1.1 Date

The following management discussion and analysis of Monument Mining Limited ("Monument" or the "Company") as of May 27, 2011 should be read in conjunction with the unaudited consolidated financial statements for the nine months ended March 31, 2011 and related notes and with the Company's audited consolidated financial statements and related notes for the year ended June 30, 2010, 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 exploration and development of gold mineral properties as well as the operation thereof. 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.

Fiscal 2011 started with the commercial production announcement in September for its Selinsing Gold Mine, following from the successful commissioning of the newly built 400,000 tpa gold treatment plant comprised of the gravity circuit and the carbon in leach ("CIL") circuit, which has continuously processed open pit ores at an average monthly mill throughput of 30,000 tons with 90% average total gold recoveries for consecutive 30 days.

At the beginning of the third quarter, the Company has proceeded with the Phase III expansion plan for its Selinsing mine and gold treatment plant, upgrading its capacity from 400,000 tonne per annum to 1,000,000 tonne per annum. The expansion will include an additional milling, gravity and leach circuit, requiring approximately $8 million capital with a projected payback period of three months.

(in United States dollars, except where noted)

Subsequently, in conjunction with completion of $13 million (CAD$13 million) financing, the Company closed the previously announced acquisition (the "Famehub Acquisition") of prospective exploration lands adjacent to its Selinsing Gold Mine (the "Famehub Property") 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 on the Selinsing, Damar Buffalo Reef and Famehub properties.

During the third quarter, the Company completed start-up work including re-organization of drill team and upgrade its existing RC drill rig into the multipurpose drilling machine and acquiring additional two drill rigs which are expected to arrive in June, 2011. With a new well - equipped drill team, the Company expects to speed up its exploration programs in achieving the twelve months target.

Third Quarter Highlights

1. Key gold production statistics

Selinsing Gold Mine	Fiscal 2010	Q 1	Q2	Q3	Fiscal 2011 (nine months)
Operating results	30-Jun-10	30-Sep-10	31-Dec-10	31-Mar-11	31-Mar-11
Ore mined (tonnes)	662,330	203,150	159,681	140,736	503,567
Ore processed (tonnes)	272,120	89,834	87,845	87,780	265,459
Average ore head grade (g/t Au)	3.08	4.08	4.41	4.18	4.22
Process recovery rate	58.7%	90.0%	93.7%	93.7%	92.5%
Gold production (ounces)	13,793	9,050	11,348	11,904	32,302
Gold sold (ounces)	13,793	8,650	10,148	10,704	29,502
Financial results					
Gold sales (US$)	16,315,792	10,862,943	14,119,390	15,031,105	40,013,438
Per ounce data					
Cash cost per ounce	216	202	246	238	237
Average spot gold price (US$/ounce)	1,089	1,227	1,367	1,386	1,327
Average realized gold price (US$/ounce)	1,183	1,256	1,391	1,404	1,356

2. On February 3, 2011, upon acceptance of the TSX Venture Exchange ("the Exchange"), the Company extended the term of 68,055,000 share purchase warrants for another 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012. Those warrants were issued pursuant to a private placement of 70,120,000 shares with 70,120,000 share purchase warrants attached, exercisable at the original price of CAD$0.50 each, which was accepted for filing by the Exchange effective July 21, 2008;

3. On February 7, 2011, the Company announced that its Board of Directors approved the purchase of two additional drill rigs in order to accelerate its current exploration programs in Pahang State, Malaysia. The Board has also approved the extension of Monument's participation with the Geological Department of Tasmania University of Geology in the "Centre of Ore Deposit Studies" ("CODES") Program covering the central gold belt of Peninsular Malaysia for another three years;

4. On March 3, 2011, the Phase III expansion program for the gold treatment plant was announced to take the mill capacity to 1,000,000 tpa from 400,000 tpa at Selinsing Gold Project, targeting to double the annual production from 40,000 ounces to 75,000 to 80,000 ounces;

5. During the third quarter, total 517 meters of diamond drilling from 4 drill holes have been completed bringing total drill meters to 1,606 from 8 drill holes through the targeted zone at Selinsing property. The Company has moved to upgrade 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 to provide further capacity and are expected to arrive in June, 2011, which will speed up the drill program to its projection.

6. Snowden Pty Ltd Australia was engaged this quarter to update the mineral resources at Buffalo Reef from JORC to NI43-101 standard. The report is based on 11,871m of shallow Reverse Circulation drilling programs completed in 2008 and the NI43-101 technical report was filed under SEDAR subsequent to the quarter ended March 31, 2011. Mineral resources classification schemes are consistent with CIM guidance.

