1.1 Date

The following management discussion and analysis of Monument Mining Limited ("Monument" or the "Company") as of September 27, 2011 should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended June 30, 2011, which have been prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP) except:

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 GAAP, certain investors use this information to evaluate the Company's performance. Accordingly, cash cost per ounce sold is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared using GAAP. 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 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 web page at www.monumentmining.com and at www.sedar.com.

1.2 Overview

Monument, a company listed on TSX-V ("MMY"), FSE ("D7Q1"), is a resource company engaged in acquisition, exploration and development of gold mineral properties as well as gold production including extraction and processing ores. Its primary business objective is to advance its projects from exploration and development to production, and to increase its gold mineral assets through acquisition of prospective exploration land or gold projects at advanced development stage. The Company's Head Office is located in Vancouver, BC, Canada. It operates through its wholly owned 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. All properties hold gold resources with opportunity for extension and lie in the same district as the operating Penjom Mine and Raub Gold Mine with each hosting more than one million ounces of gold resources.

Gold Production Summary

Fiscal 2011 started with the commercial production announcement in September 2010 for its Selinsing gold mine following on successful commissioning of the newly built 400,000 tpa ("tonnes per annum") gold treatment plant. The plant in its first commercial production year processed 352,000 tonnes of open pit ores with an average gold recovery of 92.9%; a total 44,438 ounces of gold were produced at an average cash cost of $242 per ounce, an increase of 11% compared to its budgeted 40,000 ounce of gold production at cost of $317 per ounce; of total production 40,438 ounce of gold were sold at an average price of $1,400 per ounce.

At the middle of fiscal 2011, the Company has proceeded with the Phase III expansion plan for its Selinsing gold treatment plant, under which the plant capacity will be upgraded from 400,000 tpa to 1,000,000 tpa. The expansion includes an additional milling, gravity and

(in United States dollars, except where noted)

Carbon In Leach ("CIL") circuit, requiring approximately $8.1 million in capital with a projected payback period of approximately two months. In conjunction with the plant expansion the Company started a stage II tailing storage facility expansion in the fourth quarter accommodating 10 years discharge from the 1 million tonnes per annum gold treatment plant.

Acquisition and Exploration Summary

In early of fiscal 2011, in conjunction with completion of $13 million (CAD 13 million) financing, the Company resumed acquisition and exploration programs. It closed the previously announced Famehub Acquisition of 32,000 acres of prospective exploration lands (the "Famehub Properties") adjacent to the Selinsing gold mine with a corresponding data package; and strategically progressed to its twelve month exploration program in Pahang State, Malaysia, consisting of 116 drill holes totaling 18,390 meters over the Selinsing, Damar Buffalo Reef and Famehub properties.

During the year, the Company completed start-up work including re-organization of the drill team and upgrade and acquisition of drill rigs. At the Buffalo Reef, a NI 43-101 technical report was completed by Snowden Pty Ltd Australia indicating a 20% increase in the gold deposit compared to the JORC compliance historical estimates. At the Selinsing gold project, the Company completed 3,012 metres drilling for a total 15 drill holes. The results were announced subsequent to the year ended June 30, 2011 indicating that the mineralization is continuing at a further 220 metres below the current open pit. At Famehub, a total of 402 trench samples, 794 soils samples, 297 stream sample and 10 rock chips were collected located between 8-15 km north east of Selinsing and Buffalo Reef deposit.

In May 2011, the Company signed a Memorandum of Understanding (the "MOU") to acquire a 70% interest in the Mengapur Polymetalic Project in Malaysia located approximately 130 kilometers from Monument's wholly owned Selinsing gold mine. The historical estimates of copper, gold and silver equivalent were published as a "Definitive Feasibility Study" (the "Study") in October 1990 by Normet Engineering Pty Ltd with James Askew Associates based on a 58,000 meter diamond drilling program costing approximately $40 million. A three-month due diligence commenced on August 23, 2011 subsequent to the year ended June 30, 2011.

Annual Highlights

1. Key gold production statistics

Selinsing Gold Mine	Fiscal 2010	Q 1	Q2	Q3	Q4	Fiscal 2011
Operating results	30-Jun-10	30-Sep-10	31-Dec-10	31-Mar-11	30-Jun-11	30-Jun-11
Ore mined (tonnes)	662,330	203,150	159,681	140,736	237,342	740,909
Ore processed (tonnes)	272,120	89,834	87,845	87,780	86,540	351,999
Average ore head grade (g/t Au)	3.08	4.08	4.41	4.18	4.58	4.31
Process recovery rate	58.7%	90.0%	93.7%	93.7%	94.1%	92.9%
Gold production (ounces)	13,793	9,050	11,348	11,904	12,136	44,438
Gold sold (ounces)	13,793	8,650	10,148	10,704	10,936	40,438
Financial results						
Gold sales (US$) (subnote 4)	16,315,792	10,862,943	14,115,442	15,031,105	16,617,861	56,627,351
Per ounce data						
Cash cost per ounce	216	199	262	237	262	242
Average spot gold price (US$/ounce)	1,089	1,227	1,367	1,386	1,506	1,372
Average realized gold price (US$/ounce)	1,183	1,256	1,391	1,404	1,520	1,400

2. In August, 2010, the Company received TSX Venture Exchange acceptance of and closed the private placement of $8 million in convertible notes (the "Notes") and a $5 million forward sale of gold. Subsequently Famehub acquisition was closed adding 32,000 acres of prospective exploration land to Monument's project pipeline to north and east of the Selinsing gold mine.
3. On September 13, 2010, the Company closed Famehub acquisition acquiring 32,000 acres prospective land 2km north of the Selinsing gold mine
4. In September 2010, commercial production at the Selinsing gold mine was announced following successful commissioning of the newly built 400,000 tpa gold treatment plant. An official grand opening for the Selinsing gold mine was held at the mine site. The Chief Minister and his members of cabinet of Pahang State attended the official opening among approximately five hundred participants including local community leaders, suppliers, students and villagers, the Company's directors and officers, and other guests from Europe, Australia and Canada.
5. The Phase III expansion program for the gold treatment plant was announced and will increase the mill capacity to 1,000,000 tpa from 400,000 tpa, targeting to increase annual production from 40,000 ounces to over 80,000 ounces. Expansion of the tailing storage facility commenced in April 2011 to facilitate the increased production capacity and support tailing discharge from the plant for next ten (10) years.
6. During the fiscal year, following the announcement of an exploration budget, a total of 3,012 meters of diamond drilling from 15 drill holes have been completed at the Selinsing property. Drill results were released subsequent to the year end in July 2011 indicating that the high grade shoots extended below the existing pit and is still open at depth.
7. In May 2011, the NI43-101 technical report for Buffalo Reef was filed on SEDAR, which was prepared by independent qualified firm Snowden Pty Ltd Australia. The mineral resources classification schemes are consistent with CIM guidance. The report has updated the mineral resources at Buffalo Reef from JORC to NI43-101 standard and indicates 20% increase in gold deposit compared to historical estimates.
8. In May 2011, the Company signed a MOU to acquire a 70% interest in the Mengapur Polymetalic Project in Malaysia located approximately 130 kilometers from Monument's wholly owned Selinsing gold mine for consideration of $50 million. The acquisition is subject to three-months due diligence, updating resources, signing of a Definitive Sale and Purchase Agreement, financing, board and regulatory approvals and other conditions.

