Properties

On August 13, 2010, the "Agreement of Purchase and Sale of Shares" (the "Famehub Acquisition Agreement") was signed, under which the Company would acquire the land package held by Famehub Ventures Sdn. Bhd. ("Famehub")through its wholly-owned subsidiary, Damar Consolidated Exploration Sdn Bhd, by purchasing 100% of the issued and outstanding Famehub shares (the "Famehub acquisition"). Total consideration of $4,884,634 (CAD 5,000,000) for the Famehub acquisition consists of $1,477,734 (CAD 1,500,000) in cash and 14 million fully paid and non-assessable common shares of the Company valued at $3,406,900 (CAD 3,500,000).

The Famehub acquisition closed on September 13, 2010, upon receipt of the TSX-V's acceptance and an independent technical report from Snowden Consulting Group (Australia) (SEDAR filed November 22, 2011).

Earn-In a 49% of interests of Mersing Gold Project

The Mersing Gold Project is held through mining certificate #1221 ("MC 1221") for 256 hectares of prospective land, located approximately 30 kilometers north-west of Mersing Town in Jahore State, Malaysia. The original Malaysian Geological Survey identified a widespread geochemical anomaly that follows the north-west regional structural trend running for more than 30 kilometers, commencing near the beach at Kampung Sri Pantai running inland toward the Mersing Gold Project. The presence of widespread quartz veining within the highly deformed metasediments, sulphide mineralization and free gold showing in the vein material, and the evidence of substantial alluvial mining and processing activities indicate that the Mersing Gold Project has potential to host primary gold mineralization. To date, the area has not been systematically explored for its primary gold potential and no production details are available.

In September 2011 the Company signed an Earn-In Agreement with a Malaysian company, Emas Kehidupan Sdn. Bhd. ("EK") and its 30% joint venture partners, under which Monument has the right to earn or acquire up to a 100% interest in the "Mersing Gold Project" (previously known as the "Gunung Arong Gold Prospect"). Pursuant to the terms of Earn-in Agreement, Monument shall acquire 49% of the Mersing Project by paying $500,000 cash and issuing 1,500,000 fully paid Monument shares to the vendors in exchange for 70% of the shares in EK, which in turn holds a 70% interest in the Mersing Gold Project, conditional upon completion of a $2,000,000 exploration program on the Mersing Gold Project within two-years. The Company has the right to earn a further 21% interest in the Mersing Gold Project by making either, at the option of the vendors, a further $1,500,000 cash payment to the vendors or by issuing2,500,000 fully paid Monument shares to the vendors in order to acquire the remaining 30% of the issued EK shares bringing Monument's interest in the Mersing Gold Project to 70%, conditional upon completion of a further $2,000,000 exploration program on the Mersing Project within two years.

Upon acquiring 100% of the shares of EK and reaching a 70% ownership level in the Mersing Gold Project, the Company has the right, for a period of 180 days after the completion of its second earning exploration obligations and the completion of an initial or pre-feasibility study on the project, to buy out the remaining 30% interest in the project thereby achieving 100% ownership in the Mersing Gold Project.

The transaction was accepted by TSX Venture Exchange and was closed on September 26, 2011. Monument has become the sole operator and manager of the Mersing Gold Project.

The Company is reviewing Mersing's regulatory status in order to initiate an exploration program. Exploration at the Mersing Gold Project will provide an opportunity to understand the geological nature of gold mineralization within the Mersing district and, if successful, will create an opportunity for further discovery along the structural trend as defined by the Mineral and Geosciences Department of Jahore State.

Acquisition of a 70% interests in the Mengapur Polymetalic Project

On May 31, 2011, the Company, through its wholly-owned subsidiary Monument Mengapur Sdn Bhd ("MMSB",) in Malaysia, entered into a binding Memorandum of Understanding (the "MOU") with Malaco Mining Sdn Bhd ("Malaco') and Malaco's wholly-owned subsidiary Cermat Aman Sdn Bhd ("CASB"), both incorporated in Malaysia, to acquire 70% of the Mengapur Polymetalic Project located in Pahang State, Malaysia.

On November 24, 2011 upon completion of due diligence, a Definitive Acquisition Agreement was signed among the Company, its wholly-owned subsidiary MMSB and Diamond Hard Mining Sdn. Bhd., its shareholders and its wholly-owned subsidiaries, Malaco and CASB subject to financing, shareholders' and regulatory approvals. Under terms of the Definitive Acquisition Agreement, MMSB would pay $60,000,000 in cash and issue 300 MMSB shares (representing a 30% interest in MMSB) to Malaco in exchange for a 100% interest in CASB, the company that holds 100% of the Mengapur Project. As a result of the acquisition, the Company would own 70% of the Mengapur Project with the exception of certain magnetite materials contained in the overburden oxide soils. Non-refundable deposit of $500,000 was paid to Malaco upon signing of the Definitive Acquisition Agreement, and $4,500,000 was set up in an Escrow Fund to secure the Mengapur Project. Upon closing of the acquisition, the total of $5,000,000 was applied against the purchase price.

The proposed acquisition was approved at the Annual General and Special Shareholder's Meeting held on December 30, 2011 ("The 2011 Shareholders Meeting"), and was thereafter accepted by the TSX-V in February 2012. Although Monument intended to complete the Mengapur Acquisition with the proceeds from its previously announced proposed private placement financing, which was also approved at the 2011 Shareholders Meeting and remains subject to TSX-V acceptance, Monument decided, and considers it in the best interests of the Company, to close the Acquisition using its cash on hand, given the Company's current working capital position and its continued cash flow from gold production generated by its existing operations.

On February 21, 2012, the Company announced that, using the cash on hand, it closed the acquisition of a 70% interest in the Mengapur Polymetalic Project by acquiring a 100% interest in CASB. In exchange, MMSB: (i) arranged for the payment of an aggregate of $60,000,000 in cash to Malaco and certain of Malaco's creditors; and (ii) issued 300 MMSB shares to Malaco. As a result, Monument now holds an indirect 70% interest in the Mengapur Project.

The Mengapur Project is located in Central Malaysia in the State of Pahang, 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 polymetalic deposit was first discovered in 1979 with anomalous stream sediment samples and later drilled by Malaysia Mining Corporation Berhad ("MMC") from 1983 to 1988. Historical economic and resource estimates on the Mengapur Project were completed and published as a "Definitive Feasibility Study" (the "Historical Study") in October 1990 by Normet Engineering Pty Ltd with James Askew Associates completing the ore reserve and resource estimates, both of Perth, Western Australia. At least three current land positions totaling approximately 1,000 hectares cover the 1990 historical reserve area described in the Historical Study. The Company entered the Definitive Agreement to acquire, among other things, the rights to Mining Certificate number PL 1/2006 or Lot 10210 (Hulu Lepar Subdistrict, Kuantan District, Pahang State), which provides rights to the land that covers approximately 185.10 hectares (457.5 acres) and a majority of the historical 1990 reserve.

The Historical Study contains 10 volumes of comprehensive supporting documents which resulted from a 10 year, 58,000 meter diamond drilling program costing approximately $40 million. The exploration program was carried out by MMC, a Malaysian government-owned corporation. The resource and reserve estimates reported in the Study are historic and are considered to provide an indication of the potential of the project based on historic assumptions used to modify the resource to a reserve, therefore should not be considered as Mineral Resources and Mineral Reserves as defined in the CIM guidelines.

The Historical Study proposed construction of a process facility, roaster and supporting infrastructure and other supplemental processing facilities (together the "Plant Facilities"). According to the Study, the Plant Facilities were expected to provide capacity for the treatment of 2,500,000 tons per year for a mine life of 23 years. Other activities including further acquisitions and area exploration could further increase this mine life. In addition, the Plant Facilities could also produce other by-products such as 600,000 tons of sulfuric acid per year or downstream products as indicated by the Study such as fertilizer for the Malaysian and other palm oil industry participants in neighboring South East Asian countries. However, any economic data from the historic feasibility study must be considered out of date and is not intended to suggest any current economic viability.

A NI 43-101 compliant technical report was completed by Walter Dzick, B.Sc., MBA, P. Geo., MAusIMM, and Rod Carlson, B.Sc., M.Sc., MAIG, of Snowden Mining Industry Consultants ("Snowden") in November 2011 and SEDAR filed as "Monument Mining Limited: Mengapur Project, Pahang State, Malaysia, Project No. V1165" on December 2, 2011.The Amended Technical Report was subsequently SEDAR filed on February 29, 2012 (the "Mengapur Project Technical Report"). The Mengapur Project Technical Report represents a compilation of historic information and data that has been provided to Snowden by the Company and all economic assessments and resource statements included in the Report are considered historic in nature and there is no certainty that any economic assessments will be realized.

As part of the Historical Study, the authors of the Historical Study helped determine a Cu-S-Au-Ag sulfide reserve (Table 1, below) on Zone A, and a Cu-S-Au-Ag sulfide and oxide resource (Table 2, below) on Zones A, B, and C. The resource and reserve estimate reports are considered relevant because they provide an indication of the mineral potential of the project. The historical resource and reserve estimates reported in the Historical Study use categories other than those set out in NI 43-101 and therefore should not be considered as Mineral Resources and Mineral Reserves as defined in the CIM 2005 guidelines. These reserves and resources do not meet the requirements of the 2005 CIM Guidelines and should only be considered to be historical in nature. The Historical Study does not clearly state if this reserve is included in the resource estimate.

Table 1. Mengapur Project Historical Sulfide Reserve estimate as of October 1990 using a 0.336% Equivalent Cu cutoff grade.