1.2.1 Property Agreements

Acquisition of 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 $30.1 (CAD$29.2) million was comprised of $3.6 (CAD$3.5) million cash, a promissory note of $9.3 (CAD$9.0) million fair valued at $8.3 (CAD$8.1), million the issuance of 31,400,009 fully paid treasury shares at an ascribed value of $0.52 (CAD$0.50) per share and 5,000,000 share purchase warrants.

During the nine months ended March 31, 2011, the Company acquired exploration rights for consideration of $75,109, covering prospective land that lies adjacent to the Selinsing operating open pit, which allows the exploration programs to be scheduled accordingly.

Acquisition of 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 $1.80 (CAD$1.75) million cash, 15,000,000 fully paid treasury shares at $0.52 (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 $1.77 (CAD$1.72) million.

During the nine months ended March 31, 2011, the Company acquired exploration rights for consideration of $37,555, covering prospective land that lies adjacent to the Selinsing operating open pit, which allows the exploration programs to be scheduled accordingly.

Acquisition of the 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 through its wholly owned subsidiary, Damar Consolidated Exploration Sdn Bhd, by purchasing 100% of the issued and outstanding Famehub shares (the "Famehub acquisition"). The total consideration of $5,157,000 (CAD$5,000,000) for the Famehub acquisition consists of $1,547,100 (CAD$1,500,000) in cash and 14 million fully paid and non-assessable common shares of the Company.

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).

(in United States dollars, except where noted)

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%.

Production

The Company commenced the Selinsing gold mine development in October 2008, a year after acquisition of the Selinsing Gold Project. The project includes the mine site and camp development; the 1,200 tpd gold treatment plant construction comprised of the Phase I gravity circuit and the Phase II CIL circuit, 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 $17 (CAD$17) million, comprised of $20 (CAD$20) million expenditures, offset by $3 (CAD$3) million revenue generated from gold sales prior to commercial production. The approximate $3 (CAD$3) million overrun primarily resulted from the delay in delivery and replacement of the CIL agitators.

Mining and processing operating results as at March 31, 2011 are provided as follows:

	Jun. 30, 2010	Three months, Sep.30, 2010	Three months, Dec. 31, 2010	Three months, Mar. 31, 2011	Nine months, Mar. 31, 2011
Mining					
Ore mined (tonnes)	662,330	203,150	159,681	140,736	503,567
Waste removed (tonnes)	2,326,502	615,937	649,584	741,109	2,006,630
Stripping ratio (1)	3.51	3.03	4.07	5.27	3.98
Ore stockpiled (tonnes)	387,545	499,589	570,719	623,130	623,130
Process					
Crushed ore (tonnes)	274,786	91,106	88,552	88,325	267,983
Ore processed (tonnes)	272,120	89,834	87,845	87,780	265,459
Average mill feed grade (g/t)	3.08	4.08	4.41	4.18	4.22
Processing recovery rate	58.7%	90.0%	93.7%	93.7%	92.5%

	Jun. 30, 2010	Three months, Sep.30, 2010	Three months, Dec. 31, 2010	Three months, Mar. 31, 2011	Nine months, Mar. 31, 2011
Gold produced (oz)	13,793	9,050	11,348	11,904	32,302
Gold sold (oz)	13,793	8,650	10,148	10,704	29,502
Revenue (in 000's)	16,316	10,863	14,119	15,031	40,013
Cash cost (US$/oz)(2) –					
Mining	64	50	52	52	53
Processing	90	90	123	117	114
Royalties	62	62	69	64	67
Operations	0	0	2	5	3
Total cash cost (US$/oz)	216	202	246	238	237

(1) Stripping ratio is high in the third quarter is mainly due to the rescheduling of mine plan to advance overburden removal in the North of the open pit.

(2) Total cash cost includes production 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.

<u>Phase III Expansion</u>

Phase III Expansion is aimed to increase capacity of the gold treatment processing plant from 400,000 tpa to 1,000,000 tpa. During third quarter, the Company continued preliminary design work and budget preparation for Phase III Expansion. Total cost incurred to March 31, 2011 was $242,238 mainly due to conceptual and detailed engineering designs, and metallurgical design for crushing, milling and Carbon in Leach process upgrade. General arrangements were produced for the leach circuit and tailings screen areas. Structural reviews were carried out. Laboratory test work was completed on the soils form the ball mill and leach tank sites. The priority for Phase III sequencing is gravity tails, which will be reclaimed using a floating pump with submerged suction. This has been addressed. The power requirements were also discussed with TNB, the local government agent and are considered achievable.

An equipment list was developed and tender drawings were sent out to pre-qualified vendors for quotations. As at March 31, 2011, 85% of requested quotations were received from vendors including the ball mill. At that time selection was made for procurement from a particular vendor and negotiations initiated for price, payment terms, delivery, guarantees and commissioning certification.