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 29.2 million) was comprised of $3.6 million (CAD CAD 3.5 million) cash, a promissory note of $9.3 million (CAD 9.0 million) fair valued at $8.4 million (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.

Concurrently 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 $1.81 million (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 $1.78 million (CAD 1.72 million).

During the year ended June 30, 2011, 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, according to 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-Venture Exchange's acceptance and an independent technical report from Snowden Consulting Group (Australia) (Sedar filed November 22, 2010).

Acquisition of a 70% of interests in the Mengapur Polymetalic Project

On May 31, 2011, the Company, through its wholly owned subsidiary Monument Mengapur Sdn. Bhd. (formerly "Orifer Asia Sdn. Bhd.") in Malaysia, has 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 the Mengapur Polymetalic Project (the "Mengapur Project" or the "Project") located in Pahang State, Malaysia. The acquisition remains subject to due diligence, updating of historical resource and reserve estimates, signing of a Definitive Sale and Purchase Agreement, financing, board and regulatory approvals and other conditions. Upon completion of the acquisition, Monument would hold a 70% pre-financing interest in the Project.

The Mengapur Project is located in Central Malaysia in the State of Pahang and was first discovered by a drilling program carried out by the Geological Survey of Malaysia. The Mengapur Project is located 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. Historical economic and resource estimates on the Mengapur Project were completed and published as a "Definitive Feasibility Study" (the "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.

The 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 the Malaysian Mining Corporation ("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 Study reported the historic estimates in the following tables at an equivalent Cu grade cut-off (EQV Cu) of 0.34% based on historic price and recovery assumptions, but it did not state whether the historic reserve estimate is inclusive or exclusive of the historic resource estimate:

Mengapur Project Historic estimates as at October 1990:

		Tonnes (Million t)	EQV Cu (%)	S (%)	Cu (%)	Au (g/t)	Ag (g/t)
Sulphide	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	8.67	0.27	0.21	2.59

		Tonnes (Million t)	EQV Cu (%)	S (%)	Cu (%)	Au (g/t)	Ag (g/t)
Oxide	Measured	4.866	0.419	0.00	0.47	0.05	27.82
	Indicated	16.406	0.557	0.00	0.64	0.12	26.45
Sub-total		21.272	0.525	0.00	0.60	0.10	26.76
Sulphide	Measured	63.438	0.661	7.622	0.25	0.18	3.30
	Indicated	130.699	0.579	7.040	0.19	0.13	3.85
Sub-total		203.137	0.605	7.222	0.21	0.15	3.68
TOTAL		224.409	0.597	6.54	0.25	0.46	8.86

Equivalent Cu % is based on the following assumptions:

Recoveries for Cu, Au , Ag, and S of 76.6%, 47%, 48% and 82% respectively and commodity prices in US$/kg of 1.37 Cu, 4,107 Au, 65 Ag and 0.09 S and a combined mining and process cost of US$ 4.45/ tonne.

The Study stated in its resource section: "As this report forms part of a bankable document, the United States Securities and Exchange Commission (SEC) definitions and guidance on ore reserves and resources are used." The Company considers the Study to be relevant as it will be further reviewed and upgraded as part of the due diligence program as noted below; however, it is a historic document completed prior to the introduction of National Instrument 43-101 ("NI 43-101") standards and should not be relied upon. Monument is not treating the historical estimate as current mineral resources or mineral reserves as those terms are defined in NI 43-101. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves under NI 43-101.

The 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 as the resource was found to be open in all directions. 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. Any economic data from the historic feasibility study is included in this MD&A only for background information. This data must be considered out of date and is not intended to suggest any current economic viability.

The consideration for acquiring the Mengapur Project will be comprised of a cash payment of $50,000,000 and the issuance of a share parcel equivalent to a 30% interest in Monument Mengapur Sdn. Bhd. In conjunction with the acquisition, the Company has signed a Mandate with Deutsche Bank Global Mining Finance of London UK ("the Bank") to assist in the funding of the acquisition and subsequent build out of the project and study the possibility of additional stock exchange listings in appropriate jurisdictions. The acquisition of the Mengapur Project will be an arm's length transaction.

In conjunction with the intended acquisition, the Company has approached Snowden Mining Industry Consultants Pty Ltd ("Snowden") to undertake a critical review and update of the Study. Snowden will also produce an updated "Summary Report" within a three months period with updated metal prices and present cost information as a part of the due diligence process. As a part of this updated study, Snowden will review the resource and reserve estimates contained in the Study. The due diligence was commenced at the end of August 2011, subsequent to the year ended June 30, 2011.

Mersing Project

On September 14, 2011, subsequent to the year end, the Company has entered into 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 up to a 100% interest in the Gunung Arong Gold Prospect (the "Mersing Gold Project") through its wholly owned Malaysian subsidiary Damar Consolidated Exploration Sdn. Bhd.

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.

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. The Company has been investigating on this property for over two and a half years including field visits since 2008.

Monument will initiate the first two year earn-in period by paying CAD 500,000 cash and, subject to TSX Venture acceptance, issuing 1,500,000 fully paid Monument shares to the vendors in exchange for 70% of the shares in EK (which holds a 70% interest in the Mersing Gold Project), and accordingly a 49% interest in the Mersing Gold Project. Initiation of the first two-year earn-in period results in an exploration obligation totalling CAD 2,000,000 to be completed 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 CAD 1,500,000 cash payment to the vendors or by issuing 2,500,000 fully paid Monument shares to the vendors in order to acquire the remaining 30% of the issued EK shares bringing its interest in the Mersing Gold Project to 70%. Initiation of the second two-year earn-in period results in a further exploration obligation totalling CAD 2,000,000 to be completed by Monument within two years.

Upon reaching a 70% ownership level in the Mersing Gold Project, the Company has the right over the following 180 day period to buy out the remaining 30% interest achieving 100% ownership in the Mersing Gold Project. The consideration of buy-out will be based on an independent valuation and be paid in cash or by issuing shares of Monument at the option of the vendors. Throughout these arrangements Monument will be the sole operator and manager of the Mersing Gold Project.

On September 26, 2011, the Company initiated the first earn-in-period by issuing 1,500,000 fully paid common shares of the Company and $486,239 (CAD 500,000) in cash to vendors in exchange for 70% shares in EK, in turn, 49% interest in the Mersing Gold 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 04015'00"N latitude, 101047'10"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 indicates 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 tpd gold treatment plant construction and the tailing storage facility development with capacity to store a 16 month tailing discharge from the processing plant. The plant was fully commissioned and achieved commercial production in September 2010. The cost of plant construction and mine development totaled $18 million (CAD 17 million), comprised of $21 million (CAD 20 million) expenditures, offset by $3 million (CAD 3 million) revenue generated from gold sales prior to commercial production. The approximate $3 million (CAD 3 million) overrun resulted primarily from the delay in delivery and replacement of the CIL agitators.