		Tonnes (Million t)	EQV Cu (%)	S (%)	Cu (%)	Au(g/t)	Ag(g/t)
Sulfide	Proven	26.467	0.803	9.20	0.31	0.25	2.46
	Probable	38.324	0.691	8.23	0.24	0.19	2.68
TOTAL		64.800	0.737	8.63	0.27	0.21	2.59

Notes: Equivalent Cu is based on the following assumptions: Recoveries for Cu, Ag, Au and S of 76.6%, 47%, 48%, and 82%, respectively; and commodity prices in US$/kg equal to 1.37 Cu, 4,107 Au; 65 Ag; and 0.09 S and a combined mining and processing cost of US$4.45/tonne. The historical reserve is based on A Zone using the SP6 Design pit as described in the Historical Study. The disclosure of historical reserves is not meant to imply that there is any current economic viability. This would require completion of at least a preliminary feasibility study.

Table 2. Mengapur Project Historical Resource estimate as of October 1990 using a 0.336% Equivalent Cu cutoff grade.

		Tonnes (Million t)	EQV Cu (%)	S (%)	Cu (%)	Au(g/t)	Ag(g/t)
Oxide	Measured	4.866	0.419	0	0.47	0.05	27.82
	Indicated	16.406	0.557	0	0.64	0.12	26.45
Subtotal		21.272	0.525	0	0.60	0.10	26.70
Sulfide	Measured	63.438	0.661	7.622	0.25	0.18	3.30
	Indicated	139,699	0.579	7.040	0.19	0.13	3.85
Subtotal		203.137	0.605	7.222	0.21	0.15	3.68
TOTAL		224.409	0.597	6.54	0.25	0.16	8.86

Notes: The same recoveries and commodity prices stated for the reserves in Table 1 were used for the resources. The resources include Zones A, B, and C.

Copper and iron production occurred at Mengapur after the completion of the Historical Study and was compiled as part of Monument's 2011 due diligence work and included in the Snowden NI 43-101 report for disclosure purposes. A 500,000 tpa used flotation plant was constructed at the site from 2005 to 2007. Total copper production from sulfide skarn rock from October 2008 to June 2009 includes 250 tonnes of copper ore grading 8% to 18% copper whereas total iron production from skarn rock from June 2010 to July 2011 totals:

- 26,693 tonnes of iron ore to produce 3,168 tonnes iron (magnetite) fines averaging 63% iron with high contained sulfur content (3% to 4% S); and
- An additional 24,966 tonnes iron ore lumps averaging 42% iron by crushing plant.

The iron and copper processed from the copper processing plant at site was mined from mainly one open pit area located in the southwestern corner of the claims currently held by CASB.

Total iron production from oxidized materials from October 2010 to October 2011 totals 2,556,479 tonnes and was mined mostly from two open pits on the property currently held by CASB. This oxidized material was transported off the property held by CASB and processed at facilities owned by another operator.

The operations plan in the Historical Study recommended using a 8,500 tpdCu processing plant operation. Under this plan, the pyrrhotite concentrate was going to be roasted to produce 590,000 tpa of sulfuric acid which would be converted to 203,000 tpa of P2O5 in the form of phosphoric acid. This is based on a mining rate of 7,534.24 tonnes per day (2.75 million tonnes per year) to produce some 30,500 tonnes of Cu concentrate and about 620,000 tonnes of pyrrhotite concentrate per year over the proposed 23 year mine life.

The historic data compiled in the Technical Report indicates the need for more preliminary test work to be completed before the project is ready to move forward. The resource and reserve areas identified in the Historical Study must be drilled using CIM 2005 standards.

The recommended work plan described in the Technical Report includes acquiring the land rights to conduct exploration and mine development studies. A first work phase is recommended consisting of due diligence work completed mostly from August 25 to November 25, 2011 at an approximate cost of CAD$788,473. A second work phase includes a 1.6 year drill hole program at an approximate cost of CAD$13,442,222 using three diamond drill rigs and one RC rig to complete a total of 65,980m of resource conversion and infill drilling (at a 40 m average drill hole spacing for planning purposes). The total work program costs $14,230,695 and assumes that the diamond drill production is 30 m per 24-hour work shift. The second phase of work is expected to commence shortly after the closing of the Mengapur Project acquisition.

Included in this 1.6 year drilling program is access road and drill pad construction, metallurgy testing on the sulfide and oxide ores consisting of flotation testing, grind testwork for sulfide ores, and leach tests (bottle roll and columns) for oxide ores; geologic and mine design modeling; geologist's time; assays for Au, Cu, Ag, and Leco S along with multi-element ICP; quality-assurance and quality control assay program; and contract topographic survey work (air and ground).

Acquisition of Star Destiny Sdn. Bhd.

During November 2011, through a wholly-owned Malaysian subsidiary, the Company paid vendors the cash of approximately US$3,140,000 (RM10,000,000) to acquire 100% of the common shares of Star Destiny Sdn. Bhd., which holds 100% rights to the exploration permit pertaining to prospective land totaling 750 Hectares in Pahang State, Malaysia, adjacent to the south of the Mengapur Polymetalic Project.

1.2.2 Projects Update

Selinsing Gold Project

Resources

The Selinsing Gold Project ("Selinsing Project") is located at Bukit Selinsing near Sungai Koyan, approximately 65 km north of Raub and 40 km west of Kuala Lipis on the lineament known as the Raub Bentong Suture, at approximately 040˚15'00"N latitude, 101˚047'10"E longitude. The resources of the Selinsing Gold Project are comprised of an indicated mineral resource of 3,630,000 tonnes at 1.76 gpt, using a cutoff of 0.75 gpt for contained ounces of 205,000 ounces of gold, and an inferred mineral resource of 7,690,000 tonnes at a grade of 1.34 gpt for contained ounces of 330,000 ounces of gold at a similar cutoff grade. It is a near surface open pitable resource that metallurgical test work and subsequent mill production records confirm recovery between 92% and 95%.

Mine Development

Selinsing mine development commenced in October 2008 and was completed in the first quarter of fiscal 2011, including the mine site and camp development, the 1,200 tonnes per day ("tpd") gold treatment plant construction and the tailings storage facility development with capacity to store a 16-month tailings discharge from the processing plant.

Phase III Expansion

Phase III expansion of the gold plant estimated at $8.1 million is aimed to increase capacity of the gold treatment processing plant from 400,000 tpa to approximately 1,000,000 tpa through installation of an additional crusher, a primary ball mill, three leach tanks, and other improvement to the gold room, detoxification circuit, tailing pipelines and pumping system. During the third quarter, all engineering design and civil work were completed, most equipment was delivered for installation; the additional primary ball mill was installed, which was commissioned in May 2012 subsequent to the third quarter. As of March 31, 2012, total construction costs were $7.2 million, 4% above the budget with83%physical completion on schedule. The commissioning was commenced during the third quarter and is expected to be completed by June 2012.

TSF Expansion

During the nine month period ended March 31, 2012, the Company spent approximately $1.7 million on the TSF ("Tailing Storage Facility") expansion completed in December 2011.The expanded TSF has brought storage capacity to 11.0 million tonnes from 6.4 million tonnes. The increased capacity will support 10 years of tailings discharge from the newly expanded gold processing plant once upgraded through the Phase III construction.

Production

The first year commercial operation in fiscal 2011 produced 44,438 ounces of gold, 11% higher than projected mainly due to higher feed grade and higher recovery of the ore materials compared to the budget in fiscal 2011.Production in fiscal 2012 is in line with projection except the third quarter. A decrease in production in the third quarter is due to lower mill feed and recovery. The shortfall is expected to be recovered in the fourth quarter once the upgraded plant is commissioned and commenced working to designed capacity:

	Year ended June 30,		Three months ended			Nine months ended
	2010	2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Mar 31, 2012
Mining						
Ore mined (tonnes)	662,330	740,909	124,736	128,557	140,168	393,461
Waste removed (tonnes)	2,326,502	2,707,598	719,080	686,995	744,914	2,150,989
Stripping ratio	3.51	3.65	5.76	5.34	5.31	5.47
Ore stockpiled (tonnes)	387,545	773,432	813,175	859,011	915,347	915,347
Processing						
Crushed ore (tonnes)	274,786	355,021	84,993	82,722	83,833	251,548
Ore processed (tonnes)	272,120	351,999	86,343	84,182	83,447	253,972
Average mill feed grade (g/t)	3.08	4.31	4.53	5.25	3.37	4.40
Processing recovery rate	58.7%	92.9%	95.1%	95.3%	93.3%	94.7%
Gold produced (oz)	13,793	44,438	11,846	11,736	10,676	34,258
Gold sold (oz)	13,793	40,438	8,372	12,765	7,301	28,438
Revenue (in 000's)	16,316	56,627	14,430	21,084	12,394	47,908
Cash cost (US$/oz) (1) –						
Mining	64	53	54	51	52	52
Processing	90	120	152	131	130	137
Royalties	62	69	86	120	123	111
Operations, net of silver recovery	-	-	5	5	(2)	3
Total cash cost (US$/oz)	216	242	297	307	303	303

(1) Total cash cost includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties, and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs. The Company pays 5% of gross revenue prior October 1, 2011 and the market value of produced gold thereafter as a royalty to the Malaysian government.

Exploration

As of the end of March 31, 2012,a total of 12,654 metres in 50drill holes were drilled at Selinsing for a total cost of approximately $2.7 million**.** The 20 metres spaced drill holes are up to 250 metres deep and are designed to intercept the mineralized structure 220 metres below surface at 280 metres Reduced Level ("RL"). This is below the existing planned pit depth. The drill program is aimed to increase the reserves by converting the inferred gold resources below the present Selinsing open pit outline.

A total of 2,732 samples were sent to SGS (Malaysia) Sdn. Bhd., an accredited laboratory which complies with requirements of ISO/IEC 1725:2005, for preparation and analysis. The sampling is of half NQ and half HQ diamond drill core with maximum sample intervals of 1.5 metres. Quality assurance and quality control ("QAQC") is maintained through the submission of certified reference materials and blanks. Coarse split duplicates are collected and analyzed, but assays are pending. Sample recoveries are good to excellent.