<u>Exploration</u>

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 (CAD$0.6) million. The drill program is aimed to increase the reserves by converting the 388,000 ounce inferred gold resource below the present Selinsing open pit outline. The costs incurred to March 31, 2011 on Selinsing were $489,949 including drilling, geological and site activities. As at March 31, 2011, 1606 meters of diamond and reverse circulation drilling have been completed with 8 drill holes.

<u>Environmental Remediation</u>

The main focus for progressive rehabilitation work during the quarters involved the mitigation of acid mine drainage, control of arsenic discharge and soil erosion. The design of dry waste dumps at Selinsing prevent infiltration of rain water into the pyritic rock material and diverting any residual acidity into limestone slope boundaries and filled trenches inducing neutralization. The final plan is to compact the surface of the waste material as to prevent the seepage of the surface water from reacting with the pyritic material. The acid neutralizing limestone and other calcareous material within the mining pit and other locations within lease facilitates acid mine drainage mitigation. The limestone extraction scheme was approved by Department of Minerals and Geosciences (JMG), which aims to provide sufficient acid neutralizing material for acid mine drainage mitigation programs.

(in United States dollars, except where noted)

Community Relations

Operating spending, the payment of significant royalties, wages and benefits, corporate and other taxes from employment in SGMM will continue to be a major economic stimulus to the local community and the state government of Pahang. The operation makes it a priority to purchase goods and services locally to support business development.

During third quarter, the Company made donation to support local communities in amount of $28,181 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 in 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.

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.

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 measured and indicated category, and to update the JORC Code compliant gold resources to NI 43-101 standards. Subsequent to the quarter end, NI 41-101 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. 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 19th June 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 at 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 have been updated to NI 43-101 compliant resources subsequent to the third quarter.

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 be carried out on the Buffalo Reef ore as part of the ongoing development program.

During the third quarter, two additional drill rigs were also approved by the Board of Directors in order to enhance its exploration capacity. A drill team including the exploration manager, geologists, drillers, field technician and other support staff were recruited during the quarter. A new exploration office was built during the nine months ended March 31, 2011, to accommodate the newly recruited exploration personnel and the Company is currently constructing a core storing and handling facilities and upgrading the workshop to support the ongoing exploration activities.

(in United States dollars, except where noted)

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.

The Famehub area is in an early stage of exploration. It is composed of nine separate exploration prospects which total approximately 32,000 acres. 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", prepared by Snowden Group Australia at 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 (CAD$1.6) million.

1.3 Selected Annual Financial Information

Not required for this MD&A.

1.4 Results of Operations

	Three months ended March 31,		Nine months ended March 31,	
	2011	2010	2011	2010
Gold sales	$ 15,031,105	$ -	$ 35,761,989	$ -
Cost of Gold Sold	2,540,927	-	6,329,647	-
	$ 12,490,178	$ -	$ 29,432,342	$ -
Depletion and amortization	(981,161)	-	(1,409,512)	-
Gross margin	$ 11,509,017	$ -	$ 28,022,830	$ -
Corporate expenses	(1,088,000)	(505,999)	(3,115,641)	(2,063,342)
Income before other items	$ 10,421,017	$ (505,999)	$ 24,907,189	$ (2,063,342)
Other income (loss)	2,968,693	(208,041)	(5,338,063)	(106,850)
Net income (loss) for the period	$ 13,389,710	$ (714,040)	$ 19,569,126	$ (2,170,192)
Earnings (loss) per share – non diluted	$ 0.08	$ (0.00)	$ 0.12	$ (0.01)
Weighted average number of common shares	173,005,083	156,115,028	167,000,507	156,115,028
Fully diluted earnings (loss) per share	$ 0.07	$ (0.00)	$ 0.11	$ (0.01)
Fully diluted number of common shares	197,469,426	156,115,028	179,120,019	156,115,028

Summary

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

For the three months ended March 31, 2011, commercial production from the Selinsing Gold Project, generated an income of $10,421,017, net of operating and corporate expenses, or $0.05 per share, which was mainly increased by other gains due to changes in fair value on derivative liabilities of $1,974,553 estimated using Black-Scholes financial model and fair value on a gold forward contract of $1,513,188, offset by foreign exchange loss of $256,917 and accretion expense of $294,904 that resulted in a net income of $13,389,710, or $0.07 per share, compared to a net loss of ($714,040), or ($0.00) per share, reported for the corresponding period in fiscal 2010.

For the nine months ended March 31, 2011, commercial production from the Selinsing Gold Project, generated an income of $24,907,189, net of operating and corporate expenses, or $0.14 per share, which was increased by a change in fair value on a gold forward contract of $1,513,188 and offset by other losses mainly due to changes in fair value on derivative liabilities of $5,415,257 estimated using Black-Scholes financial model, together with foreign exchange loss of $679,025 and accretion expense of $832,284 resulted in a net income of $19,569,126, or $0.11 per share, compared to a net loss of ($2,170,192), 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 March 31, 2011, the Company had gold sales of $15,031,105, produced 11,904 ounces of gold and sold 10,704 ounces of gold at an average realized price of $1,404. For the nine months ended March 31, 2011, the Company had gold sales of $35,761,989, produced 32,302 ounces of gold and sold 29,502 ounces of gold at an average realized price of $1,356. Gold sales for July and August of $4,247,500 and related production costs were capitalized against the Selinsing Gold Property and the 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 $6,611,494 from 5,150 ounces sold.

