1.1 Date

The following management discussion and analysis of Monument Mining Limited ("Monument" or the "Company") as of September 27, 2010 should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2010 and related notes, which have been prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP).

All amounts following are expressed in Canadian 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, listed on TSX-V ("MMY"), FSE ("D7Q1"), is a resource company engaged in exploration and development of gold mineral properties. 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 primary gold properties - Selinsing Gold Project ("Selinsing") and Buffalo Reef Prospect ("Buffalo Reef") - are located in the Central Gold Belt of Western Malaysia. Both properties hold gold resources with opportunity for extension and lie in the same district as the operating Penjom Mine and Raub Gold Mine, which each host more than one million ounces of gold resources.

Fiscal 2010 started with commencement of open pit mining in July 2009 at Selinsing property, followed by the first gold pour from the gravity circuit in October 2009. The Phase I gravity circuit was fully commissioned and was placed into pre-commercial production in January 2010, from which $16 million cash was generated during the year to fund the Phase II CIL (Carbon in Leach) circuit construction and the first open pit mine operations. The commissioning of the CIL plant was completed subsequent to the year ended June 30, 2010. Aggregate costs of construction and mine site development as at June 30, 2010 were $17.4 million. In September, 2010, the Company announced commercial production and has become a junior gold producer.

A drill program confirming gold resources at Buffalo Reef was completed in fiscal 2009, except diamond drilling, which together with further exploration programs has been put on hold for additional financing during fiscal 2010. Subsequent to the year ended June 30, 2010, the Company closed a $13 million financing through issuance of convertible notes and a gold forward sale, and immediately completed 32,000 acres prospective exploration land acquisition (Famehub). As a result, the Company has entered a new stage of growth, to implement strategic regional exploration programs targeting to increase the measured and indicated resources at both Selinsing and Buffalo Reef properties as well as the Famehub property. On September 22, 2010, the Company announced a $3.4 million exploration program on its Malaysian properties aiming at increasing the gold resource assets and building up its development pipeline in Malaysia.

High Lights for Fiscal 2010

1. On July 1, 2009, mining activities commenced at the first open pit of Selinsing property. The Company awarded the mining contract to Minetech Construction Sdn Bhd. Mining equipment was mobilized to the mine site, and a mining contractor's workshop and camp site were established. Excavation started in the first week of July by removing slide material from an old open pit;
2. In October 2009, the gravity circuit was commissioned and was in pre-commercial production with the first gold pour; mill through put achieved 32,800 tonnes per month in December 2009;

3. On December 21, 2009, the Company announced it had signed Term Sheets to raise $12 million comprised of a $7 million convertible note and $5 million forward gold sales to fund its continuing exploration programs, the acquisition of exploration prospective land and the extension of phase III gold treatment plant;
4. In the second quarter of fiscal 2010, the stage 1 tailing storage facilities were completed under monsoon season conditions, providing storage capacity for 16 months' tailings discharged from plant production with design allowing for expansion in lifts over the project expected life of more than 5 years;
5. In the third quarter of fiscal 2010, the manufacturing license for the establishment of the Carbon in Leach processing plant at the Selinsing Gold Project was issued by the Malaysian federal government;
6. The Environmental Management Plan (the "EMP") for the Selinsing project was developed during the year and approved by the Ministry of Environmental Department of Pahang state, Malaysia. The EMP documents the organizational structure, responsibilities, procedures, and resources that enable the Company to manage all relevant environmental issues and to effectively comply with environmental regulations.
7. On February 12, 2010 the commissioning of the CIL plant was commenced;
8. Subsequent to the year end, the Company closed a $13 million financing on August 11, 2010;
9. Subsequent to the year end, on September 13, 2010, the Famehub acquisition transaction was complete; as a result, the Company has obtained 32, 000 acres of prospective exploration land;
10. Subsequent to the year end, on September 22, 2010, the Company announced a $3.4 million 12-month exploration program, consisting of 116 drill holes totaling 18,390 meters on the Selinsing, Damar Buffalo Reef and Famehub properties.

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 $29,195,241 was comprised of $3,500,000 cash, a promissory note of $9,000,000 fair valued at $8,181,818, the issuance of 31,400,009 fully paid treasury shares at an ascribed value of $0.50 per share and 5,000,000 share purchase warrants.