The significant results (>1 g/t Au) obtained from the first six holes drilled are outlined in the news release announced on July 26, 2011 (refer to www.sedar.com).The information in this news release as it relates to the Selinsing exploration drilling results was compiled by Monument; and reviewed by Mr. Roderick Carlson, an independent qualified person as defined under National Instrument 43-101. Mr. Carlson is a Member of the Australasian Institute of Geoscientists and a full-time employee of Snowden Mining Industry Consultants, who has sufficient experience relevant to the style of mineralization and type of deposit under consideration.

The results indicate that high grade Au mineralization extends below the existing pit and remains open at depth. The on-going programs will continue to assess the gold distribution at depth. The new drill hole data will be used to construct a new resource estimate. The announced Selinsing "Deeps" mineralized drill hole results (located below the current design pit) are similar in grade and true thickness to those obtained from historic drilling campaigns conducted before the 2007 acquisition.

Environment, Safety and Health

The Company's commitment to comply with Malaysia's environmental laws follows three main government authorities:

- The Department of Minerals and Geosciences (JMG) with environmental jurisdiction inside the Company's project tenements;
- The Department of the Environment (DOE), whose jurisdiction lies outside the Company's tenements regarding air and water quality discharge; and,
- The Department of Safety and Health (DOSH), primarily concerned with the storage and handling of hazardous chemicals.

In the nine months ended March 31, 2012 routine safety inspections were conducted at all areas on the mine site and regular checks were made on fire extinguishers, first aid kits and safety showers. A landslide emergency drill was successfully completed in the Mining area with the co-operation and assistance from the relevant Government agencies.

The amendment of the Operational Mining Scheme reflecting the Phase III plant upgrade was completed pending for JMG's approval; the supplemental Environmental Impact Assessment ("EIA") study was under review during the third quarter and will be submitted to the relevant authorities upon completion. The EIA study is to highlight the potential impact from the Phase III plant expansion programs, and design a remedial action plan to mitigate risks. Assessment of the project shows favourable effects on the socio economy in terms of employment opportunities to the nearby community and at the same time with the proper mitigation measure, the project will not present any significant long term residual impacts on the environment. The plant expansion programs should enable the available gold resource to be treated at an optimum economic scale and cost. This is in line with the principal objectives of the industrial master plan that is to promote opportunities for the maximum and efficient utilisation of nation's abundant natural resources.

Buffalo Reef Prospect

Resources

Through Damar, the Company holds a 100% interest in the Buffalo Reef Prospect consisting of two contiguous tenements approximately 2,050 acres in size in Pahang State of Malaysia that extends the total contiguous and continuous land position northward from and including the Selinsing Gold Mine Project for approximately 4.2 kilometers along the gold trend.

The Buffalo Reef deposit had only a JORC Code compliant historical estimated resource upon acquisition in 2007. In fiscal 2011, Snowden Pty Ltd Australia was engaged to update the historical mineral resources at Buffalo Reef, to convert the historical inferred resources to the measured and indicated categories, and to update the JORC Code compliant gold resources to NI 43-101 standards. The Snowden NI 43-101 report was completed and filed under SEDAR on May 26, 2011. As of December 2010 at a cutoff grade of 0.5 g/t Au, the Buffalo Reef Indicated Mineral Resource is 2.30 million tonnes grading 2.24 g/t Au for a total of 165,500 ounces of Au and the Inferred Mineral Resource is 1.36 million tonnes grading 1.31 g/t Au for a total of 57,300 ounces of Au.

(in United States dollars, except where noted)

The Buffalo Reef Mineral Resource as of December 2010, and reported at a 0.5 g/t Au cut-off grade (Snowden, 2011):

Classification	Oxidation State	Zone	Tonnes Kt	Au g/t	Au Oz
Indicated	Oxide	South	272	2.35	20,500
		Central	32	1.62	1,700
		North	159	1.57	8,000
	Sulphide	South	1,298	2.66	111,300
		Central	246	1.36	10,700
		North	291	1.42	13,300
	Total (Indicated)		2,298	2.24	165,500
Inferred	Oxide	South	125	1.23	4,900
		Central	52	1.44	2,400
		North	26	2.79	2,400
	Sulphide	South	411	1.36	17,900
		Central	548	1.07	18,800
		North	201	1.69	10,900
	Total (Inferred)		1,363	1.31	57,300

The Inferred Resource is mostly located in the Felda Block 7 where no drilling work has been carried out as yet. The Company has since reached an agreement with the owners of the Felda Block 7 to be able to access and carry out further exploration.

Snowden considers that this resource estimate is appropriate for use in a Scoping Study or a Pre-Feasibility Study or a preliminary Assessment.

The NI43-101 report contains preliminary metallurgical test work results. Historic test work conducted by Avocet Mining PLC, the previous owner of Buffalo Reef, indicated that the oxide zone showed reasonable metallurgical recovery rates for gold by direct cyanidation. However, the sulfide mineralization at Buffalo Reef was classified as refractory to direct cyanidation procedures. This prompted the Company to commence test work programs in 2010 and preliminary metallurgical studies completed by Monument in 2011 have shown promising results using roasting or bioleaching pre-treatment processes. These test work programs are ongoing and the Company is encouraged with results to date. Oxide ore could be treated using the existing Selinsing processing plant.

Given the advanced state of exploration at the Buffalo Reef deposit, future activities will focus on infill drilling to increase the level of confidence in the geological interpretation and resource estimation. To facilitate this, Monument is securing additional land for further resources definition drilling. Diamond core drilling will be required to provide material for bulk density measurement and metallurgical test work, along with geotechnical data.

The NI43-101 technical report dated May 2011was prepared by independent qualified persons Jean-Pierre Graindorge, BSc from Snowden Mining Industry Consultants Pty Limited and Frank Wright, P. Eng., a Consulting Metallurgist. Information in this report relates to in-situ Mineral Resource estimates using CIM Standards on Mineral Resources and Reserves Definitions and Guidelines. The May 2011 estimate was carried out under the supervision of Mr. Michael Andrew who is a full time employee of Snowden Mining Industry Consultants Pty Ltd. Mr. Andrew is a member of the Australian Institute of Mining and Metallurgy (MAusIMM), and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Qualified Person as defined by the Code. Mr. Andrew consents to the inclusion in this section of MD&A of the matters based on his information in the form and context in which it appears.

Pahang State Government via the State Land and Mine Department approved the renewal application of MC 1/107 in the first quarter of fiscal 2012. The mining lease was extended for an additional 10 years; tenement fees were paid by Damar to the State Government of Pahang for issuance of the new lease certificate.

Exploration

The Buffalo Reef exploration program announced in September 2010 includes 33 drill holes comprising 2,500m of RC drilling and 3,200m of diamond drilling budgeted at $0.8 million. The drill program is an extension of the previous 11,871m of shallow RC drilling programs completed in 2008. It is aimed to convert the inferred resources to measured and indicated resources under NI 43-101 standards. Metallurgical and recovery test work has also been carried out on the Buffalo Reef ore as part of the ongoing development program.

The program has moved slower than expected due toa shortage of experienced contract drillers, and re-directing drill resources to more prioritized areas including the areas underneath the Selinsing current open pit and the Mengapur site for due diligence confirmation drilling in the first six months.

(in United States dollars, except where noted)

In early fiscal 2012 two new drill rigs were purchased and placed in use at the Selinsing and Buffalo Reef. A new exploration office was built to accommodate the newly recruited exploration personnel and core storing and handling facilities were constructed. Upgrading of the workshop to support the ongoing exploration activities has continued into the 2012 fiscal year.

Famehub Properties

The Famehub area is located in Pahang State of Malaysia approximately 15km northwest of the town of KualaLipis and 2km north of the Selinsing Gold mine.

On September 13, 2010, through its wholly-owned subsidiary Damar, the exploration arm of Monument's Malaysian group of companies, the Company acquired the Famehub Property by purchasing 100% of the issued and outstanding shares of Famehub Venture Sdn. Bhd. ("Famehub"), a company incorporated in Malaysia. Famehub has rights to approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef along the trend and east of the Selinsing gold mine. Famehub also owns a package of technical information and exploration database in respect to the subject property. The full purchase price for the Famehub acquisition is $1.5 million in cash and 14 million common shares of the Company. The Company has started preparation for its exploration programs, targeting the consolidation of its Selinsing and Buffalo Reef properties together with the Famehub Property around the newly constructed producing Selinsing gold mine in order to extend the life of the mine through increased resources situated nearby.

The Famehub area is in an early stage of exploration. It consists of nine separate exploration prospects. Extensive stream sediment and soil sampling campaigns have been completed by the previous owners with minimal drilling conducted to date. The results of the geochemical sampling included in the database obtained by the Company indicate anomalous gold grades are present in the Famehub properties. Follow up exploration work is required to define the extent of any potential gold mineralization (refer to "Preliminary Assessment of Exploration Tenements, Malaysia, NI43-101 Technical Report", August 2010, prepared by Snowden Group Australia and filed on www.sedar.com.

Data obtained from the acquisition allows the Company to quickly focus on prospective drill targets and assess the potential of the newly acquired ground through targeted exploration. The initial 12 month program includes trenching and 61 drill holes comprising of 7,440m of RC drilling and 1,500m of diamond drilling and is budgeted at $1.6million.The program is aimed to generate targets for future drilling.

In the nine months ended March 31, 2012, field works have been carried out at the Panau, Serau and Tekai prospects. A total of 1,082 trench samples, 920 soils samples, 137 stream sample and 107 rock chips were collected from these areas which are located between 8-15 km north east from Selinsing and Buffalo Reef deposits.