For the three months ended March 31, 2011, cash cost of goods sold amounted to $2,540,927 or $238/oz, comprised primarily of $551,796, or $52/oz for mining; $1,249,045, or $117/oz for processing; $689,889, or $64/oz for royalties, and $61,017, offset by silver sales of $10,820, or $5/oz for operations.

For the nine months ended March 31, 2011, cash cost of goods sold included results from September 1, 2010 to March 31, 2011 and amounted to $6,329,647 or $243/oz, comprised primarily of $1,392,236, or $54/oz for mining; $3,081,745, or $119/oz for processing; $1,771,106, or $68/oz for royalties; and $209,188, offset by silver by-product sales of $124,628, or $2/oz for operations.

Amortization and Depletion

Other operating expenses included amortization, depletion and accretion of $981,161 and $1,409,512 for the three and nine months ended March 31, 2011, respectively. Depletion began in September 2010, in conjunction with the commencement of commercial production.

Other Income

The Company earned $29,727 (2010 - $1,337) and $72,269 (2010 - $25,826) interest income generated from the cash and cash equivalents balance for the three and nine months ended March 31, 2011, respectively. The Company incurred a foreign exchange loss of $256,917 (2010 – $209,265) and $679,025 (2010 – $118,496) for the three and nine months ended March 31, 2011, respectively.

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 March 31, 2011, $626,887 interest accretion expense and $5,761,666 loss was charged to operations as a result of the revaluation of derivative liabilities to fair value on the convertible notes. As of March 31, 2011, $205,397 interest accretion expense and $114,191 gain was charged to operations on the revaluation of foreign exchange contract relating to the forward gold sale.

On January 28, 2011, the Company provided $5,000,800 (2010 - $0) of financing in the form of a gold forward contract to a wholly owned subsidiary of Yukon Nevada Gold Corp., which has three common directors and one common officer with the Company. The note matures June 30, 2011 with the option of the Company to receive payment in the form of 4,465 troy ounces of gold or $6,000,960. The fair value of the gold forward contract as at March 31, 2011 is $6,513,988 with a $1,513,188 gain charged to operations.

Corporate Expenses

For the three months ended March 31, 2011, corporate expenses of $1,088,000 (2010 - $505,999) 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 $211,144 (2010 - $107,128), the Company incurred corporate expenses of $876,856 (2010 - $398,871).

For the nine months ended March 31, 2011, corporate expenses of $3,115,641 (2010 - $2,063,342) 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 $839,030 (2010 - $1,021,363), the Company incurred corporate expenses of $2,276,611 (2010 - $1,041,979).

For the three months ended March 31, 2011, general and administration expenses increased by 19% to $294,175 from $255,088 in the same period of the prior year, and include salary expenses of $197,792 (2010 - $212,760) and office rent, general office expenses $96,383 (2010 - $42,328). For the nine months ended March 31, 2011, general and administration expenses increased by 34% to $902,510 from $671,396 in the same period of the prior year, and include salary expenses of $623,759 (2010 - $502,447) and office rent, general office expenses $278,751 (2010 - $168,949).The salaries and administrative expenses increased compared to the same period of the prior year due to increased corporate administrative capacities mainly attributed by increase in staff.

For the three months ended March 31, 2011 shareholder communications, conference and travel expenses totaled $121,857, increased by $48,911 from $72,946 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 $27,508 in the third quarter of fiscal 2011 compared to $12,880 in the same period of fiscal 2010 primarily due an increase in TSX Venture Exchange annual fees. Legal, accounting and audit expenses were $147,657 in the third quarter of fiscal 2011 compared to $53,556 in fiscal 2010, the increase is mainly due to legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation.

For the nine months ended March 31, 2011, shareholder communications, conference and travel expenses totaled $462,497, increased by $281,757 from $180,740 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 the nine month period of fiscal 2011 compared to one in the same period of fiscal 2010. The regulatory and filing expense was $44,467 in the nine months ended March 31, 2011, compared to $25,664 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 $488,730 in the nine months ended March 31, 2011 compared to $151,359 in the same period of fiscal 2010, the increase reflects an audit review for Q1 2011 and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation.

