Consolidated Financial Statements of

MONUMENT MINING LIMITED
(FORMERLY MONCOA CORPORATION)

June 30, 2008 and 2007

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Monument Mining Limited (formerly Moncoa Corporation) have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management maintains systems of internal controls designed to provide reasonable assurance that the assets are safeguarded. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate the preparation of financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the consolidated financial statements with management and the external auditors. Smythe Ratcliffe LLP, an independent firm of chartered accountants appointed as external auditors by the shareholders, have audited the consolidated financial statements and their report is included herein.

"Robert Baldock"	"Cathy Zhai"
Robert Baldock, President and Chief Executive Officer	Cathy Zhai, Chief Financial Officer

Vancouver, British Columbia

September 29, 2008

SmytheRatcliffe
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

TO THE SHAREHOLDERS OF MONUMENT MINING LIMITED (FORMERLY MONCOA CORPORATION)

We have audited the consolidated balance sheets of Monument Mining Limited (formerly Moncoa Corporation) as at June 30, 2008 and 2007 and the consolidated statements of operations and deficit and cash flows for the year ended June 30, 2008, the four-month period ended June 30, 2007, and the year ended February 28, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2008 and 2007 and the results of its operations and its cash flows for the year ended June 30, 2008, the four-month period ended June 30, 2007, and the year ended February 28, 2007 in accordance with Canadian generally accepted accounting principles.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, British Columbia
September 29, 2008

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MONUMENT MINING LIMITED

(FORMERLY MONCOA CORPORATION)

Consolidated Balance Sheets (note 1)

		June 30, 2008		June 30, 2007
Assets (note 9)				(note 18)
Current assets				
Cash and cash equivalents	$	7,346,566	$	4,496,222
Accounts receivable		13,306		30,351
Prepaid expenses and deposits		132,056		219,855
		7,491,928		4,746,428
Property, plant and equipment (note 5)		785,929		16,341
Mineral property interests (note 6)		43,752,439		41,094,900
Deferred financing costs (note 10(c))		2,893,281		-
		47,431,649		41,111,241
	$	54,923,577	$	45,857,669
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	$	3,771,936	$	949,582
Debenture payable (note 9)		-		8,215,442
		3,771,936		9,165,024
Other liabilities				
Asset retirement obligation (note 7)		107,537		-
Future income tax (note 13)		723,000		948,800
		4,602,473		10,113,824
Shareholders' equity				
Share capital (note 10(b))		33,016,984		33,012,664
Subscription (note 10(c))		15,863,000		-
Contributed surplus (note 10(g))		4,821,161		3,225,929
Deficit		(3,380,041)		(494,748)
		50,321,104		35,743,845
	$	54,923,577	$	45,857,669

(1) Commitments (notes 6(c) and 14)

(2) Subsequent Events (note 19)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board

"Robert Baldock" — Robert Baldock, Director

"Carl Nissen" — Carl Nissen, Director

MONUMENT MINING LIMITED

(FORMERLY MONCOA CORPORATION)

Consolidated Statements of Operations and Deficit

	For the year ended June 30, 2008	For the four-month period ended June 30, 2007	For the year ended February 28, 2007
Expenses			
Stock-based compensation (note 10 (e))	$ 1,458,240	$ -	$ -
General and administration	818,483	52,662	130,259
Shareholder communications	350,596	18,917	453
Legal, accounting and audit	208,851	26,711	21,486
Travel	271,842	-	-
Regulatory compliance and filing	33,965	15,714	21,588
Amortization	10,516	892	259
	3,152,493	114,896	174,045
Loss before the under noted	(3,152,493)	(114,896)	(174,045)
Other (note 15)	41,400	(33,627)	(5,716)
Loss from continued operations before future income tax recovery	(3,111,093)	(148,523)	(179,761)
Future income tax recovery	225,800	222,000	-
Income (loss) from continued operations after future income tax	(2,885,293)	73,477	(179,761)
Discontinued Operations			
Net income from discontinued operations	-	62,239	-
Gain (loss) from discontinued operations, net of future income tax (note 8)	-	642,572	(50,236)
Net income (loss) and comprehensive income (loss) for the period	(2,885,293)	778,288	(229,997)
Deficit, Beginning of period	(494,748)	(1,273,036)	(1,043,039)
Deficit, End of period	$ (3,380,041)	$ (494,748)	$ (1,273,036)
Earnings (Loss) Per Share			
Basic and diluted - continued operations	$ (0.04)	$ 0.01	$ (0.02)
Basic and diluted - discontinued operations	$ -	$ 0.05	$ (0.01)
Basic and diluted - total	$ (0.04)	$ 0.06	$ (0.03)
Weighted average number of common shares outstanding	77,394,302	12,864,329	8,803,582