1.3 Selected Financial Information (IFRS)

BALANCE SHEET	March 31, 2012	June 30, 2011	July1, 2010
Current assets	$44,380,048	$68,326,751	$10,599,467
Other assets	157,957,858	56,415,756	56,568,191
Total assets	202,337,906	124,742,507	67,167,658
Current liabilities	20,677,020	4,919,497	3,637,939
Other liabilities as amended[1]	24,955,956	38,807,319	4,257,461
Non-controlling interests	24,163,803	-	-
Equity attributable to parent as amended[1]	132,541,127	81,015,691	59,272,258
Total liabilities and shareholders' equity	202,337,906	124,742,507	67,167,658
Working capital excluding derivative liabilities	$ 26,653,398	$63,407,254	$6,961,528

1 During the March 31, 2012 interim period, management determined that an amendment to the IFRS transition adjustments was necessary in order to record the fair value of the derivative financial liability related to the gold price component of the Inducement as described in Notes 13and 24to the unaudited condensed interim consolidated financial statements. This amendment resulted in a change to certain previously provided June 30, 2011 amounts. This amendment did not affect any balances previously reported as at July 1, 2010. As reported in the Company's September 30, 2011 and December 31, 2011 unaudited condensed interim consolidated financial statements, other liabilities at June 30, 2011 were previously reported as $34,170,796 and equity attributable to parent was previously reported as $85,652,214.

(in United States dollars, except where noted)

1.4 Operating highlights (IFRS)

	Three months ended March 31,		Nine months ended March 31,	
	2012	2011[1]	2012	2011[1]
Revenue - gold sales	$12,393,951	$15,031,105	$47,908,564	$35,761,989
Cost of gold sold (all cash cost)	(2,213,440)	(2,535,105)	(8,618,643)	(6,266,935)
	10,180,511	12,496,000	39,289,921	29,495,054
Depletion, amortization and accretion	(752,394)	(1,030,323)	(2,814,373)	(1,461,590)
Income from mining operations	9,428,117	11,465,677	36,475,548	28,033,464
Other operating expenses	(997,838)	(1,169,643)	(3,340,615)	(3,114,012)
Income before other items	8,430,279	10,296,034	33,134,933	24,919,452
Other income (loss)	(312,871)	7,620,812	12,867,979	(2,907,755)
Income taxes	(959)	(123)	(1,672)	(123)
Net income for the period	8,116,449	17,916,723	46,001,240	22,011,574
Earnings per share before other income				
Basic	$ 0.04	$ 0.06	$ 0.18	$ 0.15
Diluted	$ 0.04	$ 0.05	$ 0.17	$ 0.14
Earnings per share after other income and tax				
Basic	$ 0.04	$ 0.10	$ 0.25	$ 0.13
Diluted	$ 0.04	$ 0.09	$ 0.24	$ 0.12
Basic weighted average number of common shares	184,004,851	173,005,083	182,273,161	167,000,507
Diluted weighted average number of common shares	189,033,298	197,469,426	192,052,252	179,120,019

1. During the March 31, 2012 interim period, management determined that an amendment to the IFRS transition adjustments was necessary in order to record the fair value of the derivative financial liability related to the gold price component of the Inducement as described in Notes 13 and 24 to the unaudited condensed interim consolidated financial statements. The change to the IFRS transition adjustments resulted in amendments to previously provided interim amounts as reported in the foregoing table. See section 1.5 for previously-provided interim amounts for the foregoing comparative periods ended March 31, 2011.

Summary

The operating results of the Company reflect its income from operations, on-going corporate business development, administrative costs and other income or expenses such as interest, accretion expense, fair value gains or losses on derivative liabilities, and foreign exchange gains or losses.

For the three months ended March 31, 2012, the net income was $8,116,449, or $0.04 per share (basic) compared to $17,916,723, or 0.10per share (basic) in the corresponding period of fiscal 2011. For the third quarter of fiscal 2012, the gold production from the Selinsing Gold Project generated an income of $8,430,279 net of operating and corporate expenses, or $0.04per share, a decrease of $1,865,755, or $0.01 per share compared to $10,296,034or $0.06 per share in the corresponding period in fiscal 2011. The unfavorable results were mainly due to less ounces of gold sold partially offset by higher gold price.

Other loss of $312,871 or $0.00 per share (basic) (Q3, fiscal 2011 – income of $7,620,812 or $0.04 per share (basic)), includes the change in fair value on derivative liabilities of loss of ($2,194,600)(Q3, fiscal 2011 –gain of $6,474,756) estimated using Black-Scholes financial model, change in fair value on derivative liabilities – gold inducement of gain of $964,150 (Q3, fiscal 2011 – loss of ($470,837)),interest income of $26,273 (Q3, fiscal 2011 – $29,727), foreign exchange gain of $32,088 (Q3, fiscal 2011 – $317,081); offset by accretion expense of $235,695 (Q3, 2011 - $203,119), capital loss from stolen equipment of $1,919 (Q3, fiscal 2011 - $Nil), and income tax of $959 (Q3, 2011 – $123). Change in derivative liabilities vary from time to time influenced by market value of the share price and other assumptions as explained under note 14 in the financial statements. Also, change in derivative liabilities – gold inducement vary from time to time influenced by gold forward price, currency exchange rate between United States dollars and Canadian dollars, and other assumptions as explained under note 13 in the financial statements.

For the nine months ended March 31, 2012, the net income was $46,001,240, or $0.25 per share compared to $22,011,574, or 0.13 per share in the corresponding period of fiscal 2011. It is comprised of income from operations and income (loss) from other items.

For the nine month period of fiscal 2012, gold production from the Selinsing Gold Project generated income of $33,134,933 net of operating and corporate expenses, or $0.18 per share. This represents an increase of $8,215,481, or $0.03 per share compared to $24,919,452 or $0.15 per share in the corresponding period in fiscal 2011. The favorable results were due to full commercial production throughout the period versus partial commercial production during the comparative period, as well as a result of an increase in gold price.

Other income of $12,867,979 or $0.07 per share (Q3, fiscal 2011 – ($2,907,755) or ($0.02) per share) , includes change in fair value on derivative liabilities of $12,188,919 (Q3, fiscal 2011 – ($1,435,744)) estimated using the Black-Scholes financial model, change in fair value on derivative liabilities – gold inducement of loss of ($327,515) (Q3, fiscal 2011 – loss of ($2,322,130)), gain on gold forward sale of $1,163,340 (Q3, fiscal 2011 – $1,473,204), interest income of $118,143 (Q3, fiscal 2011 – $72,269), foreign exchange gain of $405,366 (Q3, fiscal 2011 – ($68,467)); offset by the accretion expense of $678,355 (Q3, fiscal 2011 - $626,887), capital loss from stolen equipment of $1,919 (Q3, fiscal 2011 - $Nil),and income tax expense of $1,672 (Q3, fiscal 2011 – $123). Change in derivative liabilities vary from time to time influenced by market value of the share price and other assumptions as explained under note 14 in the financial statements. Also, change in derivative liabilities – gold inducement vary from time to time influenced by gold forward price, currency exchange rate between United States dollars and Canadian dollars, and other assumptions as explained under note 13 in the financial statements.

Sales, Cost of Goods Sold and Gross Margin from Mining Operations

Revenue from the sale of metals is recognized in the financial statements when the following conditions are met: persuasive evidence of an arrangement exists; title and risk passes to buyer, the price is fixed or determinable; and collectability is reasonably assured. Incidental insignificant revenues from the sale of silver by-products are classified within cost of sales.

For the three months ended March 31, 2012, the Company had recognized gold sales of $12,393,951, produced 10,676 ounces of gold and sold 7,301 ounces of gold at an average realized price of $1,698 per ounce. For the three months ended March 31, 2011, the Company had recognized gold sales of $15,031,105, produced 11,904 ounces of gold and sold 10,704 ounces of gold at an average realized price of $1,404 per ounce.

For the three months ended March 31, 2012, cash cost of goods sold included mining operating results amounted to $2,213,440 or $303/oz (three months ended March 31, 2011: $2,535,105, $237/oz), comprised primarily of $381,988, or $52/oz for mining (2011 - $551,796, $52/oz accordingly); $948,766, or $130/oz for processing (2011 - $1,249,945, $117/oz accordingly); $899,252 or $123/oz for royalties (2011 - $689,889, $64/oz accordingly); and $85,842 for operations, or $12/oz (2011 - $61,017, $5 oz accordingly), offset by silver by-product sales of $102,408, or $14/oz (2011 - $10,820, $1/oz accordingly).The increase in processing costs was mainly due to further detox treatment, more equipment leasing, incremental ball mill related costs, and the strong value of the Ringgit relative to United States Dollar. Since September 30, 2011, the royalty has been based on 5% of the market value of produced gold, and the royalty for the produced gold balance as at September 30, 2011 has been paid during the three months ended December 31, 2011. This triggered a significant increase in royalties per ounce in comparison to the prior period. Moreover, additional environmental costs for mine closure plan contributed to the increase of operations cost per oz.

For the nine months ended March 31, 2012, the Company recognized gold sales of $47,908,564, produced 34,258 ounces of gold and sold 28,438 ounces of gold at an average realized price of $1,685 per ounce. For the nine months ended March 31, 2011, the Company had produced 32,302 ounces of gold and sold 29,502 ounces of gold at an average realized price of $1,356 per ounce. Gold sales for July 2010 and August 2010 of $4,247,500 from 3,500 ounces sold and related production costs were capitalized against the Selinsing Gold Property and construction of the gold treatment plant. As at September 1, 2010, the Company completed the commissioning of the gold treatment plant and commenced full commercial production. Reported gold sales for the seven months ended March 31, 2011 were $35,761,989 from 26,002 ounces sold.