Production

First year commercial operation produced 44,438 ounces of gold, 11% higher than projected mainly due to higher feed grade and recovery of the ore materials compared to the budget. Mining and processing operating results as at June 30, 2011 are provided as follows:

	Year ended, Jun. 30, 2010	Three months, Sep.30, 2010	Three months, Dec. 31, 2010	Three months, Mar. 31, 2011	Three months, Jun. 30, 2011	Year ended, Jun. 30, 2011
Mining						
Ore mined (tonnes)	662,330	203,150	159,681	140,736	237,342	740,909
Waste removed (tonnes)	2,326,502	615,937	649,584	741,109	700,968	2,707,598
Stripping ratio	3.51	3.03	4.07	5.27	2.95	3.65
Ore stockpiled (tonnes)	387,545	499,589	570,719	623,130	773,432	773,432
Process						
Crushed ore (tonnes)	274,786	91,106	88,552	88,325	87,038	355,021
Ore processed (tonnes)	272,120	89,834	87,845	87,780	86,540	351,999
Average mill feed grade (g/t)	3.08	4.08	4.41	4.18	4.58	4.31
Processing recovery rate	58.7%	90.0%	93.7%	93.7%	94.1%	92.9%
Gold produced (oz)	13,793	9,050	11,348	11,904	12,136	44,438
Gold sold (oz)	13,793	8,650	10,148	10,704	10,936	40,438
Revenue (in 000's)	16,316	10,863	14,119	15,031	16,618	56,631
Cash cost (US$/oz) (1) –						
Mining	64	49	52	56	53	53
Processing	90	89	140	107	138	120
Royalties	62	61	68	69	76	69
Operations	-	-	2	5	(5)	-
Total cash cost (US$/oz)	216	199	262	237	262	242

(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 as a royalty to Malaysian government.

Project Development and 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 1,000,000 tpa through installation of an additional crusher, a primary ball mill, three leach tanks, and other improvement to the gold room, detox circuit, tailing pipelines and pumping system. As of June 30, 2011, the Company completed major engineering and metallurgical design work and engaged pre-qualified contractors in supplying critical heavy equipment such as a new ball mill and leach agitators. Total costs incurred to June 30, 2011 were $252,600 and a total of $626,847 was paid in advance to suppliers to initiate the contract work.

The Company also committed $1.3 million to expand tailing storage facility ("TSF"). The construction involves raising the existing dam height 12 metres to give an estimated total tailings storage capacity of 4.6 million tones. Construction is expected to be completed in December 2011. The increased capacity will support 10 years of tailings discharge from the expanded processing capacity resulting from the phase III gold processing plant expansion targeting completion in May 2012. The design of the expanded TSF allows for the walls to be further raised another 16 metres to its final height which will further increase the storage capacity to 11.0 million tonnes.

Exploration

On September 22, 2010, the Company initiated an exploration program including 22 drill holes comprising 1,000m RC drilling and 3,000m diamond drilling budgeted at $0.6 million (CAD 0.6 million). The drill program is aimed to increase the reserves by converting the inferred gold resources below the present Selinsing open pit outline.

As of the end of June 30, 2011 a total of 3,012 metres in 15 drill holes were drilled at Selinsing for total cost in amount of $524,139. 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.

A total of 922 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 subsequent to the year end (refer to www.seder.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 shoots extend below the existing pit and is still open at depth. The on-going programs will continue to assess the gold distribution at depth with the data to be used to construct the new resource estimate. Current results are in line with the data from the Selinsing "Deeps" (Below the current pit limit) 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.

During fiscal 2011, the Company established environmental monitoring and control procedures in compliance with the Environmental Impact Assessment (EIA) plan approved by DOE, and the Mining Scheme adopted by JMG. Sampling results for pH, Arsenic and Cyanide were reported to the authorities on a monthly basis and, as per third party audit conducted in the third quarter, are all in compliance.

Water quality samples were taken weekly at the plant's detoxification ponds, ore and waste dump, and site drainage runoff sedimentation ponds, in addition to mining pit dewatering to identify areas for water quality control. Mitigation practices included clay capping dumps, excavation of sedimentation ponds and runoff diversion ditches some lined with limestone for low pH neutralization and water flow energy dissipation. Contracts were assigned to DOE registered contractors for removal and disposal of scheduled and hazardous wastes at prescribed locations.

A DOSH approved Medical Doctor was retained for pre-employment and routine examination, while silica pulmonary, and mercury, lead and arsenic blood tests were initiated. Documentation for cyanide handling and storage, emergency drills, spills and clean up, as well as waste disposal and community awareness were submitted to DOSH. Early in the year a hazardous chemicals exposure risk assessment was completed identifying and implementing control measures such as improved ventilation, dust suppression and better personal protective equipment and awareness. A comprehensive medical benefit plan was granted to employees and training was provided by insurance brokers to all staff.

Community Relations

The Company committed to be a good citizen and responsible gold producer to the country and the local community. During the first year of commercial production, royalties of $2,581,322 were submitted to the government. The Company provided the locals with more than 150 hundred job opportunities, and the majority of processing consumables, spare parts were supplied locally.

During the year, the Company made donations to support local communities in amount of $39,765 including uniform to 58 RELA members of Mukim Ulu Jelai, Pahang. A handover ceremony was held in the town hall in Sungai Koyan. The uniforms were presented by the Local MP, Dato'. Hj Wan Rosdi Bin Wan Ismail. A donation was also given to Lipis Hospital for organizing the Health Awareness program in Sungai Koyan community. The program involves free basic medical screening to the local community and blood donations by the general public and Selinsing staff.

The Company extended Monument's participation with the Geological Department of Tasmania University in the "Centre of Ore Deposit Studies" ("CODES") Program covering the central gold belt of Peninsular Malaysia for another three years. Data obtained from the study will be donated to Malaysian government. As a result, the Company will have exclusive right to use the geological data for three years. Further, the Company has established an education fund to sponsor pre-qualified young students from local villages to obtain university degree with guaranteed job opportunity at the mine site.

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 kilometres along the gold trend.

The Buffalo Reef deposit had only historical estimated resources upon acquisition in 2007. In quarter three, Snowden Pty Ltd Australia was engaged to update the mineral resources at Buffalo Reef to convert the inferred resources into the measured and indicated category, and to update the JORC Code compliant gold resources to NI 43-101 standards. During the year the NI 43-101 report was completed and filed under SEDAR. The NI43-101 report estimates the resources based on the RC drilling through 2008 to November 2010 totalling 11,880 meters from 165 holes. At a block cut-off grade of 0.5 g/t Au, the currently defined 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. At the same Au block cut-off grade, the currently defined 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 Mineral Resource is summarized in the table 1.1 Buffalo Reef Mineral Resources report, as at May 2011, reported above a 0.5 g/t Au cut-off grade:

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

An historic estimate undertaken in accordance with the JORC code reported the Buffalo Reef property contains a Indicated Resource of 1,944,000 tonnes grading 2.49 gpt Au and an Inferred Resource of 568,000 tonnes grading 1.62 gpt Au in oxide + transitional and sulphide materials, using a 0.5 gpt Au cut-off. A NI-43-101 Summary Report on the Buffalo Reef Project written by Orequest Consultants and filed on SEDAR on June 19, 2007 confirms the merits of the Buffalo Reef Project. Comparing to the historical estimates, the NI43-101 report represents 6.36% increase in gold content for Indicated Resource and 93.58% increase for Inferred Resource. The increase in the Inferred Resource is mostly located across the boundary into the Felda Block 7 where no drilling work has been carried out as yet. The Company has since reached agreement with the owners 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.