See accompanying notes to consolidated financial statements.

MONUMENT MINING LIMITED

(FORMERLY MONCOA CORPORATION)

Consolidated Statements of Cash Flows

	For the year ended June 30, 2008	For the four month period ended June 30, 2007	For the year ended February 28, 2007
Operating Activities		(note 18)	
Net income (loss) for the period	$ (2,885,293)	$ 778,288	$ (229,997)
Net income from discontinued operations	-	(62,239)	-
Items not involving cash			
Gain from discontinued operations	-	(642,572)	-
Future income tax recovery	(225,800)	(222,000)	-
Stock-based compensation	1,458,240	-	-
Foreign exchange	-	(2,786)	-
Amortization	10,516	892	6,991
	(1,642,337)	(150,417)	(223,006)
Change in non-cash working capital items			
Accounts receivable	17,045	(27,419)	(139,896)
Prepaid expenses and deposits	87,799	38,893	(258,653)
Accounts payable and accrued liabilities	(734,717)	671,026	259,995
	(629,873)	682,500	(138,554)
Cash provided by (used in) operating activities	(2,272,210)	532,083	(361,560)
Financing Activities			
Proceeds from private placements	15,863,000	9,488,347	644,420
Proceeds from exercise of agent's options	3,000	-	-
Repayment of debenture payable	(9,000,000)	-	-
Proceeds from long term debt	-	-	60,000
Purchase of promissory note receivable	-	(1,750,000)	-
Interest capitalized	-	-	78,522
Cash provided by financing activities	6,866,000	7,738,347	782,942
Investing Activities			
Expenditures on mineral property interests	(1,144,144)	(3,804,132)	(400,709)
Expenditures on property, plant and equipment	(599,302)	(12,570)	(4,923)
Cash used by investing activities	(1,743,446)	(3,816,702)	(405,632)
Increase in cash	2,850,344	4,453,728	15,750
Cash, beginning of period	4,496,222	42,494	11,142
Cash from Discontinued operations	-	-	15,602
Cash and cash equivalents, end of period	$ 7,346,566	$ 4,496,222	$ 42,494

Supplemental Cash Flow Information (note 16)

See accompanying notes to consolidated financial statements.

1. Organization, Nature of Operations and Going Concern

Monument Mining Limited (the "Company") is a natural resource company engaged in exploration for and development of gold mineral property interests. Its primary activities include pre-construction activities related to the engineering design of the processing gold treatment plant for the 100% owned Selinsing Gold Project and exploration activities on the 100% owned Damar Buffalo Reef exploration prospect (note 6). The Company's head office is located in Vancouver, BC, Canada. Its gold project development and exploration operations are carried out in Malaysia through its wholly owned subsidiaries.

The Company has not generated any revenue from operations yet since it entered into the mining business in June 2007. The Company is in the process of exploring its mineral property interests and, with the exception of Selinsing Gold Project, has not yet determined whether its mineral property interests contain economically recoverable mineral reserves. The underlying values and the recoverability of the amounts shown for mineral property interests do not necessarily represent or indicate future values. The recoverability of the amount shown for mineral property interests is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to continue operations, to complete the development and exploration of the mineral property interests, and future profitable production or proceeds from the disposition of the 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 property interests, 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, titles to its properties are in good standing.

2. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

(a) Basis of presentation

The consolidated financial statements include the accounts of the Company and its wholly owned integrated Malaysian subsidiaries: Polar Potential Sdn. Bhd., Able Return Sdn. Bhd., Selinsing Gold Mine Manager Sdn. Bhd. and Damar Consolidated Exploration Sdn. Bhd.

All material intercompany balances and transactions have been eliminated on consolidation.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of these financial statements include determining accrued liabilities, valuation of mineral property interests, valuation of assets and liabilities of discontinued operations, asset retirement obligations, assumptions used in calculating fair-value of Agents' options, share purchase warrants and stock-based compensation, and valuation allowance for future income tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates used in the preparation of the financial statements and could impact future results of operations and cash flows.

2. Significant Accounting Policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments, having maturity dates of three months or less from the date of acquisition, that are readily convertible to known amounts of cash. Included in cash equivalents are short-term investments earning interest between 2.7% and 4.2%.

(d) Property, plant and equipment

Property, plant and equipment are recorded at cost and amortization begins when the asset is substantially put into service. Amortization of office buildings, heavy machinery and equipment, and office furniture and equipment is calculated on a straight-line basis over their estimated useful lives at annual rates between 4% – 45%. Equipment used in exploration and development of mineral property interests is amortized, but the amortization charge is deferred with other mineral property interests exploration and development expenditures. Amortization of equipment not specifically related to the Company's exploration activities is included in the consolidated statements of operations and deficit.

Construction in progress and pre-construction costs related to the Selinsing Gold Mine Project are recorded at cost. No amortization is calculated until the assets are substantially put into service.

(e) Mineral property interests

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property interest acquisition costs and exploration and development expenditures, net of any recoveries. These deferred expenditures will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, abandoned or when impairment in value is determined to have occurred.

Mineral property interest acquisition costs include the cash consideration, the fair value of common shares issued for mineral property interests and the fair value of warrants granted determined using the Black-Scholes option pricing model.

All capitalized costs are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. Mineral property interests are reviewed quarterly for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying value of a property exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option or joint venture expenditure commitments) or when, in the Company's assessment, it will be unable to sell the property for an amount greater than the deferred costs, the property is written down for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionees, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

(f) Impairment of long-lived assets

The Company monitors the recoverability of long-lived assets, including mineral property interests and equipment based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The impairment loss is recorded in the period when it is determined that the carrying amount of the asset may not be recoverable. The amount of loss is measured as the excess of the carrying value of the asset over its fair value.

2. Significant Accounting Policies (continued)

(g) Income taxes

Income taxes are accounted for using the asset and liability method. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis. The amount of future income tax assets recognized is limited to the extent that they are considered, more likely than not, to be realized. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(h) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, agents' options, share purchase warrants and similar instruments that are "in the money" would be used to repurchase common shares of the Company at the average market price during the year. However, diluted loss per share is not presented where the effects of various conversions and exercise of options and warrants would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, have not been included in the calculation of the weighted average number of common shares outstanding.

(i) Stock-based compensation

The Company accounts for stock purchase options granted to directors, employees and consultants and other stock-based payments using the fair value based method. Under this method, compensation expense for options granted is determined based on estimated fair values of the options using the Black-Scholes option pricing model. For employees and directors, the fair value of the options is measured at the time of grant. For non-employees the fair value of the options is measured at the time of grant if they are fully vested and non-forfeitable, or the earlier of the date the performance is completed or the performance commitment is reached. The cost is recognized over the vesting or service period of the respective options and, with a corresponding increase to contributed surplus, is either capitalized to mineral property interests for grants to individuals working directly on mineral projects or is charged against operations otherwise. When stock options are exercised, the corresponding fair value is transferred from contributed surplus to share capital.

(j) Asset retirement obligations

The Company recognizes an estimate of the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flow or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

(k) Revenue recognition

The Company recognizes interest income from cash and cash equivalents on an accrual basis as earned at the stated rate of interest over the term of the instrument.