For the nine months ended March 31, 2012, cash cost of goods sold included mining operating results amounted to $8,618,643 or $303/oz (nine months ended March 31, 2011: $6,266,935, $241/oz), comprised primarily of $1,485,416, or $52/oz for mining (2011 - $1,392,236, $54/oz accordingly); $3,895,760, or $137/oz for processing (2011 - $3,081,745, $119/oz accordingly); $3,145,238 or $111/oz for royalties (2011 - $1,771,106, $68/oz accordingly); and $226,304 for operations, or $8/oz (2011 - $209,188, $7/oz accordingly), offset by silver by-product sales of $134,075, or $5/oz (2011 - $124,628, $5/oz accordingly).The increase in processing costs was mainly due to increasing the operation of the Carbon in Leach circuit to design capacity, further detox treatment, more equipment leasing, incremental ball mill related costs, and a strong Ringgits relative to the United States Dollars. Subsequent to September 30, 2011, the royalty is based on 5% of the market value of produced gold, and the royalty for the produced gold balance at September 30, 2011 was paid during the three months ended December 31, 2011. This triggered a significant increase in royalties per ounce in comparison to the prior period. Cash costs of goods sold for July 2010 and August 2010 were capitalized against the Selinsing Gold Property and construction of the gold treatment plant. Reported cost of gold sold for the seven months ended March 31, 2011 was $6,266,935.

Depletion, Amortization and Accretion

Other production expenses included depletion and amortization of $728,991 and $1,061,937 and accretion of asset retirement obligations in the amount of $23,403 and credit amount $28,568 for the three months ended March 31, 2012 and 2011, respectively; and depletion and amortization of $2,738,314 and $1,504,849 and accretion of asset retirement obligations in amount of $79,938and credit of $40,213for the nine months ended March 31, 2012 and 2011, respectively. Depletion began in September 2010, in conjunction with the commencement of commercial production. Other production costs also include an insignificant amount of gain on disposal of scrap material of $Nil and 3,879 for the three and nine months ended March 31, 2012 and of $3,046 and $3,046 for the three and nine months ended March 31, 2011.

Corporate expenses

Corporate expenses of $959,452 for the three month ended March 31, 2012 (Q3, 2011 - $737,012) , and $2,835,267 for the nine month period ended March 31, 2012 (2011 - $2,044,019) were comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance, project investigations, excluding stock-based compensation expenses of $99,678 (Q3, 2011- $211,144) and amortization of ($61,292) (Q3, 2011 - $221,487) for the three month period and stock-based compensation expenses of $$418,339 (2011 - $839,030), and amortization expenses of $87,009 (2011-$230,963) for the nine month period ended March 31, 2012, a 30% increase for the three months period and a 39% increase for the nine months period ended March 31, 2012. The increase was primarily due to staff bonuses, travel, additional audit for the IFRS conversion and court hearing for the legal action against Sim Tze Chui AKA JynTze Baker et el. for defamation and slander of title.

During the three months ended March 31, 2012, general and administrative expenses increased by 33% to $392,708from $294,175in the same period of the prior year, and include salary expenses of $312,926(2011- $197,792) and office rent, general office expenses $79,782 (2011- $96,383).General and administrative expenses increased compared to the same period of the prior year due to increased compensation and an increase in a number of staff.

During the nine months ended March 31, 2012, general and administrative expenses increased by 30% to $1,177,260 from $902,509 in the same period of the prior year, and include salary expenses of $901,632(2011- $623,759) and office rent, general office expenses $275,628 (2011- $278,751).The salaries and administrative expenses increased compared to the same period of the prior year due to increased compensation and bonuses and an increase in a number of staff.

For the three months ended March 31, 2012, shareholder communications, conference and travel expenses totaled $196,887 representing an increase of $75,030 from $121,857 relative to the same period in fiscal 2011, reflecting increased activities in investor relations, conferences and travel for corporate development and acquisition activities. The regulatory and filing expense was $35,124 in the three months ended March 31, 2012, compared to $27,508 in the same period of fiscal 2011. Legal, accounting and audit expenses were $334,733 in the quarter ended March 31, 2012 compared to $147,657 in the same period of fiscal 2011, which is a 127% increase mainly due to an increase in audit and audit review services, legal services for acquisitions, and legal action against Sim Tze Chui AKA JynTze Baker et el. for defamation and slander of title.

For the nine months ended March 31, 2012, shareholder communications, conference and travel expenses totaled $750,137 increased by $287,640 from $462,497 in the same period of fiscal 2011, reflecting increased activities in investor relations, conferences and travel for corporate development and acquisition activities. The regulatory and filing expense was $52,424in the nine months ended March 31, 2012, compared to $44,467 in the same period of fiscal 2011. Legal, accounting and audit expenses were $851,891in the nine months ended March 31, 2012 compared to $488,730in the same period of fiscal 2011, which is a 74% increase mainly due to increase in audit and audit review services, IFRS conversion related services, legal services for acquisitions, and legal action against Sim Tze Chui AKA JynTze Baker et el. for defamation and slander of title.

For the three months ended March 31, 2012, $110,650 (2011- $216,611) in stock-based compensation expenses net of forfeitures was credited to contributed surplus, of which $99,678(2011 - $211,144) was charged to operations, $25,601 (2011 – $5,142) was capitalized to mineral properties. The decrease was mainly the result of new stock options granted and amortized during the three months ended March 31, 2011.

For the nine months ended March 31, 2012, $446,237(2011- $867,275) in stock-based compensation expenses net of forfeitures was credited to contributed surplus, of which $418,339(2011- $839,030) was charged to operations, $25,601 (2011 – $33,452) was capitalized to mineral properties. The decrease was mainly resulted by new stock options being granted and amortized and one stock option issuance being vested immediately and therefore fully expensed during the nine months ended March 31, 2011.

For the three months ended March 31, 2012, amortization decreased by $282,779 to a credit of $61,292 from $221,487 in the same comparative period. The decrease was mainly due to the reclassification of amortization on site buildings, equipment and warehouse which to operations.

For the nine months ended March 31, 2012, amortization decreased by $143,954 to $87,009 from $230,963 in the same comparative period. The decrease was mainly due to the reclassification of amortization on site buildings, equipment and warehouse to operations.

Other income (loss)

The Company earned $26,273 (2011- $29,727) and $118,143(2011- $72,269) in interest income generated from the cash and cash equivalents balance for the three and nine months ended March 31, 2012. The Company recorded a foreign exchange gain of $32,088(2011–$317,081) and $405,366(2011– foreign exchange loss of $68,467) for the three and nine months ended March 31, 2012.

On August 11, 2010, the Company closed a $13million (CAD 13 million) financing consisting of $8million (CAD 8 million) in convertible notes and $5million (CAD 5 million) from a forward gold sale. During the three and nine months ended March 31, 2012, an amount of $235,695 and $678,355 of interest accretion on the convertible notes (2011 – $203,119 and $626,887) was charged to income statement.

The Company recognized the inducement issued in conjunction with convertible notes as a derivative financial instrument comprised of two components. The first component is a foreign exchange derivative and the second component consists of a written option contract for a non-financial instrument that is readily convertible to cash (gold). The inducement has been recorded as derivative liabilities– gold inducement in the statement of financial position. Changes in the fair value of these derivative liabilities – gold inducement are recorded as a component of other income (loss). During the three and nine months ended March 31, 2012, the change in fair value of derivative liabilities – gold inducement resulting in a a gain of $964,150 and a loss of($327,515)(Q3, fiscal 2011 – loss of ($470,837)and ($2,322,130)), as explained under note 13 in the financial statements.

The Company recognized a gain/loss in the income statement on the change of fair value of share purchase warrants with an exercise price in CAD, which is different than the Company's functional currency (US dollar). The Company re-measures the fair value of the foreign currency denominated share purchase warrants at each reporting date using the Black-Scholes model and translates it into US dollars using the exchange rates at the reporting date. The loss in amount of $2,194,600(2011 –gain of $6,474,756) and a gain of $12,188,919(2011 – loss of $1,435,744) were recorded for the three and nine months ended March 31, 2012 due to the change in fair value of foreign currency share purchase warrants, which was mainly driven by fluctuating share price of the Company.

The Company recognized the capital loss on stolen equipment of $1,919 (2011 - $Nil) for both three and nine months ended March 31, 2012.

The Company recognized a gain in income statement on change of fair value of gold forward purchase contract. On January 28, 2011, Monument entered into an "Agreement for Sale of Gold" (the "Gold Forward Contract") with Queenstake Resources USA, Ltd. a wholly-owned subsidiary of Yukon Nevada Gold Corp. to pay $5,000,800 in advance to purchase 4,465 ounces of gold with a settlement date of June 30, 2011. As at June 30, 2011, the 4,465 ounces from the Gold Forward Contract were received and the Company realized a gain of $1,602,306 on settlement, of the 4,465 ounces received, 3,465 were sold for proceeds of $5,365,575. As at July 13, 2011, the remaining 1,000 ounces of gold bullion were sold with a realized gain of $66,508.For the three months ended March 31, 2011, the change of fair value of gold forward contract resulted in an unrealized gain of $1,473,204. On January 12, 2012, Monument paid $5,000,000 in advance to Queenstake Resources USA, Ltd. to purchase 3,665 troy ounces of gold with the right to receive an amount of $6,000,000 by the delivery date or alternatively receive the 3,665 ounces of gold delivered at a settlement date of June 12, 2012. For the three months ended March 31, 2012, the change of fair value of gold forward contract resulted in an unrealized gain of $1,096,832.