At the same time, 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 sulphide 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 to pre-treat material from Buffalo Reef. These test work programs are ongoing and the Company is encouraged with results to date; and oxide ore is expected to be treated with the existing Selinsing processing plant.

Giving 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. Additionally, 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 2011 is prepared by independent qualified persons Jean-Pierre Graindorge, BSc from Snowden Mining Industry Consultants Pty Limited and Frank Wright, P. Eng. Information in this report that relates to in-situ Mineral Resource estimates is reported under the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines. The May 2011 estimate was carried out under the supervision 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.

Exploration

Prior to fiscal 2010, the Company completed two drilling programs in 2008 and 2009 for 11,871 meters of reverse circulation drilling ("RC drilling") with 1,400 meters of diamond drilling pending at the South, Central and Northern Zone of Buffalo Reef. The assay results were announced by the Company through a series of news releases with a positive outlook confirming historic drill results (refer to www.sedar.com). Based on the results from the drill program, the historical resources were updated to NI 43-101 compliant resources in May 2011.

On September 22, 2010, the Company initiated a drill program which 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.

During fiscal 2011, the Company upgraded its existing RC rig into the multipurpose drilling machine which had the capacity to undertake both the reverse circulation and diamond drilling work. Two additional drill rigs were ordered and were delivered subsequent to the end of the year to enhance its exploration capacity. 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 continued into the 2012 fiscal year.

Famehub Properties

The Famehub area is located in the Pahang State of Malaysia approximately 15km northwest of the town of Kuala Lipis 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 to 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 extents of any potential gold mineralization (refer to "Preliminary Assessment of Exploration Tenements, Malaysia, NI 43-101 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 $1.6 million (CAD 1.6 million). The program is aimed to generate targets for future drilling.

During the year, field works carried out at Panau, Serau and Tekai prospects. A total of 402 trench samples, 794 soils samples, 297 stream sample and 10 rock chips were collected from these area which located between 8-15 km north east from Selinsing and Buffalo Reef deposit.

(in United States dollars, except where noted)

1.3 Selected Annual Financial Information

BALANCE SHEET	June 30, 2011	June 30, 2010	June 30, 2009
Current assets	$ 68,116,284	$ 10,599,467	$ 5,388,260
Other assets	52,443,687	52,934,019	48,891,680
Total assets	120,559,971	63,533,486	54,279,940
Current liabilities	4,919,497	3,637,939	1,815,034
Other liabilities	19,610,948	3,137,344	196,822
Shareholders' equity	96,029,526	56,758,203	53,629,732
Total liabilities and shareholders' equity	120,559,971	63,533,486	55,641,588
Working capital	$ 63,196,787	$ 6,961,528	$ 3,573,226

1.4 Results of Operations

	Three months ended June 30,		Year ended June 30,	
	2011	2010	2011	2010
Gold sales	$ 16,617,862	$ -	$ 52,379,851	$ -
Cost of Gold Sold	2,867,144	-	9,134,079	-
	$ 13,750,718	$ -	$ 43,245,772	$ -
Depletion and amortization	(1,133,064)	-	(2,528,611)	-
Income from mining operations	$ 12,617,654	$ -	$ 40,717,161	$ -
Corporate expenses	(2,231,282)	(521,228)	(5,342,812)	(2,635,390)
Income before other items	$ 10,386,372	$ (521,228)	$ 35,374,349	$ (2,635,390)
Other income (loss)	494,578	(117,247)	(4,122,189)	(399,448)
Net income (loss) for the period	$ 10,880,950	$ (638,475)	$ 31,252,160	$ (3,034,838)
Earnings (loss) per share (EPS), basic	$ 0.06	$ (0.00)	$ 0.19	$ (0.02)
Weighted average number of common shares	173,948,235	156,115,028	168,732,680	156,003,110
Fully diluted earnings (loss) per share	$ 0.06	$ (0.00)	$ 0.17	$ (0.02)
Fully diluted number of common shares	192,320,033	156,115,028	182,355,516	156,003,110

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 year ended June 30, 2011, commercial production from the Selinsing Gold Project, generated an income of $35,374,349 net of operating and corporate expenses, or $0.21 per share, which was increased by a change in fair value on a gold forward contract of $1,602,306 and interest income of $104,946 and offset by other losses mainly due to changes in fair value on derivative liabilities of $4,759,797 estimated using Black-Scholes financial mode and indicated foreign exchange forward contract spot rates; and accretion expense of $1,145,509 all of which resulted in a net income of $31,252,160, or $0.19 per share, compared to a net loss of $3,034,838, or ($0.02) per share, reported for the corresponding period in fiscal 2010.

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 revenues from the sale of silver by-products are classified within cost of sales.

For the year ended June 30, 2011, the Company had recognized gold sales of $52,379,851, produced 44,438 ounces of gold and sold 40,438 ounces of gold at an average realized price of $1,400 per ounce. Gold sales for July and August of $4,247,500 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 month of September were $6,615,443 from 5,150 ounces sold.

For the year ended June 30, 2011, cash cost of goods sold included results from September 1, 2010 to June 30, 2011 and amounted to $9,134,079 or $242/oz, comprised primarily of $2,126,370, or $53/oz for mining; $4,845,296, or $120/oz for processing; $2,791,167, or $69/oz for royalties; and $282,392 for operations, offset by silver by-product sales of $268,413, or $0/oz.

Accretion and Depletion

Other operating expenses included depletion and accretion of $1,133,064 and $2,528,611 for the three months and year ended June 30, 2011, respectively. Depletion began in September 2010, in conjunction with the commencement of commercial production.

Other Income

The Company earned $104,946 (2010 - $28,131) interest income generated from the cash and cash equivalents balance for the year ended June 30, 2011. The Company incurred a foreign exchange gain of $40,426 (2010 – $(418,714)) for the year ended June 30, 2011.

On August 11, 2010, the Company closed a $13 million (CAD 13 million) financing consisting of $8 million (CAD 8 million) in convertible notes and $5 million (CAD 5 million) from a forward gold sale. As of June 30, 2011, an $841,397 interest accretion expense on the convertible notes and a $4,759,797 loss as a result of the revaluation of derivative liabilities to fair value were charged to operations. As of June 30, 2011, $304,112 interest accretion expense was charged to operations relating to the forward gold sale.

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. Alternatively Monument may require a cash payment of $6,000,960 instead of delivery in gold. 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. The remaining 1,000 ounces of gold bullion is carried as a temporary investment at cost, which is equal to its net realizable value at June 30, 2011.

Corporate Expenses

For the year ended June 30, 2011, corporate expenses of $5,342,812 (2010 - $2,635,390) comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance, project investigations and stock-based compensation. Excluding stock-based compensation expenses of $1,058,329 (2010 - $1,163,594), the Company incurred corporate expenses of $4,284,483 (2010 - $1,471,796).

For the year ended June 30, 2011, general and administration expenses increased by 178% to $2,681,055 from $965,190 in the same period of the prior year, and include salary expenses of $2,308,435 (2010 - $741,340) and office rent, general office expenses $372,620 (2010 - $223,850).The salaries and administrative expenses increased compared to the same period of the prior year due to increased compensation and bonuses.