For the three months ended March 31, 2011, $216,611 (2010 - $145,136) in stock-based compensation expenses was credited to contributed surplus, of which $325 (2010 - $1,686) was charged to cumulative other comprehensive income on translation to U.S. dollar reporting currency, $211,144 (2010 - $107,128) was charged to operations, $5,142 (2010 - $36,322) was charged to exploration, mine development and construction of the plant.

For the nine months ended March 31, 2011, $867,275 (2010 - $1,256,807) in stock-based compensation expenses was credited to contributed surplus, of which $(5,207) (2010 - $1,241) was charged to cumulative other comprehensive income on translation to U.S. dollar reporting currency, $839,030 (2010 - $1,021,363) was charged to operations, $33,452 (2010 - $234,203) was charged to exploration, mine development and construction of the plant.

For the three months ended March 31, 2011, amortization and accretion on asset retirement obligation expenses increased by $135,443 to $139,844 from $4,401 in the same period of the prior year. For the nine months ended March 31, 2011, amortization and accretion on asset retirement obligation expenses increased by $219,772 to $232,592 from $12,820 in the same period of the prior year. The increase was mainly due to accretion on asset retirement obligations and amortization on site buildings which were previously included under cost of sales.

(in United States dollars, except where noted)

1.5 Summary of Quarterly Results

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

	Jun. 30, 2009	Sep. 30, 2009	Dec. 31, 2009	Mar. 31, 2010	Jun. 30, 2010	Sep. 30, 2010	Dec. 31, 2010	Mar. 31, 2011
From Continued Operations	$	$	$	$	$	$	$	$
Net income (loss)	(1,053,098)	(685,136)	(771,015)	(714,040)	(599,508)	710,295	5,469,122	13,389,710
EPS	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.03	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 balance as at March 31, 2011 was $33,461,798, increased by $29,578,599, from $3,883,199 as at June 30, 2010. For the nine months ended March 31, 2011, $24,838,124 was generated from operations; $8,072,271 was generated from financing activities; and $4,205,262 was spent on investing activities for the plant, equipment and property acquisitions offset by gold sales that were recorded against mineral property development and construction of the gold treatment plant during commissioning period prior to September 2010.

For the third quarter of fiscal 2011, the Company reported income of $13,389,710 (2010 - $(714,040). After being adjusted for non-cash items consisting of unrealized foreign exchange losses of $430,495 (2010 - $(2,419)), stock-based compensation of $211,144 (2010 - $107,128), gain on gold forward contract of $1,513,188 (2010 - $nil), accretion expenses on the convertible notes of $203,118 (2010 - $nil), accretion expenses on the gold forward sale of $91,785 (2010 - $nil), gain on derivative liabilities of $1,974,553 (2010 - $nil), asset retirement accretion expense of $63,873 (2010 - $nil) and amortization of $1,121,079 (2010 - $4,401), the operating activities generated $12,023,463 (2010 - $(604,930)) in cash before changes in working capital. The cash generated from operating activities was from reported gold sales of $15,031,105 less cost of goods sold, depletion, amortization and corporate expenses.

Changes in non-cash working capital items amounted to a cash outflow of $592,709 for the third quarter of fiscal 2011 compared to $168,654 in the same period of fiscal 2010. The outflow for the current quarter consisted of accounts receivable of $600,299 and inventory of $716,057, offset by cash inflows on prepaid expenses and deposits of $128,815, deferred business development costs of $14,115 and accounts payable and accrued liabilities of $580,717. The outflow for the same period in fiscal 2010 was primarily due to inventory of $179,401 and prepaid expenses and deposits of $64,939, offset by cash inflows on accounts payable and accrued liabilities of $67,753 and accounts receivable of $7,933. 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 balances for operating activities were $11,430,754 generated for the third quarter of fiscal 2011 and $773,584 used in the same period of fiscal 2010.

During the third quarter of fiscal 2011, the Company used $4,032,700 (2010 – $22,417) for financing activities. The cash used was $3,945 (2010 - $1,940) for capital leases and $4,978,310 (2010 - $nil) for a gold forward contract, offset by proceeds received from stock option and warrant exercises of $949,555 (2010 - $nil).

Investment in mineral property development, construction and other capital assets in the third quarter of fiscal 2011 produced a cash outflow of $2,080,968 (2010 –$62,523) comprised of construction and other capital expenditure of $1,587,760 (2010 - $2,053,618) and mineral properties development cost of $493,208 (2010 - $(1,991,095)).

For the nine months ended March 31, 2011, the Company reported income of $19,569,126 (2010 - $(2,170,192)). After being adjusted for non-cash items consisting of unrealized foreign exchange losses of $268,667 (2010 - $12,146), stock-based compensation of $839,030 (2010 - $1,021,363), gain on gold forward contract of $1,513,188 (2010 - $nil), interest accretion on convertible notes of $626,887 (2010 - $nil), accretion interest on the gold forward sale of $205,397 (2010 - $nil), fair value charges on derivative liabilities of $5,415,257 (2010 - $nil), asset retirement accretion expense of $147,145 (2010 - $nil) and amortization of $1,559,979 (2010 - $12,820), the operating activities generated $27,118,300 (2010 - $(1,114,655)) in cash before changes in working capital. The cash generated from operating activities was from reported gold sales of $35,761,989 less cost of goods sold, depletion, amortization and corporate expenses.