(in United States dollars, except where noted)

1.5 Summary of Quarterly Results

The following is selected quarterly financial information about the Company, for its most recent eight quarters:

From Continued Operations	Jun. 30,[2] 2010	Sep. 30, 2010	Dec. 31, 2010	Mar. 31, 2011	Jun. 30, 2011	Sep. 30, 2011	Dec. 31, 2011	Mar.31, 2012
	$	$	$	$	$	$	$	$
Net income (loss) before other items	(521,228)	4,508,245	10,115,273	10,296,084	10,537,186	9,925,103	14,779,551	8,430,279
EPS:								
- Basic	(0.00)	0.03	0.06	0.06	0.06	0.06	0.08	0.04
- Diluted	(0.00)	0.03	0.05	0.05	0.06	0.05	0.08	0.04
Net income (loss) after other items and tax as previously reported	(638,475)	1,118,263	4,594,352	18,621,090	12,694,590	12,038,413	27,138,043	n/a
Net income (loss) after other items and tax as amended[1]	(638,475)	901,859	3,192,992	17,916,723	10,380,198	11,176,073	26,708,718	8,116,449
EPS as previously reported:								
- Basic	(0.00)	0.01	0.03	0.11	0.08	0.07	0.15	n/a
- Diluted	(0.00)	0.01	0.02	0.09	0.08	0.06	0.14	n/a
EPS as amended[1]:								
- Basic	(0.00)	0.01	0.02	0.10	0.06	0.06	0.15	0.04
- Diluted	(0.00)	0.01	0.02	0.09	0.06	0.06	0.14	0.04

1. During the March 31, 2012 interim period, management determined that an amendment to the IFRS transition adjustments was necessary in order to record the fair value of the derivative financial liability related to the gold price component of the Inducement as described in Notes 13 and 24 to the unaudited condensed interim consolidated financial statements. The change to the IFRS transition adjustments resulted in amendments to previously provided interim amounts as reported in the foregoing table.
2. 2010 quarterly information has not been restated to conform to IFRS and is presented with Canadian GAAP.

The operations produced positive income in fiscal 2011 since commercial production began in September 2010.

1.6 Liquidity and Financial Condition

The Company's principal cash requirements are working capital used for business development, general administration, property maintenance and development, construction of the gold treatment plant expansion, production operations at Selinsing and exploration at Selinsing, Buffalo Reef, Famehub, Mersing, and Mengapur.

The Company's cash and cash equivalent, including the restricted cash balance as at March 31, 2012 was $5,262,026 decreased by $28,199,772 from $33,461,798 as at March 31, 2011. For three and nine months ended March 31, 2012, cash in the amount of $12,355,100and $35,905,250was generated from operations (2011- $11,361,219 and $25,437,624); $4,934,419 of cash was used and $775,358of cash was provided from financing activities (2011– $3,563,125 being used and $8,026,210 being generated); and $66,417,036and $80,236,738 of cash was spent on investing activities for funds held in escrow, development costs, acquisition of property, plant and equipment acquisitions and construction (2011–$2,049,686 and $3,945,217, net of recoveries on gold sales before the commencement of commercial production).

For the three months ended March 31, 2012, changes in non-cash working capital items amounted to a cash inflow of $3,016,948 compared to the outflow of $728,181 in the same period of fiscal 2011. The cash inflow for the current period consisted of accounts receivable of $4,877,247; offset by cash outflow on prepaid expenses and deposits of $174,839, inventory $1,316,509, payable and accrued liabilities of $368,951. The outflow for the same period ended March 31, 2011 was due to cash outflow on accounts receivable of $685,491, inventory of $734,205; offset by cash inflow in prepaid expenses and deposits of $38,884, accounts payable and accrued liabilities of $652,631. The increase in non-cash working capital items was primarily due to the decrease of accounts receivable from gold sales, reflecting the high liquidity of gold sales from the Selinsing Gold Project.

For the nine months ended March 31, 2012, changes in non-cash working capital items amounted to a cash outflow of $1,162,056 compared to the outflow of $2,480,588 in the same period of fiscal 2011. The cash outflow for the current period consisted of prepaid expenses and deposits of $182,443, inventory $2,889,905; offset by cash inflow on accounts receivable of $1,667,876, payable and accrued liabilities of $242,416. The outflow for the same period ended March 31, 2011 was due to increase in accounts receivable of $1,460,062, prepaid expenses and deposits of $355,041, inventory of $3,387,856; offset by increase of $2,722,371in accounts payable and accrued liabilities. The increase in non-cash working capital items was primarily due to the decrease of accounts receivable from gold sales, reflecting the high liquidity of gold sales at Selinsing Gold Project.

For the three months ended March 31, 2012, the Company used $4,934,419(2011- $3,563,125) from financing activities. The cash was used for gold forward purchase of $5,000,000 (2011 - $5,043,491). Cash was generated from proceeds received from stock option and share purchase warrants exercised of $68,129(2011 - $963,509). During the three months ended March 31, 2012, capital lease payments were made in the amount of $2,548(2011 - $2,600).

For the nine months ended March 31, 2012, the Company generated $775,358 (2011- $8,026,210) from financing activities. The cash was generated from proceeds received from stock option and share purchase warrants exercised of $4,215,590(2011 - $1,555,900), proceeds of $1,571,998 on sale of gold received from a forward sale contract (2011 - $Nil), and proceeds from convertible notes $Nil (2011 - $7,901,600) and gold forward sales $Nil (2011 - $4,938,500). The cash was used for a gold forward purchase of $5,000,000 (2011 - $5,043,491). Finance costs in the amount of $1,319,446 were paid during three months ended March 31, 2011 and the capital lease payments were in the amount of $12,230(2011 - $6,853).

Construction and other capital expenditure comprised $55,417,036 and $69,236,738for the three and nine months ended March 31, 2012, which included $3,566,545and $7,067,593of costs and deposits for construction on the Phase III plant expansion and other equipment purchase and $476,582 and $1,639,870 for tailing storage facility expansion, and $5,000,000 and $5,000,000 for the acquisition of fixed assets for Mengapur project. Mineral properties development and acquisition costs, including the Deferred business development costs, for the acquisition activities of Mersing project, Star Destiny, and Mengapur project, of $46,373,909and $55,529,275were incurred and capitalized during the three and nine months ended March 31, 2012 (the three and nine months ended March 31, 2011 - $594,368 and $5,642,112, which was offset by net profits from gold sales of $3,604,767 charged to mineral properties during July and August, 2010 for a net of $2,037,345).As at March 31, 2012,the Company had a positive working capital, after excluding derivative liabilities, of $26,653,398compared to $51,851,061 as at March 31, 2011, the decrease of $25,197,663 was mainly the result of cash spent on the acquisition of the Mengapur project, the Mersing project, Star Destiny, and the gold forward purchase; offset by the commencement of gold sales and cash from warrants exercise. Accounts payable increased to $6,710,454at March 31, 2012 from $3,458,561 at March 31, 2011 primarily attributed to Phase III construction, gold production activities, and the accounts payable from MMSB business activities starting in April 2011.

During the three and nine months ended March 31, 2012, shareholders' equity increased by $8,295,228 and $51,525,436 primarily due to net income generated from operations of $8,116,449 and $46,001,240, shares issued for the Mersing project acquisition at a value of $Nil and $843,292, shares issued for the exercise of stock options and warrants for proceeds of $68,129 and $4,234,667, an increase of $110,650 and $446,237 in contributed surplus due to stock-based compensation, net of forfeitures. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital assets upgrades, etc.

1.7 Capital Resources

The Company's capital resources as at March 31, 2012 included cash and cash equivalents. The Company's primary sources of funding are though equity financing through the issuance of stock, debt financing and cash flow generated from the sale of gold. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital asset upgrades and working capital.

The Company's ability to continue its mine development activities, exploration activities and production activities, and to continue as a going concern, will depend on its ability to obtain suitable financing and to generate cash flow from gold production. The Company has generated positive cash flows from operations since commencement of commercial production. Management believes it is able to obtain adequate working capital to continue the on-going operations through its Selinsing mine operation and other financing vehicles. However, the positive cash flow generated from the plant cannot be seen as an indication of future profitability. The profitability of the Company is affected by various factors, including the amount of gold produced and sold, the market price of gold, operating costs, interest rates, environmental costs, labour risk and political risk. The Company seeks to manage risks associated with its business; however, many of the factors affecting these risks are beyond the Company's control.

Financing may be required from time to time to meet its business development program. Whether the Company is able to generate adequate cash to meet its capital requirements is affected by a number of external economic factors beyond the Company's control.

During the first quarter of fiscal 2012, pursuant to the terms of the Earn-In Agreement, Monument has initiated a two-year earn-in period of the Mersing Gold Project by paying $500,000 cash and issuing 1,500,000 fully paid Monument shares to the vendors in exchange for 70% of the shares in EK in turn earning a 49%interest in the Mersing Gold Project. During the first two-year earn-in period, the Company is obligated to complete $2,000,000 in exploration on the Mersing Gold Project to retain its interest in the Project.

The CAD$70,000,000 private placement, approved at the 2011 Shareholders Meeting held on December 30, 2011 in order to fund future exploration and development expenditures on the Mengapur Project and for general working capital, is pending TSX-V Exchange's acceptance. As described in Monument's news release of February 2, 2012, Monument, with the assistance and advice of its financial advisor, Procter Advisers Ltd. SA, has successfully negotiated more favorable terms for the private placement. Subject to the acceptance of the TSX Venture Exchange, the private placement will now be comprised of up to 140,000,000 units at a price of CAD$0.50 per unit for gross proceeds of up to CAD$70 million. Each unit will consist of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share of the Company at a price of CAD$0.70 per share for a period of three years. Under the terms of the private placement, all shares issued under the placement and shares issued on exercise of the warrants will be subject to a hold period of three years from the closing of the placement. Subject to the acceptance of the TSX -V, the Company expects to pay Procter Advisers Ltd. SA advisory fees in cash and securities in connection with the closing of the private placement.