2. Significant Accounting Policies (continued)

(l) Foreign currency translation

All of the Company's foreign operations are considered integrated. Monetary assets and liabilities of the Company and its integrated foreign operations are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the average exchange rates for the quarter of acquisition unless such items are carried at market, in which case they are translated at the exchange rates in effect at the balance sheet date. Interest income and expenses are translated at the average exchange rates for the year. Gains or losses on translation are recorded in the statement of operations.

3. Changes in Accounting Policies

Effective July 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") relating to financial instruments. As required by the transitional provisions of these new standards, these standards have been adopted with no restatement to prior period financial statements.

(a) <u>Section 3855 – Financial Instruments – Recognition and Measurement</u> - All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is removed from the balance sheet.

As a result of the adoption of these new standards, the Company has classified its cash and cash equivalents as held-for-trading. Accounts receivable are classified as loans and receivables. Accounts payable, certain accrued liabilities and debenture payable are classified as other liabilities, all of which are measured at amortized cost.

The adoption of these new standards had no impact on the Company's deficit position as at July 1, 2007.

(b) <u>Section 1530 – Comprehensive Income</u> – Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. Under this section, the Company is required to present comprehensive income and its components in a financial statement showing (i) net income for the period; (ii) each component of revenue, expense, gain and loss that is recognized in other comprehensive income; and (iii) the total of (i) and (ii). As at June 30, 2008, the Company has no other comprehensive income, and as such, comprehensive loss equals net loss.

As a consequence of adopting Sections 1530 and 3855, the Company has also adopted Section 3861, "Financial Instruments — Disclosure and Presentation", and Section 3865, "Hedges".

(c) <u>Section 1506 – Accounting Changes</u> – This is the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and correction of errors. Changes in accounting policies are only permitted when required by a primary source of generally accepted accounting principles or when the change will result in more reliable and more relevant information.

The following accounting standards have been issued but are not yet effective:

(a) <u>Section 1535 – Capital Disclosures</u> – This standard requires disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate an entity's objectives, policies and procedures for managing capital. This standard is effective for the Company beginning on July 1, 2008. The Company is currently evaluating the effects of adopting this standard.

3. Changes in Accounting Policies (continued)

(b) Sections 3862/3863 – Financial Instruments – Disclosure (Section 3862) and Presentation (Section 3863) – These standards will replace CICA Handbook Section 3861, "Financial Instruments – Disclosure and Presentation". These sections provide users with information to evaluate the significance of the financial instruments for the entity's financial position and performance, nature and extent of risks arising from financial instruments, and how the entity manages those risks. Section 3863 deals with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The new sections are effective for the Company beginning on July 1, 2008. The Company expects that its financial statement disclosures will be expanded to incorporate the new additional requirements.

(c) Amendments to Section 1400 – Going Concern – This section was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The new requirements are effective for the Company beginning on July 1, 2008. The Company is currently evaluating the impact of this amended standard.

(d) International Financial Reporting Standards ("IFRS") – In 2006, the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement of comparative amounts reported by the Company for the year ending June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

4. Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debenture payable equals the fair values of these instruments.

The Company is exposed to credit risk with respect to its cash and cash equivalents; however, this is minimized as cash is placed with major Canadian financial institutions.

It is management's opinion that the Company is not exposed to significant interest rate risk arising from these financial instruments due to the short-term maturity of its monetary assets and liabilities.

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. The majority of the Company's expenditures for property, plant and equipment and mineral property interests are in Malaysian ringgit and Australian dollars. The Company's ability to make these payments to satisfy its obligations for work commitments 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. As at June 30, 2008, the Company held the equivalent of CDN $48,162 (2007 - $31,993) in Malaysian ringgit. The Company does not utilize derivatives or other techniques to manage foreign currency risk.