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 $1,750,000 cash, 15,000,000 fully paid treasury shares at $0.50 per share and 7,500,000 share purchase warrants was paid as consideration to acquire 100% of the Damar shares and an Avocet promissory note payable of $1,722,868 (RM5,573,824).

Acquisition of the Famehub Properties

On January 14, 2008, the Company signed a Letter Of Intent ("LOI") with Famehub Venture Sdn Bhd. ("Famehub"), a company incorporated in Malaysia. Pursuant to the LOI, Famehub has agreed to sell and Monument has agreed to purchase 32,000 acres of the prospective exploration land (the "Famehub Properties") and associated data base (together, the "land package"), for consideration of

$5 million. This land is located to the east and north along the trend of Selinsing's Gold Property and Buffalo Reef property, commencing approximately 500 meters from the existing ground held under the above two project's eastern boundaries.

In February 2010, the "Agreement of Purchase and Sale of Shares" (the "Famehub Acquisition Agreement") was drafted, according to which the Company shall 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 million for the Famehub acquisition consists of $1.5 million in cash and 14 million fully paid and non-assessable common shares of the Company.

The Famehub acquisition was closed on September 13, 2010, subsequent to the year ended June 30, 2010, upon receipt of the TSX-Venture Exchange's acceptance and an independent technical report from Snowden Consulting Group (Australia).

1.2.2 Projects Update

Selinsing Gold Project

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 of between 92% and 95%.

Subsequent to the year ended June 30, 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. 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 and is projected to be completed by March 2011.

<u>Mine Development</u>

The Company commenced the Selinsing gold mine development in October 2008 for a total budget of $17 million. 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 capable to store a 16 month tailing discharge from the processing plant.

During the year, 96% of the project has been completed costing $17.4 million except the commissioning of the CIL circuit which was delayed due to the late delivery and replacement of the faulty CIL agitators.

The gravity circuit poured the first gold in October 2009 and was placed into production in January 2010. The 650kW ball mill was running at the designed capacity since December 2009 at an average 30,000 tonnes per month. Total mill through put of 272,120 tonnes for fiscal 2010 contained 26,942 ounces of gold, of which 15,892 ounces of gold was transferred into the gravity circuit. Discharged ore materials were pumped to the cyclone cluster, and cyclone overflow in turn was temporarily stored in the tailing pond for further leaching process through the CIL circuit in the future.

The CIL circuit was fully commissioned in August 2010, subsequent to the year end. The commercial production of the Selinsing Gold Mine commenced at the beginning of September 2010.

Production

Mining and gravity plant operating results as at June 30, 2010 are provided as the following:

	Q1	Q2	Q3	Q4	Total
Ore Mined (tons)	69,524	165,823	229,495	197,488	662,330
Ore Processed (tons)	3,524	82,828	95,022	90,746	272,120
Ore Stockpiled (tons)	64,533	145,034	280,737	387,545	387,545

	Q1	Q2	Q3	Q4	Total
Gold produced (oz)	-	1,400	4,127	8,266	13,793
Gold Sold (oz)	-	660	3,716	9,417	13,793
Revenue (in 000' US$)	-	764	4,135	11,416	16,316
Cash Cost/oz (US$/oz)	-	371	234	198	226

The cash cost per ounce is calculated based on a partial production under the pre-commercial production stage. It neither represents costs incurred under a normal course of production, nor indicates future cash cost per ounce for the gravity production.

Buffalo Reef Prospect

Through Damar, the Company holds 100% of the Buffalo Reef Prospect consisting of two contiguous tenements approximately 2,050 acres in size in Pahang State of Malaysia and extending 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.

As part of the due diligence program prior to the closing of the acquisition of Damar, the Company commissioned the preparation of a NI 43-101 report on the Damar Buffalo Reef Prospect. The report concluded there was a historic resource which was not NI 43-101 compliant.

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). These adjacent mineral exploration programs, if successful, are expected to result in an increase in economic benefit for the planned mine development at Selinsing by adding potential resources within economic haulage distance of the Selinsing Gold Project.