On January 12, 2012, the Company entered into an "Agreement for Sale of Gold" with Queenstake Resources USA, Ltd. a wholly-owned subsidiary of Yukon Nevada Gold Corp. and paid $5,000,000 in advance to purchase 3,665 troy ounces of gold with the right to receive either an amount of $6,000,000 or alternatively to receive 3,665 ounces of gold delivered at a settlement date of June 12, 2012.

Commitment and Contingencies

At March 31, 2012 the Company had purchase commitments in amount of $15.1 million. Included in purchase commitments are consumables, spare parts for production, exploration, the Phase III plant construction, equipment purchase, and property fees.

Upon closing of the Mengapur acquisition, the Company withholds $11 million out of $60 million total cash consideration according to the Supplementary Definitive Agreement as the Escrow Fund in order to settle any potential claims from the Vendor's creditors against Mengapur Project and the Company.

1.8 Off Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Refer to note 19 of the condensed consolidated financial statements as at March 31, 2012.

1.10 Proposed Transactions

None.

1.11 Critical Accounting Estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions that affect the amounts reported. Significant estimates and areas where judgment is applied include fair values used to establish: mineral reserve quantities, the valuation of deferred consideration assets, property plant and equipment lives, tax provisions, deferred tax balances and timing of their reversals, share purchase warrant liabilities and equity instruments. Actual results could differ from the Company's estimates.

1.12 International Financial Reporting Standards

Effective January 1, 2011, International Financial Reporting Standards ("IFRS") became Canadian GAAP for publicly accountable enterprises. As a result, the Company's interim condensed consolidated financial statements for the fiscal year of 2012 are reported in accordance with IAS 34 'Interim Financial Reporting', with comparative information for 2011 restated.

The Company developed and executed a transition plan in order to begin reporting in accordance with IFRS from July 1, 2011. The transition plan included an assessment phase, a design phase, and an implementation phase. The Company's first annual consolidated financial statements under IFRS will be presented for the year ended June 30, 2012. The accounting policies adopted in the interim financial statements are consistent with the accounting policies the Company expects to adopt in its IFRS consolidated financial statements for the year ended June 30, 2012, and are based on IFRS as issued by the International Accounting Standards Board ("IASB") that the Company expects to be applicable at that time.

Throughout 2012, the Company will continue to execute the final phase of the transition plan. Activities include the change to the financial reporting internal controls, execution of new business processes, monitoring accounting and regulatory developments and evaluating impacts on financial reporting thereof.

IFRS accounting policies

The Company's significant accounting policies under IFRS are disclosed in the interim consolidated financial statements for the quarter ended September 30, 2011, and resulting accounting changes are highlighted in the reconciliations from previous Canadian GAAP reporting.

Subject to certain transition elections disclosed below, the Company has consistently applied the same accounting policies in its opening IFRS consolidated balance sheet as at July 1, 2010 (the 'transition date') and throughout all periods presented, as if these policies had always been in effect. Note 24 of the interim consolidated financial statements discloses the impact of the transition to IFRS in the Company's reported consolidated balance sheet, net income and comprehensive income and consolidated cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's audited consolidated financial statements for the year ended June 30, 2011.

First-time adoption exemptions applied

The exemptions which the Company has elected to apply and are considered significant to the Company are the following:

Business combinations - the Company has applied the business combination exemption in IFRS 1 and has not restated business combinations and the accounting thereof that took place prior to the July 1, 2010, the transition date. This exemption applies to the acquisition of Able Return Sdn. Bhd. and Damar Consolidated Exploration Sdn. Bhd. in June 2007.

Share-based payments - the Company has elected to apply the share-based payment exemption. It has applied IFRS 2 from July 1, 2010 onwards to those options that were issued after November 7, 2002 but that had not vested by July 1, 2010.

Reconciliations from Canadian GAAP to IFRS

Note 24 of the Company's interim consolidated financial statements for the third quarter of 2012 include reconciliations from previous Canadian GAAP reporting to IFRS for the Statement of Financial Position as at March 31, 2011 and June 30, 2011 and the statements of operations for the three and nine months ended March 31, 2011.

The re-measurement of decommissioning and rehabilitation provision, share purchase warrants, and gold inducement arethe main differences upon transition to IFRS.

Under IFRS, the asset retirement obligation liability has been re-measured using the discount rate in effect at transition date and an adjustment has been recorded to the corresponding asset. Under Canadian GAAP, the provision for environmental rehabilitation is not adjusted for a change in the discount rate. The difference resulted in an increase in the asset retirement obligation liability in the amount of $1,120,117 as at July 1, 2010. The change in the discount rate and the timing of cash flows caused the re-measurement of the asset retirement obligation liability after the transition date.

Under IFRS, the share purchase warrants with an exercise price denominated in other than the Company's functional currency, meet the definition of a financial derivative instruments, which a re-measured at Fair Value through Profit or Loss. The fair values of the share purchase warrants was determined using the Black-Scholes option pricing model at grant date and the end of each reporting period. Under Canadian GAAP, the share purchase warrants are measured at fair value at initial recognition using the Black-Scholes option pricing model, and recorded in equity reserve with no subsequent re-measurement. The increase in fair value of share purchase warrants is caused mainly by an increase in Company's share price, the low exercise price, high Company share price volatility, stronger Canadian dollars relative to the United States dollars, and the long expected life Under IFRS, the re-measurement of fair value of share purchase warrants has resulted into a gain of $709,585 for the year ended June 30, 2011. The Company has recorded a gain of $6,474,756 and a loss of $1,435,744 for the three and nine months ended March 31, 2011 mainly driven by a decrease in the Company's share price for a gain and an increase in the Company's share price for a loss.

Under Canadian GAAP, the gold inducement issued in conjunction with convertible notes (the Inducement) (Note 13) was determined to be a derivative financial instrument comprised of a foreign exchange component only. Under IFRS, the component of the Inducement enabling the noteholders to sell a acquire from the Company a fixed amount of gold ounces at a fixed price in US dollars at their discretion was also determined to be a derivative financial instrument since it is a written option contract for a non-financial items that is readily convertible to cash. Consequently, under IFRS, the Inducement is accounted for as a derivative financial instrument comprised of two components whereas under Canadian GAAP, the Inducement consisted of only the foreign exchange component for accounting purposes.

The transition to IFRS resulted in an increase in gold inducement derivative liabilities of $4,636,523 at June 30, 2011 with the changes in the fair value of this derivative liability reported in the statement of income and comprehensive income resulting in gain of $964,150 for the three months and loss of $327,515 for the nine months ended March 31, 2012.

1.13 Financial Instruments – Risk Exposure and Other instruments

The Company's financial instruments are classified as financial assets - loans and receivables (cash and cash equivalents, restricted cash, accounts receivable), financial liabilities – other financial liabilities(accounts payable, accrued liabilities) and the financial liabilities at fair value through profit or loss (forward purchase contracts, foreign currency share purchase warrants, convertible note inducement option).

The Company's financial instruments are exposed to certain financial risks, including 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.

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.

The convertible notes, gold forward inducement and foreign currency share purchase warrants contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged any of its currency risks. The derivative components associated to foreign currency fluctuation are fair valued at each period and gains or losses are recorded to its income (refer to note 13 and 14 of the interim condensed financial statements for the nine months ended March 31, 2012).

Based on the net exposures of the financial instruments as at March 31, 2012 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 $258,000 in the Company's net income, depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately $373,000 in the net income.

Commodity price risk

The Company values the gold inducement derivative liabilities at fair value, which is based on the gold forward market price being discounted at the reporting date during the vesting period and at gold market spot price at the reporting date after the gold price inducement option has been vested. The Company values the gold forward purchase agreement at the gold forward purchase price for undelivered gold ounces. Based on the above net exposures as at March 31, 2012 and assuming that all other variables remain constant, a 5% increase/decrease in the gold market price would result in unrealized fair value loss/income of approximately$408,000 (June 30, 2011 - $606,000, July 1, 2010 - Nil) in the Company's net income.

Other 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 values the warrant derivate liabilities at fair value using the Black-Scholes option pricing model and record gains and losses to other income. Based on the net exposures as at March 31, 2012 and assuming that all other variables remain constant, a 5% increase/decrease in share market price would result in unrealized fair value loss/income of approximately $1,253,000(June 30, 2011 - $193,000) 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 because of changes in market interest rates. The Company is subject to interest rate risk with respect to its cash equivalents and convertible notes.

The Company's cash equivalents are insignificant and are therefore not exposed to significant interest rate risk.

Credit risk

(in United States dollars, except where noted)

Credit risk is the risk of a loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

The Company's credit risk is attributable to its liquid financial assets. The Company established an investment policy to avoid any investments other than government t-bills, term deposits guaranteed by major Canadian financial institutions, or term deposits at major Malaysian banks which are guaranteed by the Malaysian government.

The Company's credit risk on the trade accounts 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: as at March 31, 2012 the amount of approximately $11,641,000is held with a single Malaysian financial institution; the amount of approximately $4,621,000is held 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 Company's convertible notes are due to be settled in August 2015.