5. Property, Plant and Equipment

June 30, 2008	Cost	Accumulated amortization	Net book value
Buildings	$ 91,492	$ 3,171	$ 88,321
Furniture and equipment	28,213	5,705	22,508
Computer	21,763	10,383	11,380
Vehicle	41,146	12,344	28,802
Plant equipment - Selinsing	163,669	—	163,669
Pre-construction costs - Selinsing	471,249	—	471,249
	$ 817,532	$ 31,603	$ 785,929

June 30, 2007	Cost	Accumulated amortization	Net book value
Computer	$ 17,492	$ 1,151	$ 16,341

6. Mineral Property Interests

	Selinsing Gold Property (Development) $	Buffalo Reef (Exploration) $	Total $
Cumulative balance, February 28, 2007	396,959	-	396,959
Acquisition cost	28,798,282	10,917,235	39,715,517
Future income tax	379,500	569,300	948,800
Interest (note 9)	33,624	-	33,624
Cumulative balance, June 30, 2007 (note 18)	29,608,365	11,486,535	41,094,900
Assay and analysis	947	141,696	142,643
Drilling	-	444,695	444,695
Geological	-	21,103	21,103
Equipment rental	5,910	-	5,910
Freight	-	1,046	1,046
Property fees/assessment	96,181	-	96,181
Site activities	432,590	195,563	628,153
Enviromental	107,537	-	107,537
Socio-economic	153,288	-	153,288
Stamp duty	93,572	27,068	120,640
Transportation	10,951	2,522	13,473
Incurred during the period	900,976	833,693	1,734,669
Interest (note 9)	784,558	-	784,558
Non-cash stock based compensation (note 10(e))	87,298	51,014	138,312
Total additions during the year	1,772,832	884,707	2,657,539
Cumulative balance, June 30, 2008	31,381,197	12,371,242	43,752,439

6. Mineral Property Interests (continued)

(a) **Selinsing Gold Property**

On June 25, 2007, through its wholly-owned Malaysian subsidiary, Polar Potential Sdn. Bhd., the Company acquired 100% of Selinsing Gold Property including two mining concessions. The property is located in Pahang State, Malaysia. The total consideration of $29,195,241 was comprised of $3,500,000 cash, a promissory note with fair value of $8,181,818 (note 9), the issuance of 31,400,009 fully paid treasury shares at an ascribed value of $0.50 per share totaling $15,700,005 and 5,000,000 share purchase warrants. Each share purchase warrant allows the holder to purchase one common share at $0.65 per share exercisable to June 25, 2009. The fair value of 5,000,000 share purchase warrants issued was estimated at $1,112,328 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 4.40%; expected life – 2 years; expected volatility – 78.06%; and expected dividends – nil. Also included in the acquisition price is $701,090 of associated incidental costs. The future income tax effect of $379,500 relating to the acquisition has been capitalized to increase the mineral property interest.

The 31,400,009 common shares issued for the acquisition were held in escrow, of which 10% were released on July 6, 2007 and 15% are to be released every six months thereafter. As at June 30, 2008, 23,550,007 shares were in escrow. In addition, the 31,400,009 common shares are subject to a voluntary pooling agreement to October 25, 2009.

Upon closing of the acquisition, a 100% controlling interest of Able Return Sdn. Bhd. ("Able"), the former Trustee of Wira Mas Trust (the "Vendor") and a Malaysian company holding a pioneer Malaysian mining status, was transferred to Polar Potential Sdn. Bhd for consideration of $1.

On November 21, 2007, the parties to the above transaction reached an agreement to reallocate consideration of $23,418,150 to acquire 100% controlling interest in Able and $5,777,091 to Selinsing Gold Property effective June 25, 2007.

The fair value of Able's assets acquired and liabilities assumed at the date of acquisition was as follows:

Fair value of net assets acquired as at June 25, 2007		Total
Cash	$	32
Accounts payable		(4,451)
Mineral property interests		23,418,150
Goodwill		4,419
	$	23,418,150

The fair value for the Selinsing Gold Property after the reallocation remains intact as follows:

Total value of mineral property interests acquired as at June 25, 2007		Total
Purchase price allocated directly to mineral properties	$	5,777,091
Mineral property interests upon acquisition of Able		23,418,150
	$	29,195,241

The project is at the development stage. During the year, the Company incurred $1,772,832 in site maintenance and development, property fees and government liaison fees.

6. Mineral Property Interests (continued)

(b) **Buffalo Reef Prospect**

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd. ("Damar"), a wholly-owned subsidiary of Avocet Mining PLC ("Avocet"), incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef Tenement property interests, which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located.