For the year ended June 30, 2011, shareholder communications, conference and travel expenses totaled $222,500 increased by $98,509 from $123,991 in the same period of fiscal 2010, reflecting increased activities in investor relations, conferences and travel for corporate development. The Company participated in five trade shows over fiscal 2011 compared to one in the same period of fiscal 2010. The regulatory and filing expense was $57,553 in the year ended June 30, 2011, compared to $28,333 in the same period of fiscal 2010 primarily due to increased TSX Venture Exchange annual fees and other filing fees related to subsidiaries. Legal, accounting and audit expenses were $627,034 in the year ended June 30, 2011 compared to $222,929 in the same period of fiscal 2010, the increase reflects an auditor review for Q1 2011 and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation.

(in United States dollars, except where noted)

For the year ended June 30, 2011, $1,089,969 (2010 - $1,404,986) in stock-based compensation expenses was credited to contributed surplus, of which $1,058,329 (2010 - $1,163,594) was charged to operations, $31,640 (2010 - $241,392) was charged to inventory, exploration, mine development and construction of the plant.

For the year ended June 30, 2011, amortization and accretion on asset retirement obligation expenses increased by $145,768 to $163,091 from $17,323 in the same period of the prior year. The increase was mainly due to amortization on site buildings which were previously included under cost of sales.

1.5 Summary of Quarterly Results

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

	Sep. 30, 2009	Dec. 31, 2009	Mar. 31, 2010	Jun. 30, 2010	Sep. 30, 2010	Dec. 31, 2010	Mar. 31, 2011	Jun. 30, 2011
From Continued Operations	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Net income (loss)	(667,159)	(693,135)	(1,036,069)	(638,475)	528,745	5,734,256	14,108,209	10,880,950
Basic EPS	(0.00)	(0.00)	(0.01)	(0.01)	0.00	0.03	0.08	0.08
Diluted EPS	(0.00)	(0.00)	(0.01)	(0.01)	0.00	0.03	0.07	0.07

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 and Famehub.

The Company's cash and cash equivalent, including restricted cash balance as at June 30, 2011 was $49,166,526, increased by $45,269,380, from $3,897,146 as at June 30, 2010. For the year ended June 30, 2011, $38,927,836 was generated from operations; $12,857,124 was generated from financing activities; and $6,556,006 was spent on investing activities for the property, plant and equipment acquisitions offset by gold sales that were recorded in earnings and against mineral property development and construction of the gold treatment plant during commissioning period prior to September 2010.

For the year ended June 30, 2011, changes in non-cash working capital items amounted to a cash outflow of $1,364,285 compared to $4,360,503 in the same period of fiscal 2010. The cash outflow for the current period consisted of accounts receivable of $80,376, prepaid expenses and deposits of $404,409 and inventory of $4,964,811, offset by cash inflows on deferred business development costs of $101,217 and accounts payable and accrued liabilities of $3,984,094. The outflow for the same period in fiscal 2010 was due to accounts receivable of $3,876, prepaid expenses and deposits of $44,875 and inventory of $4,568,032, offset by cash inflow of $256,280 for accounts payable and accrued liabilities. The increase in non-cash working capital items was primarily due to the investment in inventory at Selinsing Gold Project, reflecting the purchase of mine operation supplies, mining expenditures to stockpile ore and milling process expenditure to extract gold from the ore. The resulting cash generated from operating activities was $38,927,836 compared to $6,210,793 cash used in the same period of fiscal 2010.

For the year ended June 30, 2011, the Company generated $12,857,124 (2010 – $(148,591)) from financing activities. The cash was generated from proceeds received from stock option and warrant exercises of $1,866,578 (2010 - $nil), proceeds of $7,653,600 (2010 - $nil) on the issuance convertible notes and $4,783,500 (2010 - $nil) on a forward gold sale offset by related financing costs of $1,435,904 (2010 - $133,604) and $10,650 (2010 - $13,878) for capital leases.

For the year ended June 30, 2011, investment in gold bullion, mineral property development, construction and other capital assets resulted in a cash outflow of $6,556,006 (2010 – $4,181,768). Construction and other capital expenditure comprised of $3,587,145 (2010 - $7,710,930), which included $879,447 (2010 - $13,113) of costs and deposits for construction on the Phase III plant expansion and $491,406 (2010 - $nil) for tailing storage facility expansion. Mineral properties development and acquisition costs of $6,937,594 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 $3,332,827 (2010 – $(11,964,118)). The Company purchased a gold bullion forward contract for $5,000,800 (2010 - $nil) and received $5,365,575 on the disposition of gold bullion that was delivered.

As at June 30, 2011, the Company had a positive working capital of $63,196,787 compared to $6,961,528 as at June 30, 2010, the increase of $56,235,259 was a direct result of gold sales and the close of a $13 million financing. Accounts payable increased to $4,903,751 at June 30, 2011 from $3,624,057 at June 30, 2010 primarily attributed to timing difference.

For the year ended June 30, 2011, shareholders' equity increased by $39,271,323 primarily due to net income generated from operations of $31,252,160, shares issued for the Famehub Acquisition at a value of $3,406,900, shares issued for the exercise of stock options and warrants for proceeds of $2,188,250, an increase of $5,377,692 in contributed surplus due to warrants issued on the forward gold sale, a fair value increment on the warrants extension and stock-based compensation. The increase in shareholders' equity was offset by accumulated other comprehensive loss of $1,326,894 due to the change in functional currency from CAD to US dollar. 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 June 30, 2011 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.

Convertible Note and Forward Sale of Gold

On August 11, 2010, a financing totaling CAD 13 million was closed and comprised of the private placement of $7,653,600 (CAD 8,000,000) in convertible notes (the "Notes") and a $4,753,500 (CAD 5,000,000) forward sale of gold (the "Forward Sale").

The Notes have a term of five years and one day from the date of the issuance and must be repaid by the Company at the end of the term in cash at 121.67% of the principal amount. Any early repayment of the Notes will result in a pro-rata adjustment of this repayment amount. The holders of the Notes (the "Note holders") may, at any time, convert the Notes into units at a price of $0.38 (CAD 0.40) per unit with each unit comprising one common share of the Company and one common share purchase warrant. Each whole share purchase warrant is exercisable at $0.48 (CAD 0.50) per share, expiring five years from the date of issuance of the Notes.

In connection with the issuance of the Notes, the Company entered into gold option agreements with each of the Note holders (the "Option Agreements") whereby the Note holders have the option to acquire gold from the Company up to an amount equal to the balance of the Note outstanding at the price greater of: (i) $1,000 per ounce; and (ii) the gold price in US dollars as set by the London PM Fix and converted to Canadian dollars at the noon rate of exchange published by the Bank of Canada on the maturity date of the Notes, less a 5% discount. In addition, as an inducement to enter into the subscription agreement for the Notes, the Company granted the Note holders the option to purchase an aggregate of 5,714 ounces of gold at a price of $1,000 (or CAD 1,000) per ounce and 2,857 ounces of gold at a price of $1,250 (or CAD 1,250) per ounce at any time during the term of the Notes commencing 18 months after closing.

The closing of the Forward Sale resulted in the advance of $4,783,500 (CAD 5 million) to Monument. Repayment of the advance will be made in gold of 5,000 ounces with adjustment reflecting foreign exchange fluctuations between Canadian and US dollars. The Forward Sale has a term of five years and one day. Warrants for the purchase of 5 million common shares with the same terms as described in connection with the Notes above were issued to the lender on closing. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

(in United States dollars, except where noted)

The Company's obligations under the Option Agreements and the Forward Sale are secured by designated gold metal accounts of the Company. In connection with such security, the Company is required to deposit an aggregate of 397 ounces of gold per month from the end of the first month following the earlier of (i) commencement of commercial production of the gold treatment plant of the Company's Malaysian subsidiary for its gold production operation in Malaysia; and (ii) the date that is three months from the closing, up to a maximum 13,000 ounces of gold. As of June 30, 2011, 4,000 ounces of gold were transferred to designated restricted metal accounts.