For the nine months ended March 31, 2011, changes in non-cash working capital items amounted to a cash outflow of $2,280,176 compared to $482,032 in the same period of fiscal 2010. The cash outflow for the current period consisted of accounts receivable of $1,232,408, prepaid expenses and deposits of $249,426 and inventory of $3,413,059, offset by cash inflows on deferred business development costs of $70,870 and accounts payable and accrued liabilities of $2,543,847. The outflow for the same period in fiscal 2010 was due to inventory of $295,922, accounts payable and accrued liabilities of $117,113 and prepaid expenses and deposits of $86,854, offset by cash inflow of $17,857 for accounts receivable. 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 $24,838,124 compared to $1,596,687 cash used in the same period of fiscal 2010.

For the nine months ended March 31, 2011, the Company generated $8,072,271 (2010 – $1,910,879) from financing activities. The cash was generated from proceeds received from stock option and warrant exercises of $1,533,363 (2010 - $nil), proceeds of $7,901,600 (2010 - $nil) on the issuance convertible notes and $4,938,500 (2010 - $1,992,326) on a forward gold sale, offset by related financing costs of $1,311,048 (2010 - $78,441), $4,978,310 (2010 - $nil) for a gold forward contract and $11,834 (2010 - $1,940) for capital leases.

For the nine months ended March 31, 2011, investment in mineral property development, construction and other capital assets resulted in a cash outflow of $4,205,262 (2010 – $4,263,104) comprised of construction and other capital expenditure of $4,930,928 (2010 - $5,033,571) and mineral properties development cost of $2,958,618 which was offset by net profits from gold sales of $3,684,284 charged to mineral properties during July and August, 2010 for a net of $725,666 (2010 – $(770,467)).

As at March 31, 2011, the Company had a positive working capital of $52,121,108 compared to $6,707,453 as at June 30, 2010, the increase of $45,413,655 was a direct result of gold sales and the close of a $13 million financing. Accounts payable decreased to $3,458,561 at March 31, 2011 from $3,610,943 at June 30, 2010 primarily attributed to timing difference.

For the nine months ended March 31, 2011, shareholders' equity increased by $32,917,904 primarily due to net income generated operations of $19,569,126, shares issued for the Famehub Acquisition of $3,406,900, an increase of $2,345,127 in contributed surplus due to warrants issued on the forward gold sale and an increase in other accumulative comprehensive income of $5,862,898 due to change in reporting currency from CAD to USD. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital assets upgrades, etc.

1.7 Capital Resources

The Company's capital resources as at March 31, 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 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, etc.

Convertible Note and Forward Sale of Gold

On December 21, 2009, the Company announced that it had signed Term Sheets to raise up to CAD$12.0 million of new capital. The new funding is in lieu of the CAD$10 million dollar credit facility which was not completed due to the global credit meltdown in late 2008 and early 2009.

The financing closed on August 11, 2010, with an overallotment of CAD$1 million totaling CAD$13 million comprised of the private placement of $8,251,200 (CAD$8,000,000) in convertible notes (the "Notes") and a $5,157,000 (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 $0.41 (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 $0.52 (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 $5,157,000 (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 dollars 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.

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 March 31, 2011, 2,800 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 to be used for the planned exploration programs; closing 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.

(in United States dollars, except where noted)

Extension of Share Purchase Warrants

On February 3, 2011, the TSX Venture Exchange has consented for the Company to extend the term of 68,055,000 common share purchase warrants for another 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012.

The Company closed a $28,048,000 private placement on July 21, 2008 by issuing of 70,120,000 units at a price of $0.40 per unit, each unit being comprised of one common share of the Company and one common share purchase warrant. Each of these warrants entitled the holder to purchase one additional common share of the Company for a price of $0.50 until July 21, 2011. As of the date of the Company's application to the TSXV, 2,480,000 of these warrants have been exercised, leaving 67,640,000 warrants unexercised.

Contractual Obligations

As at March 31, 2011, the Company has aggregate commitments totaling $3,248,437, including operating leases, mineral property fees, purchases and construction contracts as follows:

	2011	2012	2013	2014	2015	Total
Operating leases	$ 10,288	$ 42,399	$ 30,543	$ 20,417	$ 2,915	$ 106,562
Mineral property fees	14,367	44,887	7,131	7,131	7,131	80,647
Purchase commitments	3,061,228	-	-	-	-	3,061,228
	$ 3,085,883	$ 87,286	$ 37,674	$ 27,548	$ 10,046	$ 3,248,437

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 unaudited interim consolidated financial statements.