The diamond drilling work included in Phase I program was not commenced during fiscal year 2010 due to financial constraints caused by non-delivery of a $10 million credit facility during the period of economic downturn in 2008. On September 22, 2010, upon completion of the $13 million financing, the Company has initiated a drill program including 33 drill holes comprising 2,500m RC drilling and 3,200m diamond drilling, budgeted at $0.8 million. The drill program is an extension to the previous 11,871m of shallow RC drilling programs completed in 2008. It is aimed to convert the inferred resources into measured and indicated, and to update the JORC Code compliant gold resource to NI 43-101 standards. Metallurgical and recovery test work will also be performed on the Buffalo Reef ore as part of the ongoing development program.

1.3 Selected Annual Financial Information

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and are expressed in Canadian dollars except common shares outstanding.

BALANCE SHEET	June 30, 2010	June 30, 2009
Current assets	$ 10,999,920	$ 6,263,962
Other assets	53,585,678	56,837,573
Total assets	64,585,598	63,101,535
Current liabilities	3,859,014	2,110,014
Other liabilities	3,330,019	2,288,102
Shareholders' equity	57,396,565	58,703,419
Total shareholders' liabilities and equity	64,585,598	63,101,535
Working capital	$ 7,140,906	$ 4,153,948

1.4 Results of Operations

	Three Months ended June 30,		Year ended June 30,	
	2010	2009	2010	2009
Net loss for the period	$ (601,649)	$ (990,066)	$ (2,936,587)	$ (3,498,950)
Earnings (loss) per share	(0.01)	(0.01)	(0.02)	(0.02)
Weighted average number of common shares	156,115,028	155,640,028	156,003,110	150,492,713

The operating results of the Company reflect its on-going corporate business development, administrative costs and other income or expenses such as interests, and foreign exchange gains or losses.

Twelve month results

For the year ended June 30, 2010, the Company reported a net loss of $2,936,587, or $0.02 per share, compared to a net loss of $3,498,950, or $0.02 per share, reported for the corresponding period in fiscal 2009.

The operating expenses of $2,779,937 for fiscal 2010 are comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance and stock-based compensation. Excluding stock-based compensation expenses of $1,227,420, the Company incurred operating expenses of $1,552,517 compared to operating expenses of $2,040,393 for fiscal 2009.

General and administration expenses, decreased by 13% to $1,018,132 in fiscal 2010 from $1,168,403 in fiscal 2009, were comprised of salary expenses of $782,030 (2009 - $665,956) and office rent, general office expenses $236,102 (2009 - $502,447). The salaries increased comparing to the same period of the last year reflecting increased corporate activities, which are partially offset by decreased general administrative expenditures.

Shareholder communications, conference and travel expenses totaled $251,078 in fiscal 2010, decreased by $281,042 from $532,120 in fiscal 2009, reflecting budget cuts implemented as a result of the global recession. The regulatory and filing expense was $29,886 in fiscal 2010 compared to $46,160 in the same period of fiscal 2009 primarily due to non-recurring cost of fees paid to TSXV for the new stock plan in 2009. Legal, accounting and audit expenses were $235,148 in fiscal 2010 compared to $280,086 in fiscal 2009, the variance reflects a non-recurring audit fee adjustment in the same period of 2009 and reduced general legal expenses.

During fiscal 2010, a total $1,496,855 (2009 - $1,890,837) stock-based compensation expenses were credited to contributed surplus, of which $1,227,420 (2009 - $1,416,204) was charged to operations, $269,435 (2009 - $474,633) was charged to exploration, mine development and construction of the plant.

During fiscal 2010, the Company received $29,675 (2009 - $311,591) interest income generated from a cash balance. The Company incurred a foreign exchange loss of $192,424 compared to $352,911 for the prior year.

1.5 Summary of Quarterly Results

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

	Sep. 30, 2008	**Dec. 31, 2008**	**Mar. 31, 2009**	**Jun. 30, 2009**	**Sep. 30, 2009**	**Dec. 31, 2009**	**Mar. 31, 2010**	**Jun. 30, 2010**
From Continued Operations	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Net loss	848,652	902,217	758,015	990,066	751,741	830,209	759,859	601,678
Loss per share	0.01	0.01	0.00	0.01	0.00	0.01	0.00	0.00

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, the gold treatment plant construction and production at Selinsing and exploration at Buffalo Reef.