A finder’s fee and a financial advisory fee together totaling 10% were paid in cash in connection with the issuance of the Notes and the closing of the Forward Sale.

The Notes, any securities issued upon conversion thereof, the warrants issued in connection with the Forward Sale and any shares issued upon conversion thereof are subject to a hold period and may not be traded in Canada until December 12, 2010, except as permitted by applicable Canadian securities laws and the TSX Venture Exchange.

The funds are for the planned exploration programs; closing the acquisition of a prospective exploration property adjacent to the Selinsing gold project where the Company’s gold treatment plant is located; and for the gold treatment plant extension with a second mill. With the additional funding, the Company expects to be able to increase gold resources and enhance gold production through increased plant throughput.

Famehub Acquisition

On September 13, 2010, the Company acquired the Famehub Property by purchasing 100% of the issued and outstanding shares of Famehub Venture Sdn Bhd (“Famehub”) for $1.5 million in cash and 14 million common shares of the Company (refer to 1.2.1 Property Agreement).

Extension of Share Purchase Warrants

On February 3, 2011, the TSX Venture Exchange consented for the Company to extend the term of 68,055,000 common share purchase warrants for 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012. All other terms of the warrants remain intact including the exercise price.

As of the date of the Company's application to the TSXV, 2,065,000 of these warrants have been exercised, leaving 68,055,000 warrants unexercised. An incremental fair value of $2,953,678 was recognized against retained earnings and contributed surplus for the warrant extension. The fair value of the extended warrants was estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.33%, volatility of 53.24%, expected life of 1.46 years and no expected dividends. The fair value of the warrants prior to extension was estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.07%, volatility of 57.82%, expected life of 0.46 years and no expected dividends.

Contractual Obligations

As at June 30, 2011, the Company has aggregate contractual obligations totaling $22,800,199, as follows:

	1 year	2 years	3 years	4-5 years	Total
Operating leases	$ 26,758	$ 13,929	$ 4,817	$ 2,915	$ 48,419
Capital leases	15,746	16,657	15,600	-	48,003
Accounts payable and accrued liabilities	4,902,851	-	-	-	4,902,851
Convertible notes	-	-	-	10,091,796	10,091,796
Asset retirement obligations	54,648	132,480	256,945	487,394	931,467
Purchase commitments	6,749,135	-	-	-	6,749,135
	$ 11,749,138	$ 170,198	$ 284,494	$ 10,596,369	$ 22,800,199

Included in purchase commitments are consumables, spare parts for production, exploration, the Phase III plant construction, tailings expansion and property fees.

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 flow from operations in its first full quarter 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 for 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.

1.8 Off Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Refer to note 14 of the audited consolidated financial statements as at June 30, 2011.

1.10 Fourth Quarter

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 June 30, 2011, commercial production from the Selinsing Gold Project, generated an income of $10,880,950, or $0.05 per share, net of operating and corporate expenses, which was mainly increased by other gains due to changes in fair value on derivative liabilities of $826,720 estimated using Black-Scholes financial model and fair value on a gold forward contract of $129,102, offset by foreign exchange loss of $213,887 and accretion expense of $312,560 that resulted in a net income of $10,860,298, or $0.08 per share, compared to a net loss of $638,475, or $(0.01) per share, reported for the corresponding period in fiscal 2010.

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 revenues from the sale of silver by-products are classified within cost of sales.

For the three months ended June 30, 2011, the Company had gold sales of $16,617,862, produced 12,136 ounces of gold and sold 10,936 ounces of gold at an average realized price of $1,520.

For the three months ended June 30, 2011, cash cost of goods sold amounted to $2,867,144 or $262/oz, comprised primarily of $589,833, or $54/oz for mining; $1,506,594, or $138/oz for processing; $827,765, or $76/oz for royalties, and $75,275, offset by silver sales of $132,323, or $(5)/oz for operations.

Accretion and Depletion

Other operating expenses included depletion and accretion of $1,133,064 for the three months ended June 30, 2011. Depletion began in September 2010, in conjunction with the commencement of commercial production.

Other Income

The Company earned $32,702 (2010 - $1,376) interest income generated from the cash and cash equivalents balance for the three months ended June 30, 2011. The Company incurred a foreign exchange loss of $213,932 (2010 – $124,519) for the three months ended June 30, 2011.

On August 11, 2010, the Company closed a $13 million (CAD 13 million) financing consisting of $8 million (CAD 8 million) in convertible notes and $5 million (CAD 5 million) from a forward gold sale. As of June 30, 2011, $841,397 interest accretion expense and $4,759,797 loss was charged to operations as a result of the revaluation of derivative liabilities to fair value on the convertible notes. As of June 30, 2011, $304,112 interest accretion expense was charged to operations relating to the forward gold sale.

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. Alternatively Monument may require a cash payment of $6,000,960 instead of delivery in gold. 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. The remaining 1,000 ounces of gold bullion is carried as a temporary investment at cost.

Corporate Expenses

For the three months ended June 30, 2011, corporate expenses of $2,231,282 (2010 - $521,228) comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance, project investigations and stock-based compensation. Excluding stock-based compensation expenses of $219,299 (2010 - $114,535), the Company incurred corporate expenses of $2,011,983 (2010 - $406,693).

For the three months ended June 30, 2011, general and administration expenses increased by 861% to $1,778,566 from $278,861 in the same period of the prior year, and include salary expenses of $1,684,676 (2010 - $232,834) and office rent, general office expenses $93,890 (2010 - $46,027). The salaries and administrative expenses increased compared to the same period of the prior year due to increased compensation and bonuses, which were based on individual performance, the Company's success and market trends.

For the three months ended June 30, 2011 shareholder communications, conference and travel expenses totaled $103,150, increased by $49,618 from $53,532 in the same quarter of fiscal 2010, reflecting increased activities in investor relations, conferences and travel for corporate development. The regulatory and filing expense was $13,165 in the fourth quarter of fiscal 2011 compared to $2,187 in the same period of fiscal 2010 primarily due an increase in TSX Venture Exchange annual fees. Legal, accounting and audit expenses were $140,163 in the fourth quarter of fiscal 2011 compared to $67,904 in fiscal 2010, the increase is mainly due to an increase in audit fees and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation.

For the three months ended June 30, 2011, $222,694 (2010 - $148,179) in stock-based compensation expenses was credited to contributed surplus, of which $219,299 (2010 - $114,535) was charged to operations, $3,395 (2010 - $33,644) was charged to inventory cost, exploration, mine development and construction of the plant.

For the three months ended June 30, 2011, amortization and accretion on asset retirement obligation expenses decreased by $71,559 to $(67,350) from $4,209 in the same period of the prior year. The decrease was due to a reclass of asset retirement obligation expenses to cost of sales.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

Refer to note 2(c) of the audited consolidated financial statements as at June 30, 2011.