1.15 Outstanding Share Data

The following details the share capital structure as at May 29, 2012, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Exercise Price,	Number of common shares	Expiry date
Common shares		184,373,697	
Common shares stock options			
	CAD 0.50	2,900,000	Jul 05, 2012
	CAD 0.30	500,000	Jul 29, 2012
	CAD 0.30	1,600,000	Jun 08, 2013
	CAD 0.40	13,160,000	Aug 15, 2013
	CAD 0.25	1,087,334	Dec 05, 2013
	CAD 0.40	230,000	Dec 05, 2013
	CAD 0.50	400,000	Dec 05, 2013
	CAD 0.25	300,000	Feb 09, 2014
	CAD 0.30	500,000	Jun 10, 2015
	CAD 0.42	3,000,000	Sep 29, 2015
	CAD 0.60	600,000	Nov 30, 2015
	CAD 0.68	20,000	Jan 27, 2016
	CAD 0.62	150,000	Jul 28, 2016
	CAD 0.61	150,000	Aug 29, 2016
	CAD 0.42	1,070,000	Jan 11, 2017
	CAD 0.45	180,000	Mar 7, 2017
Total		25,847,334	
Share purchase warrants			
	CAD 0.50	67,325,000	Jul 21, 2012
	CAD 0.50	5,000,000	Aug 11, 2015
Total		72,325,000	

On January 24, 2012, the Company announced that it has granted incentive share purchase options to new directors elected at the Annual General and Special Meeting held on December 30, 2011. A total of 1,000,000 stock purchase options have been granted under the existing Fixed Stock Option Plan to newly elected directors exercisable at CAD$0.42 per share for a period of five (5) years vesting as to 50% every 12 months from the grant date. A total of 28,941,000 common shares are reserved under the Fixed Plan. During the three months ended March 31, 2012, a total of 70,000 and 180,000 stock purchase options have been granted under the existing Fixed Stock Option Plan to employees exercisable at CAD$0.42 and CAD$0.45 per share respectively for a period of five (5) years vesting as to 50% every 12 months from the grant date. Subsequent to March 31, 2012, 100,000 stock options were exercised at CAD$0.25 per share.

A new 10% Rolling Stock Option Plan (the "New Plan") was approved at the 2011 Annual General and Special Meeting to replace the existing Fixed Stock Option Plan. Upon implementation of the New Plan, all existing stock options will forthwith be governed by the New Plan; however any vesting schedule imposed by the Fixed Plan in respect the Existing Options will remain in full force and effect. The New Plan will not be made effective unless and until there is a sufficient number of shares of the Company issued and outstanding such that the number of outstanding options will not exceed 10% of the number of issued and outstanding shares.

1.14 Risks and Uncertainties

Monument Mining Limited is an exploration, development and gold production company which looks for gold resources. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into production. Major expenses may be required after initial acquisition investment to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in the discovery of mineral resources or a profitable commercial mining operation, and, on an industry statistical basis, it is unlikely that an economic operation will be developed.

Whether a mineral deposit, if ever discovered, will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure together impact on mine ability and recoverability, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company has commenced gold production at its Selinsing gold mine and is currently generating a positive cash flow. The profitability of the production is depending on various factors, however, and may not be controllable by the Company.

Some major risks associated with the business are, but are not limited to, the following:

Title to mineral property interests

Although the Company has taken steps to verify the title to its mineral property interests, 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 unregistered prior agreements or transfers and title may be affected by undetected defect. To the best of the Company's knowledge, title to its properties is in good standing.

Realization of assets

Mineral property interests 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, obtaining of permits, satisfaction of governmental requirements and possible aboriginal claims, attainment of successful production from the properties or from the proceeds of their disposal.

Reserves and resource estimates

There is a degree of uncertainty attributable to the calculation of reserves and resources and the corresponding grades. Reserve and resource estimates are dependent partially on statistical information drawn from drilling, sampling and other data. Reserve and resource figures set forth by the Company are estimates, and there is no certainty that the mineral deposits would yield the production of metals indicated by reserve and resource estimates. Declines in the market price for metals may adversely affect the economics of a deposit and may require the Company to reduce its estimates.

Profitability from Production

The profitability of mining companies depends, in part, on the actual costs of developing and operating mines, which may differ significantly from estimates determined at the time a relevant mining project was approved or ongoing projection. The development of mining projects may also be subject to unexpected problems and delays that could increase the cost of development and the ultimate operating cost of the relevant project. Monument's decision to acquire, develop a mineral property and operate production is based on estimates made as to the expected or anticipated project economic returns. These estimates are based on assumptions regarding:

- future gold prices;
- anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold extracted from the ore;
- anticipated material and spares cost associated to production, and
- anticipated capital expenditure and cash operating costs.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such estimates.

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. 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 properties.

Additional funding for building project pipelines

The Company continues seeking new acquisition targets so as to increase its resource base. Additional capital may be required from time to time to fund such acquisitions and development in order to fulfill its business strategy. The additional capital may come from public market, debt financing and cash flow generated from current production, which are largely influenced by integrated world and regional economies which are out of the Company’s control. The management has successfully mitigated those risks in the past through exercise of due care, experiences and knowledge; however, those factors do not guarantee such risks will be successfully mitigated into the future.

Foreign Operations

The Company's properties are located in Malaysia, South-East Asia. Malaysia had a history of tin mines and currently has some gold mine operations at the central gold belt in Pahang State. In 2010, the increase in revenue from gold mine operations has brought mining to the government’s attention. The Company has received strong support from the local, state and federal governments.

The Company's mineral exploration and mining activities may be affected in varying degrees by certain risks associated with foreign ownership including inflation, political instability, political conditions and government regulations. Any changes in regulations or shifts in political conditions are beyond the Company's control and may adversely affect the Company's business. Operations may be affected by government regulations with respect to restrictions on foreign exchange and repatriation, price controls, export controls, restriction of earnings distribution, taxation laws, expropriation of property, environmental legislation, water use, mine safety and renegotiation or nullification of existing concessions, licenses, permits, and contracts.

The regulations the Company shall comply with include, but are not limited to, the Mineral Enactment Act 2001,Mineral Development Act 2004, Environmental Quality Regulations 1978, The Planning Guideline for Environmental Noise Limit and Controls, Factories and Machinery Act 1967 and Occupational Safety and Health Act 1994.

Failure to strictly comply with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or closure of operations. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

1.17 Disclosure Controls and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) on a timely basis so that appropriate decisions can be made regarding public disclosure.

An evaluation of the effectiveness of the design and operation of disclosure controls and procedures was conducted as of June 30, 2011, by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company's management, including the CEO and CFO, or persons performing similar functions.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. Management is responsible for establishing and maintaining adequate internal controls over financial reporting for the Company.

The Company's management, including the CEO and CFO, has evaluated the effectiveness of the internal controls over financial reporting. Based on this evaluation, management has concluded that internal controls over financial reporting were designed effectively as of March 31, 2012.

As a result of this review, it was determined that there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting except the following weakness.

Inventory control:

The Company's Inventory system is operated manually, therefore, it is exposed to risk of human errors and is not considered efficient. Inventory software was purchased but the development has not been completed. The Company has engaged a consulting firm to design an inventory system during the three months ended December 31, 2011. The work is in progress.

Gold Security:

In March 2012, the Company has broken up a gold stealing syndicate at the Selinsing Gold Mine in Malaysia. The Company has called in the Malaysian Police for an immediate investigation and engaged Gold Security Group ("GSG") from Perth, Australia to assist local policy investigation, conduct security audit in identifying weakness of control over security and assist to design a standard gold security procedure in order to strengthen security measures at the gold mine. In the opinion of the Company, this incident will not impact the production performance for the year ended June 30, 2012.

While the Company's CEO and CFO believe that the Company's internal controls over financial reporting provide a reasonable level of assurance that they are effective, they do not believe that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Caution on Forward Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion and Analysis, but not limited to, any information as to the future financial or operating performance of Monument, constitute ''forward-looking information'' or ''forward-looking statements'' within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and are based on expectations, estimates and projections as of the date of this Management's Discussion and Analysis. Forward-looking statements include, without limitation, possible events, statements with respect to possible events, estimates of construction, commissioning and production of the gold treatment plant at Selinsing Gold Mine Project; exploration results and budgets, mineral reserve and resource estimates; capital expenditures; strategic plans; proposed financing transactions, the timing and amount of estimated future production, costs of production, success of exploration, development and mining activities, permitting timelines, estimates of fair value of financial instruments, currency fluctuations, requirements for additional capital, government regulation and permitting of mining operations and development projects, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words ''plans'', ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''guidance'', ''targets'', ''models'', ''intends'', ''anticipates'', or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', ''should'', ''might'', or ''will be taken'', ''occur'' or ''be achieved'' and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Monument as of the date of such statements, are inherently subject to significant business, political, economic and competitive uncertainties and contingencies. The estimates and assumptions of Monument contained or incorporated by reference in this Management's Discussion and Analysis, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Malaysia (including, without limitation, land acquisitions for and permitting and construction of new tailings facilities) being consistent with our current expectations; (3) development of the Phase III plant expansion on a basis consistent *with Monument’ current expectations; (4) the viability, permitting and exploration of Mengapur project being consistent with Monument’ current expectations; (5) political developments in Malaysian jurisdiction in which the Company operates being consistent with its current expectations;(6) the exchange rate between the Canadian dollar, Malaysian ringgit, Australian dollar and the U.S. dollar being approximately consistent with current levels; (7) certain price assumptions for gold;(8) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels;(9) production and cost of sales forecasts for Selinsing operations meeting expectations; (10) the accuracy of current mineral reserve and mineral resource estimates for the Company and any entity in which it now or hereafter directly or indirectly holds an interest; (11) labour and materials costs increasing on a basis consistent with Monument’ current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates that could impact the mark-to-market value of outstanding derivative instruments; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Malaysia or other countries in which the Company conducts business or may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; the Company’s ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect, and could cause, Monument’ actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Monument. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management’s expectations and plans relating to the future. All of the forward-looking statements made in this Management’s Discussion and Analysis are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ‘‘Risk Factors’’ section. These factors are not intended to represent a complete list of the factors that could affect Monument. Monument disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.*

Other information

Where we say ‘‘we’’, ‘‘us’’, ‘‘our’’, the ‘‘Company’’, or ‘‘Monument’’ in this Management’s Discussion and Analysis, we mean Monument Mining Limited and/or one or more or all of its subsidiaries, as may be applicable. The technical information about the Company’s material mineral properties contained in this Management’s Discussion and Analysis has been prepared under the supervision of Snowden Mining Industry Consultants company who is a ‘‘qualified person’’ within the meaning of National Instrument 43-101.