The Company's cash balance as at June 30, 2010 was $4,134,141, decreased by $2,048,461, from $6,182,602 as at June 30, 2009. During fiscal 2010, $6,286,751 was used in operations; $4,411,148 was generated from investing activities; and $156,741 was spent on financing activities.

During fiscal 2010, the Company spent $6,286,751 on operating activities compared to $1,749,681 in fiscal 2009, the increase was primarily due to inventory of $4,818,599 at Selinsing Gold Project, reflecting purchase of mine operation supplies, mining expenditure to stockpile ores and milling process expenditure to extract the gold component from ore materials.

Investment in mineral property development, construction and other capital assets in fiscal 2010 has produced a positive cash flow of $4,411,148 (2009 – ($8,691,447)) comprised of $9,017,755 spent for plant construction and purchase of other capital assets (2009 - $6,491,046), offset by $808,525 in gold sales as a result of commissioning of the gravity circuit; $690,198 for mineral property development (2009 - $2,200,401), offset by a net operating profit of $13,310,576 (2009 - $nil) from the gravity circuit, which was charged to mineral properties during the pre-commercial production period.

During fiscal 2010, the Company incurred legal and regulatory fees of $140,932 for $13 the million financing transaction, $1,170 for issuance of common shares of the Company and $14,639 for capital leases.

As at June 30, 2010, the Company has a positive working capital of $7,140,906 compared to $4,153,948 as at June 30, 2009 increased by $2,986,958 as a direct result of gold sales. The accounts payable increased to $3,844,291 at June 30, 2010 from $2,095,964 at June 30, 2009 primarily attributed to construction and mining costs incurred during the year.
During fiscal 2010, the net shareholders' equity has decreased by $1,306,854 primarily due to the operating loss of $2,936,587, partially offset by an increase of $1,496,855 in contributed surplus due to stock-based compensation cost incurred. From time to time 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 expenditure, acquisitions, capital assets upgrades, etc.

1.7 Capital Resources

The Company's capital resources as at June 30, 2010 included cash and cash equivalents. The Company's primary sources of funding are though equity financing by issuance of stock, debt financing and sale of gold. From time to time 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 expenditure, acquisitions, capital asset upgrades, etc.

Shares issued for debt

On September 25, 2009, the Company issued 475,000 Monument shares to settle a debt owing to Avocet.

Avocet has been operating a gold mine in Malaysia since 1996 which is located approximately 45 kilometers from Monument's Selinsing property. Avocet has provided assistance to Monument in training mining and gold plant processing operators at Monument's Selinsing Gold Mine Project.

The training assistance costs of $134,048 (US$131,600) were fully paid by issuance of 475,000 Monument shares at $0.28 per share. All shares issued are subject to a four-month hold period.

Convertible Note and Forward Sale of Gold

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

The financing closed on August 11, 2010, subsequent to the year ended June 30, 2010, with an overallotment of $1 million totaling $13 million comprised of the private placement of $8 million in convertible notes (the "Notes") and a $5 million 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 $0.40 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 $0.50 per share, expiring five years from the date of issuance of the Notes. The conversion price of the units and the exercise price of the warrants are subject to adjustment in accordance with anti-dilution provisions of the Notes and the warrants.

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 holder has 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 Note holders the option to purchase an aggregate of 5,714 ounces of gold at a price of $1,000 per ounce and 2,857 ounces of gold at a price of $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 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.

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. Byron Capital Markets acted as financial advisor to the Company in connection with issuance of the Notes and 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 through put.

Contractual Obligations

As at June 30, 2010, the Company has aggregate commitments totaling $845,502, including operating leases, mineral property fees and construction contracts as follows:

	2011	2012	2013	2014	2015	Total
Operating leases	$ 40,338	$ 41,548	$ 30,053	$ 20,195	$ 2,883	$ 135,017
Mineral property fees	57,286	44,401	7,054	7,054	7,054	122,849
Purchase commitments	479,636	-	-	-	-	479,636
Consulting agreements	108,000	-	-	-	-	108,000
	$ 685,260	$ 85,949	$ 37,107	$ 27,249	$ 9,937	$ 845,502

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 its gravity plant production. The Company has not been able to generate positive cash flow from its operations except the gravity circuit operation. The management believes it is able to obtain adequate working capital to continue the on-going operations through the gravity circuit operation and other financing vehicles. However, the positive cash flow generated from the gravity circuit 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 will also be required to meet its planned development program, which includes funding for exploration, exploration land expansion and the existing plant extension to increase production levels. 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 annual consolidated financial statements.