1.10 Fourth Quarter

Not required for this MD&A.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

Refer to note 2(b) of the audited consolidated financial statements as at June 30, 2010.

1.13 Changes in Accounting Policies including Initial Adoption

Change in Reporting Currency

Effective July 1, 2010, the Company changed its reporting currency from the Canadian dollar ("CAD") to the U.S. dollar ("USD"). The change in reporting currency increases transparency of the financial results of the Company and provides better visibility for the stakeholders as the Company has commenced its commercial gold production.

Prior to July 1, 2010, the Company reported its annual and quarterly consolidated balance sheets and the related consolidated statements of operations, deficit, and accumulated comprehensive income (loss) and statements of cash flows in CAD. In making the change in reporting currency, the Company followed the recommendations of the Emerging Issues Committee ("EIC") of the Canadian Institute of Chartered Accountants ("CICA"), set out in EIC-130 — "Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency" ("EIC-130").

In accordance with EIC-130, the financial statements for all the periods presented have been translated to USD, using the current rate method. Under this method, the statements of operations, deficit and accumulated other comprehensive income (loss) and statements of cash flows for each period, as well as, transactions impacting shareholder's equity have been translated using the exchange rates prevailing on the transaction dates. Assets and liabilities have been translated using the exchange rate prevailing at the date of the consolidated balance sheets.

All resulting exchange differences arising from the translation are included as a separate component of other comprehensive income in the amount of $1,892,468 (2010 - $1,892,383) for the three months and $5,862,898 (2010 - $7,231,704) for the nine months, ended March 31, 2011. All comparative financial information has been restated to reflect the Company's results as if they had been historically reported in USD.

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 and non-controlling interests will be reported as a component of equity. 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. The Company early adopted these sections as of July 1, 2010 with no significant impact on the consolidated financial statements (see note 7(c)).

Hybrid Instruments

On initial recognition, the Company allocates the proceeds on hybrid instruments between the debt and equity components by first allocating the proceeds to the debt components using the relative fair value method with any residual value being allocated to the equity components. Transaction costs are allocated between the various components on the relative fair value basis.

(in United States dollars, except where noted)

Subsequent to initial recognition, the Company records notes and deferred revenues at amortized cost using the effective interest method such that upon maturity, the debt balance recorded will equal the maturity value of the remaining outstanding debt. The corresponding transaction costs are recorded against the debt and are amortized over the term to maturity. The increase in the debt balance and amortization of related financing costs are reflected as interest and accretion expense in the consolidated statement of operations, deficit and accumulated other comprehensive income (loss).

The derivatives are adjusted to fair value at each reporting period with the corresponding gain or loss reported in the consolidated statement of operations during the period incurred. The corresponding transaction costs are expensed as a period expense during the period the transaction closed.

The value of any equity component remains unchanged in future periods except upon the exercise of warrants when the value is reclassified to share capital. The corresponding transaction costs are recorded against the equity component.

International Financial Reporting Standards

In February 2008, the Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The effective date will require the restatement of comparative amounts reported by the Company for the year ending June 30, 2011. The Company has commenced the process to transition from current Canadian GAAP to IFRS. The planed action for conversion is as follows:

1. Identify differences in Canadian GAAP versus IFRS at July 1, 2010
2. Evaluate IFRS accounting policy choices/exemptions available at July 1, 2010
3. Select IFRS accounting policies
4. Quantify differences at July 1, 2010
5. Prepare IFRS balance sheet at July 1, 2010
6. Prepare September 30, 2010 and December 31, 2010 interim financial statements under IFRS as comparatives

The Company has completed the preliminary assessment of differences in Canadian GAAP versus IFRS related to the Company's financial statements, as a result, it is expected no significant impact on the financial results from the conversion. The Company has already arranged resources to complete the conversion by June 2011.

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, accounts receivable (excluding refundable taxes), accounts payable and accrued liabilities, convertible notes, conversion feature and FX Components (note 9).

The Company has classified its cash and cash equivalents 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 Components are classified as derivative liabilities.

The carrying amounts of cash and cash equivalents, restricted cash, 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.