1.13 Changes in Accounting Policies including Initial Adoption

Change in functional and reporting currency

Effective July 1, 2010, the Company changed its reporting currency and functional currency for its all operations to the United States dollar (US) from Canadian Dollar (CAD). The adoption of the US dollar as the unit of measure of the Company's operations reflects the transition from an exploration company to a mine operator and the resulting shift in operational exposure to the US dollar as the Company's sales are of products quoted in US dollars.

Prior to July 1, 2010, the Company reported its annual and quarterly consolidated financial statements with notes in CAD which also was used as the unit of measure of its all foreign and Canadian operations. In making the change in reporting and functional currency, the Company follows the recommendations of the Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA) set forth in EIC–130 – "Translation Method when the Reporting Currency Differs from the Measured Currency or there is a Change in the Reporting Currency."

In accordance with EIC – 130, the Company is required to translate all amounts presented for comparative purposes into US dollars using the current rate method whereby all revenues, expenses and cash flows are translated at average rates that were in effect during these periods and all assets and liabilities are translated at the closing rate in effect at the end of these periods. Equity transactions have been translated at historic rates. The exchange difference resulting from the translation is included in accumulated other comprehensive income (loss) presented in shareholders' equity.

Business combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace former Section 1581," Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value. In addition, the definition of a business is expanded and is described as an integrated set of business activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

In August 2009, the CICA issued certain amendments to Section 3251 "Equity". The amendments apply to entities that have adopted Section 1602. The amendments require separate presentation on the statement of operations and comprehensive income of income attributable to owners of the Company and those attributable to non-controlling interests. The amendments also require that non-controlling interests be presented separately as a component of equity.

International Financial Reporting Standards

The Canadian Accounting Board has confirmed January 1, 2011 as the date that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises. As a result, the Company will report under IFRS for interim and annual periods beginning July 1, 2011, with comparative information for the year ended June 30, 2011 restated under IFRS. Adoption of IFRS as Canadian GAAP requires the Company to make certain accounting policy choices and could materially impact its reported financial position and results of operations

The Company has preceded transition from current Canadian GAAP to IFRS. The action plan for conversion is as follows:

1. Identify differences in Canadian GAAP versus IFRS at July 1, 2010. This has been completed.
2. Evaluate IFRS accounting policy choices/exemptions available at July 1, 2010. This has been completed.
3. Select IFRS accounting policies. This has been completed.
4. Quantify differences at July 1, 2010 and prepare IFRS opening balance at July 1, 2010. This has been completed.
5. Prepare interim and annual financial statements with related discussion and notes under IFRS for fiscal 2011. The interim financial statements have been drafted; full conversion is expected to be completed during the first quarter of fiscal 2012 while compiling the interim financial statements under IFRS for the period ended September 30, 2011.

IFRS 1 - "First Time Adoption of International Financial Reporting Standards ("IFRS 1") requires the Company to apply IFRS effective at the end of its first IFRS reporting period retrospectively, which will be the financial statements as at September 30, 2011, with specific mandatory exemptions and a limited number of optional exemptions.

IFRS introduces a number of changes to the format and disclosure of financial statements, some of which are mandatory and will have an impact on the presentation of the Company's financial statements. The underlying principle of IFRS 1 disclosures is that the Company explain how the transition from Canadian GAAP to IFRS has affected its financial position. IFRS 1 will impact the presentation of the Company's financial statements as at September 30, 2011, as the following items will be specifically included:

- a reconciliation of equity previously reported under Canadian GAAP to equity under IFRS at July 1, 2010 and June 30, 2011 for the first IFRS financial statements;
- a reconciliation of the total comprehensive income and shareholders' equity previously reported under Canadian GAAP to IFRS at July 1, 2010 and June 30, 2011;
- more extensive disclosures for transactions that will be considered to be Related Party transactions under IFRS than under Canadian GAAP. These disclosures include: relationships between parent and subsidiary companies; key management personnel compensation in total and for each of the following categories: short term employee benefits; Post employment benefits; other long term benefits; termination benefits, and share based payments
- more extensive disclosure relating to assets per Operating Segments (whereas currently under Canadian GAAP the Company reports on segmental basis).

Significant first-time adoption optional exemptions chosen by the Company relate to the following:

1. **Business combination**: IFRS 1 gives an optional exemption that allows an entity to carry forward its previous Canadian GAAO accounting for business combinations prior to the transition date. The Company will not restate any business combination retroactive and will apply the requirements of IFRS 3 prospectively from July 1, 2010.
2. **Asset retirement obligation** ("ARO"), included in the cost of property, plant and equipment: The Company will adjust ARO prospectively from July 1, 2010.
3. **Cumulative translation differences.** IFRS 1 permits cumulative translation gain and losses to be reset to zero at the transition date. This provides relief from determining cumulative translation differences in accordance with International Accounting Standard ("IAS") 21.
4. **Mandatory exception for estimates.** IFRS estimates as at July 1, 2010 are consistent with the estimates as at the same date in conformity with Canadian GAAP.

Other change of accounting standard that has impact on the Company's financial results includes:

Related party transactions: CICA 3840 contains requirements for measuring related party transactions. IAS 24 does not deal with the measurement of related party transactions. The Company will adjust its past related party transactions accordingly from July 1, 2011.

(in United States dollars, except where noted)

Change in functional currency: With change of functional currency, the current method applies under both CGAAP and IFRS; however, under IFRS a simple approach is used to translate assets, liabilities, equity and the income statement (and cash flow statement) at the spot rate; under CGAAP, the equity items are translated at the historical rates.

As of June 30, 2010, the impact on conversion from Canadian GAAP to IFRS is initially quantified as follows:

	CGAAP in US functional currency	Asset retirement obligation	Related parties transaction	IFRS unaudited pro-forma
Total current assets	10,599,467	-	-	10,599,467
Total assets	63,533,486	1,120,117	2,514,055	67,167,658
Total current liabilities	3,637,939	-	-	3,637,939
Total liabilities	6,775,283	1,120,117	-	7,895,400
Equity	56,758,203	-	2,514,055	59,272,258

1) Functional Currency: The Company has changed its functional currency from Canadian dollar to United States dollar on July 1, 2010 for all subsidiaries and the parent company. Under CGAAP, EIC-130, assets and liabilities were translated at the spot rate and equity, revenues and expenses translated at historical or average rate with unrealized foreign exchange differences on consolidation being recognized in other comprehensive income. Under IFRS, IAS 21, the June 30, 2010 spot rates were used to translate assets, liabilities, equity, revenue and expenses. This resulted in a decrease in accumulated other comprehensive loss of $1,326,894 off set by corresponding changes in retained earnings, contributed surplus and other equity accounts bringing total changes in shareholders' equity to $nil.

2) Assets Retirement Obligation: Monument had been using a 10% discount rate under CGAAP, but under IFRS the pre-tax rate (Bank of Canada rate for a zero rated bond for 10 years) of 3.06% at June 30, 2010 will be used. As of June 30, 2010, the liability has increased by $1,120,117 from $2,419,940 (RM$7,834,058) under CGAAP to $3,540,057 (RM$11,460,205) under IFRS.