1.10 Fourth Quarter

For the quarter ended June 30, 2010, the Company reported a net loss of $601,678, or $0.00 per share, compared to a net loss of $990,066, or $0.01 per share, reported for the corresponding period in fiscal 2009.

The operations expenses of $549,816 for fourth quarter of fiscal 2010 (2009 - $738,607) are comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance, amortization and stock-based compensation. Excluding stock-based compensation expenses of $120,818 (2009 - $244,930), the Company incurred operating expenses of $428,998 compared to operation expenses of $493,677 for fiscal 2009.

General and administration expenses, which decreased by 20% to $294,157 in the fourth quarter of fiscal 2010 from $368,992 in the same period for fiscal 2009, was comprised of salary expenses of $240,868 (2009 - $173,366) and office rent, office services and others of $53,289 (2009 - $195,626). The increase in salaries compared to the same period last year reflected increased corporate activities, which was offset by decreased financial management consulting.

Shareholder communications, conference and travel expenses totaled $56,468 in the fourth quarter of 2010, decreased by $33,497 from $89,965 in the same period of fiscal 2009, reflecting budget cuts implemented as a result of the global recession. The regulatory and filing expense was $2,307 compared to $3,353 in the fourth quarter of fiscal 2009. Legal, accounting and audit expenses were $71,626 compared to $27,961 an increase by $43,665 reflected the additional legal costs related to a number of construction service contracts awarded to suppliers and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. ("the Defendants") for defamation.

During the fourth quarter of fiscal 2010, a total $152,338 (2009 - $327,389) stock-based compensation expenses were credited to contributed surplus, of which $120,818 (2009 – $244,930) was debited to operations and $31,520 (2009 - $82,459) was debited to exploration, mine development and construction of the plant. The amortization expense was $4,440 compared to $3,406 in the fourth quarter of fiscal 2009.

During the fourth quarter of fiscal 2010, the Company received $1,452 (2009 - $35,633) of interest income generated from a cash balance. The Company incurred a foreign exchange loss of $52,634 compared to $286,058 in the same period last year.

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

Refer to note 3 of the audited consolidated financial statements as at June 30, 2010.

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, forward contracts, accounts receivable (excluding refundable taxes) and accounts payable and accrued liabilities.

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 are classified as other 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 value of the forward contract has been adjusted to fair value based on quoted market prices.

The carrying values of financial assets by category at June 30, 2010 and 2009 are as follows:

Financial assets	Held-for-trading		Loans and receivables	
	2010	2009	2010	2009
Cash and cash equivalents	$ 3 ,949,183	$ 6,109,453	$ -	$ -
Restricted cash	184,958	73,149	-	-
Forward contracts	-	10,103	--	-
Accounts receivable (excluding refundable taxes)	-	-	1,943,529	18,752
	$ 4,134,141	$ 6,192,705	$ 1,943,529	$ 18,752

The Company's cash equivalents bear interest at rates between 0.60% to Prime less 2.00% (2009 – Prime less 2.00% to 2.65%) and mature between July 14, 2010 and September 12, 2010 (2009 – July 16, 2009 and September 11, 2009). The instrument maturing July 14, 2010 in the amount of $34,500 was renewed to July 13, 2011 bearing interest at Prime less 1.85% and the remaining instruments were redeemed subsequent to year-end.

The carrying values of financial liabilities by category at June 30, 2010 and 2009 are as follows:

Financial liabilities	Other liabilities	
	2010	2009
Accounts payable and accrued liabilities	$ 3,844,291	$ 2,095,964

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 US dollars.