The carrying values of financial assets by category at March 31, 2011 and June 30, 2010 are as follows:

Financial assets	Held-for-trading		Loans and receivables	
	March 31, 2011	June 30, 2010	March 31, 2011	June 30, 2010
Cash and cash equivalents	$ 33,358,303	$ 3,709,468	$ -	$ -
Restricted cash	103,495	173,731	-	-
Accounts receivable (excluding refundable taxes)		-	3,303,817	1,825,557
	$ 33,461,798	$ 3,883,199	$ 3,303,817	$ 1,825,557

The Company's cash equivalents bear interest at rates at 1.32% (2010 – 0.60% and Prime less 2.00%) and mature on October 7, 2011 (2010 - July 14, 2010 and September 12, 2010).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Gold forward contract	$ -	$ 6,513,988	$ -	$ 6,513,988

The carrying values of financial liabilities by category at March 31, 2011 and June 30, 2010 are as follows:

Financial liabilities	Other liabilities	
	March 31, 2011	June 30, 2010
Accounts payable and accrued liabilities	$ 3,458,561	$ 3,610,943

The following table sets forth the Company's financial liabilities measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Convertible notes	$ -	$ -	$ 5,047,671	$ 5,047,671
Conversion feature	-	-	8,870,040	8,870,040
FX components	-	(208,906)	-	208,906
	$ -	$ (208,906)	$ 13,917,711	$ 13,708,805

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 expenditures incurred or funds received by the Company are not denominated in Canadian dollars. Proceeds from gold sales are in US dollars. The majority of the Company's expenditures related to the mine operations and mineral property interests are in Malaysian ringgit, US dollars and Australian dollars. The Company's ability to generate revenue and to make payments to satisfy its obligations will be affected by foreign currency rate fluctuations. The Company is also exposed to foreign currency risk to the extent that it holds cash in Malaysian ringgit and U.S. dollars.

As at March 31, 2011 and June 30, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in Malaysian ringgit:

	March 31, 2011		June 30, 2010	
In thousands	RM	US	RM	US
Cash and cash equivalents	1,089	361	383	117
Restricted cash	313	103	565	174
Accounts receivable	31	10	8	3
Deposits and advances	0	0	260	80
Accounts payable and accrued liabilities	(9,732)	(3,223)	(10,464)	(3,220)

Based on the above net exposures as at March 31, 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 $137,000 (2010 – $142,000) in the Company's net losses.

As at March 31, 2011 and June 30, 2010, the Company is exposed to foreign currency risk through the following assets denominated in US dollars:

In thousands	March 31, 2011 US$	June 30, 2010 US$
Cash and cash equivalents	22,405	3,354
Accounts receivable	3,203	1,815
Accounts payable and accrued liabilities	-	(87)

Based on the above net exposures as at March 31, 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 $1,280,000 (2010 – $254,000) in the Company's net losses.

On August 11, 2010, the Company received $13,408,200 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 9).

Commodity Price risk
The Company generates cash flow from gold production. Therefore the profitability of the Company is directly related to the market price of gold. Gold prices are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, the relative exchange rate of the US dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices, and the price of gold is occasionally subject to rapid short-term changes due to speculative activities.

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 financial liabilities. 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 $2,356,953 (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 $22,719,020 (June 30, 2010 - $3,620,731) is held with a single Malaysian financial institution. The remaining $10,742,778 (June 30, 2010 - $262,468) 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 issuance of shares, convertible notes and a forward gold sale. To meet its repayment obligations and sale commitment, the Company is required to deposit certain amount of gold on a monthly basis as collateral and therefore is exposed to the risk that gold production is not sufficient for the Company to meet such commitment.

(in United States dollars, except where noted)

Contractual obligated cash flow maturities of financial liabilities as at March 31, 2011 are as follows:

	Total	under 3 months	4 to 12 months	1 to 5 Years
Accounts payable and accrued liabilities	$ 3,458,561	$ 2,879,404	$ 579,157	$ -
Convertible notes	$ -	$ -	$ -	$ 10,039,235

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	$ 3,610,943	$ 3,075,468	$ 535,475	$ -

1.15 Outstanding Share Data

The following details the share capital structure as at May 27, 2011, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Remaining life / Expiry date	Exercise price	Number of securities	Total
Common shares				173,971,861
Stock options				
	July 5, 2012	$0.52	3,175,000	
	August 15, 2013	$0.41	13,160,000	
	December 5, 2013	$0.26	1,459,167	
	December 5, 2013	$0.41	230,000	
	December 5, 2013	$0.52	400,000	
	February 9, 2014	$0.26	300,000	
	July 29, 2012	$0.31	500,000	
	December 17, 2014	$0.40	30,000	
	June 8, 2013	$0.31	1,600,000	
	June 10, 2015	$0.31	500,000	
	September 29, 2015	$0.43	3,000,000	
	November 30, 2015	$0.62	600,000	
	January 27, 2016	$0.70	120,000	25,074,167
Warrants				
	July 21, 2012	$0.52	67,440,000	
	August 12, 2011	$0.52	8,125,003	
	August 12, 2015	$0.52	5,000,000	80,565,003

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 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, 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. 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 develop a mineral property 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; 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.

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 March 31, 2011, by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company's management, including the CEO and CFO, or persons performing similar functions.

Internal Control over Financial Reporting

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

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

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 expect 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.*