3) Related Party Transaction: During the year ended June 30, 2009, Monument purchased a ball mill from Avocet Mining LLP, a previous shareholder of the Company, for consideration of $3,052,726 (CAD 3,250,001) by issuing Monument's equity. Due to a lack of observable market, the transaction has been measured at the carrying amount. Under CGAAP, the Company recorded the cost of the ball mill at the book value provided by its previous owner of $706,135 (CAD 712,673) and included the difference in deficit, but under IFRS the recorded cost of the ball mill is equal to the consideration paid. The adjusting entry under IFRS includes a $2,514,055 charge to deficit which includes $2,347,591 (CAD 2,537,328) for the cost of the ball mill and $167,464 in foreign exchange loss.

As a result of the above assessment, the IFRS conversion is not expected to have significant effect on the Company's business activities, internal controls and overall financial results. However, the accounting bodies responsible for issuing IFRS standards have significant ongoing projects that could impact the Company's financial statements as at July 1, 2011. The Company will continue to monitor and assess the impact.

1.14 Financial Instruments and Other instruments

a. Financial Assets and Liabilities

The Company's financial instruments consist of cash and cash equivalents, restricted cash, investments, accounts receivable (excluding refundable taxes), accounts payable and accrued liabilities, convertible notes, conversion feature and FX Component.

The Company has classified its cash and cash equivalent and restricted cash as held-for-trading. Accounts receivable (excluding refundable taxes) are classified as loans and receivables. Accounts payable and accrued liabilities and convertible notes are classified as other financial liabilities. Conversion feature and FX Component are classified as derivative liabilities.

Subsequent to initial recognition using the relative fair value method, convertible notes are carried at amortized cost using the effective interest method, Conversion Feature is adjusted to fair value estimated using the Black Scholes option pricing model, and FX Component is adjusted to fair value using indicative foreign exchange forward contract spot rate (note 11(a)).

The carrying amounts of cash and cash equivalents, restricted cash, investments, accounts receivable (excluding refundable taxes) and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

b. Financial Instrument Risk Exposure

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

(i) 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.

As at June 30, 2011 and June 30, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in Malaysian ringgit:

	June 30, 2011		June 30, 2010	
In thousands	RM	US	RM	US
Cash and cash equivalents	614	203	383	118
Restricted cash	312	103	565	175
Accounts receivable (excluding refundable taxes)	66	22	8	2
Accounts payable and accrued liabilities	(9,452)	(3,131)	(10,464)	(3,232)

Based on the above net exposures as at June 30, 2011, and assuming that all other variables remain constant, a 5% depreciation or appreciation of the Malaysian ringgit against the U.S. dollar would result in an increase/decrease of approximately $83,000 (2010 – $143,000) in the Company's net income (loss).

As at June 30, 2011 and June 30, 2010, the Company is exposed to foreign currency risk through the following assets denominated in CA$ dollars:

	June 30, 2011		June 30, 2010	
In thousands	CA$	US$	CA$	US$
Cash and cash equivalents	9,585	9,938	310	321
Accounts receivable (excluding refundable taxes)	10	10	3	3
Accounts payable and accrued liabilities	(59)	(61)	(3,343)	(3,466)

Based on the above net exposures as at June 30, 2011, and assuming that all other variables remain constant, a 5% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase/decrease of approximately $494,000 (2010 – $142,000) in the Company’s net income (loss).

On August 11, 2010, the Company received net proceeds of $11,001,196 from the convertible notes and forward gold sale. The contracts contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged any of its gold sales. 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 11).

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. On August 11, 2010, the Company issued the convertible notes which contain derivative liabilities. The Company values such derivate liabilities at fair market price using the Black-Scholes option pricing model and record gains and losses to other 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. However, this risk is limited because of the short-term maturity of these instruments. The Company’s interest rate sensitivity analysis suggests they are not exposed to significant interest rate risk.

(ii) Credit risk

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 accounts receivable includes $1,843,416 (June 30, 2010 – $1,814,529) due from a single Australian Government-owned refinery in Western Australia. Credit risk on this receivable is negligible and the balance was collected subsequent to year-end.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents and restricted cash as $33,763,473 (June 30, 2010 - $3,634,437) is held with a single Malaysian financial institution. The remaining $15,403,053 (June 30, 2010 - $262,709) is held with various Canadian financial institutions.

(iii) 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 has funded its mine development, processing plant extension and exploration through shares issuances, convertible notes and a forward gold sale. To meet its repayment obligations and sale commitment, the Company is required to deposit gold on a monthly basis as collateral.

(in United States dollars, except where noted)

Contractual obligated cash flow maturities of financial liabilities as at June 30, 2011 are as follows:

	Total	under 3 months	4 to 12 months	1 to 5 Years
Accounts payable and accrued liabilities	$ 4,903,751	$ 4,903,751	$ -	$ -
Convertible notes	$ 10,091,796	$ -	$ -	$ 10,091,796

Contractual obligated cash flow maturities of financial liabilities as at June 30, 2010 are as follows:

	Total	under 3 months	4 to 12 months	1 to 5 Years
Accounts payable and accrued liabilities	$ 3,624,057	$ 3,086,519	$ 537,538	$ -

1.15 Outstanding Share Data

The following details the share capital structure as at September27, 2011, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry date	Price	Number of securities	Total
Common shares				183,986,864
Stock options	July 5, 2012	$ 0.47	2,900,000	
	August 15, 2013	$ 0.38	13,160,000	
	December 5, 2013	$ 0.20	1,459,167	
	December 5, 2013	$ 0.31	230,000	
	December 5, 2013	$ 0.39	400,000	
	February 9, 2014	$ 0.21	300,000	
	July 29, 2012	$ 0.28	500,000	
	December 17, 2014	$ 0.36	30,000	
	June 8, 2013	$ 0.29	1,600,000	
	June 10, 2015	$ 0.29	500,000	
	September 29, 2015	$ 0.40	3,000,000	
	November 30, 2015	$ 0.58	600,000	
	January 27, 2016	$ 0.68	120,000	
	July 28, 2016	$ 0.65	150,000	
	August 29, 2016	$ 0.62	150,000	25,099,167
Warrants	July 21, 2012	$ 0.50	67,325,000	
	August 12, 2015	$ 0.48	5,000,000	72,325,000

1.16 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 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 onging 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, where largely influenced by integrated world and regional economy which are out off the Company's control. The management have been 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 been received strong support from the local, state and federal government.

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 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 June 30, 2011.

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 is exposed to risk of human errors and is not considered as efficient. Inventory software was purchased but the development has not been completed. The Company plans to allocate resources subsequent to the year end in completing the design work and implement it with adequate on-site training.

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

Statements contained herein that are not based on historical fact, including without limitation statements containing the words "believes", "plan", 'will', "estimates", "intends", "expects", and similar expressions, constitute "forward-looking" statements. Such forward-looking statements involve known and unknown risk, uncertainties and other facts that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implies by such forward-looking statements. There forward looking statements are set forth under the heading "Outlook" if any, and elsewhere in the Management's Discussion and Analysis and may include 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; estimates of fair value of financial instruments; or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. Given the reasons, risks and uncertainties set forth above readers are cautioned not to place undue reliance on such forward-looking statements described in the Company's public filings with securities regulatory authorities. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in fluctuations in gold and related commodity prices and currency exchange rates;

uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the issuance of required permits; the changes in environmental legislations in all jurisdictions in which the Company operates; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals and other risks and uncertainties disclosed in the Company's annual report and other information released by the Company and filed with the appropriate regulatory agencies.