As at June 30, 2010 and 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in Malaysian ringgit:

	2010		2009	
In thousands	RM	CDN	RM	CDN
Cash and cash equivalents	383	125	6,590	1,187
Restricted cash	565	185	221	73
Forward contracts	-	-	31	10
Accounts receivable	8	3	13	4
Deposits and advances	260	85	2,892	956
Accounts payable and accrued liabilities	(10,464)	(3,428)	(5,749)	(1,901)

Based on the above net exposures as at June 30, 2010, and assuming that all other variables remain constant, a 5% depreciation or appreciation of the Malaysian ringgit against the Canadian dollar would result in an increase/decrease of approximately $151,000 (2009 – $66,000) in the Company's net losses.

As at June 30, 2010 and 2009, the Company is exposed to foreign currency risk through the following assets denominated in US dollars:

	2010		2009	
In thousands	US$	CDN	US$	CDN
Cash and cash equivalents	3,354	3,545	-	-
Accounts receivable	1,815	1,932	-	-
Accounts payable and accrued liabilities	(87)	(93)	-	-

Based on the above net exposures as at June 30, 2010, 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 $269,000 (2009 – $nil) in the Company's net losses.

During 2009, the Company entered into a number of foreign exchange forward contracts to reduce its exposure to foreign currency risk. The contracts obliged the Company to convert $5,500,000 to Malaysian ringgits at predetermined exchange rates on a monthly basis from February to July 2009. For the year ended June 30, 2010, a total of $500,000 (2009 – $5,000,000) was settled for Malaysian ringgit under the forward contracts resulting in a loss of $15,434 (2009 – $61,245) comprised of a total realized loss of $15,434 (2009 – total realized loss of $51,023 and an unrealized mark-to-market loss of $10,222). As at June 30, 2010, a total of $nil (2009 – $500,000) in forward contracts remain to purchase Malaysian ringgits.

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.

As at June 30, 2010 and 2009, the Company is not exposed to other price risk.

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 $1,931,453 (2009 – $nil) 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 $3,854,711 is held with a single Malaysian financial institution. The remaining $279,430 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.

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	$ 3,844,291	$ 3,274,212	$ 570,079	$ -

Contractual obligated cash flow maturities of financial liabilities as at June 30, 2009 are as follows:

	Total	under 3 months	4 to 12 months	1 to 5 Years
Accounts payable and accrued liabilities	$ 2,095,964	$ 2,095,964	$ -	$ -

1.15 Outstanding Share Data

The following details the share capital structure as at September 27, 2010, 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				170,240,028
Stock options				
	July 5, 2012	$0.50	3,300,000	
	February 18, 2011	$0.58	70,000	
	August 15, 2013	$0.40	13,390,000	
	December 5, 2013	$0.50	400,000	
	December 5, 2013	$0.40	230,000	
	December 5, 2013	$0.25	1,731,000	
	February 9, 2014	$0.25	425,000	
	July 29, 2012	$0.30	800,000	
	December 17, 2014	$0.39	30,000	
	June 8, 2013	$0.30	1,600,000	
	June 10, 2015	$0.30	500,000	22,476,000
Warrants				
	July 21, 2011	$0.50	70,120,000	
	August 12, 2011	$0.50	8,125,003	
	August 12, 2015	$0.50	5,000,000	83,245,003

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 no producing mines except Selinsing gold mine, however has limited cash flow from the recently commissioned gravity plant, and has no other source of operating cash flow other than through debt and/or equity financing and the above. Any further significant work would likely require additional equity or debt financing. The Company has very limited financial resources and there is no assurance that additional funding will be available to allow the Company to proceed with any plans for exploration and development of its mineral properties.

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

(a) ***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.

(b) ***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.

(c) ***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.

(d) **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.

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, 2010, 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, 2010.

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 internal control has been extended to include the subsidiaries located in Malaysia. During the second quarter of fiscal 2010, the assessment indentified the following material weakness:

- The Company's policies and procedures relating to the inventory control process at one of the Company's operating subsidiaries were not followed. This did not have a material impact on the financial reporting.

During the current period, the Company has re-designed the inventory control process and extensive training and monitoring have been performed to ensure adequate control procedures over timely inventory recording and counting are followed by operating subsidiaries.

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 statements regarding work in progress, timelines, and budget 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; 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.*