Consideration for the acquisition of 100% of Damar shares and a promissory note of $1,722,868 (Malaysian Ringgit 5,573,824) from Damar to Avocet ("Avocet loan") was $1,750,000 cash, 15,000,000 common shares of the Company valued at $0.50 per share and 7,500,000 share purchase warrants. Each share purchase warrant allows the holder to purchase one common share at $0.65 per share exercisable to June 25, 2009. Of the total purchase price, 14,998,000 common shares of the Company and 7,499,000 share purchase warrants were deemed consideration for 100% of the Damar shares; the cash consideration, 2,000 common shares of the Company and 1,000 share purchase warrants were deemed consideration for the Avocet loan. As a result of the Avocet loan acquisition, the promissory note became payable from Damar to the Company. The future income tax effect of $569,300 relating to the acquisition has been capitalized to increase the mineral property interest.

The 15,000,000 common shares issued in the transaction are subject to a voluntary pooling agreement until October 25, 2009.

The aggregate purchase price for 100% of Damar's shares was $9,167,270 calculated as follows:

		Total
14,998,000 Monument common shares, ascribed value	$	7,499,000
7,499,000 share purchase warrants, ascribed value		1,668,270
	$	9,167,270

The fair value of 7,500,000 warrants was estimated at $1,668,492 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 4.40%; expected life – 2 years; expected volatility – 78.06%; and expected dividends – nil; of which, $1,668,270 was assigned for the Damar share acquisition and $222 for the Avocet loan.

The fair value of Damar's assets acquired and liabilities assumed at the date of acquisition was as follows:

Fair value of net assets acquired as at June 25, 2007		Total
Cash	$	2,542
Accounts payable		(1,285)
Avocet loan		(1,751,222)
Mineral property interests		10,917,235
	$	9,167,270

The Company was obligated to fund a $400,000 exploration program on the Buffalo Reef Tenement over two years. Avocet shall benefit in any exploration success to the extent of receiving US$12 per ounce of gold discovered on a notional 49% of the ounces discovered as a result of the $400,000 two-year post closing exploration program.

6. Mineral Property Interests (continued)

(b) Buffalo Reef Prospect (continued)

During the year ended June 30, 2008, the Company fulfilled the exploration obligation by incurring total exploration expenditures on Buffalo Reef Prospect in the amount of $884,707. Subsequent to June 30, 2008, Avocet has agreed to terminate the Company's exploration payment obligation for consideration of $1.

(c) Letter of Intent for Famehub Exploration Land Acquisition

On January 14, 2008, the Company signed a Letter of Intent ("LOI") with Famehub Venture Sdn Bhd. ("Famehub"). Pursuant to the LOI, Famehub has agreed to sell and the Company has agreed to purchase a land package of approximately 32,000 acres of prospective exploration land and associated data base ("Famehub Exploration Land Acquisition"). This land is located to the east of Selinsing's Gold Project and Buffalo Reef exploration property.

As consideration for the property, the Company will pay $1,500,000 cash and issue 7,000,000 fully paid shares in the Company and 3,500,000 share purchase warrants exercisable at $1.00 for two years from the date of issuance.

The parties agree that this LOI will be the basis of a legally binding agreement that will be prepared by jointly agreed legal counsel. The agreement is subject to completion of due diligence, Board and regulatory approval by both parties.

At June 30, 2008, the Company has paid a $50,000 deposit to secure the deal.

7. Asset Retirement Obligation

The Company did not incur any asset retirement liabilities related to its mineral property interests as at June 30, 2008, except for costs related to the existing old tailing site located at the Selinsing Gold Property. Although the ultimate amount of the reclamation costs to be incurred for the existing old tailing site cannot be predicted with certainty, the total undiscounted amount of estimated cash flows required to settle the Company's estimated obligations is $107,537, which has been set up as a long-term liability and charged against the Selinsing Gold mineral property interests.

Changes to the reclamation and closure cost balance during the year are as follows:

	2008	2007
Asset retirement obligations, beginning of year	$ -	$ -
Liabilities incurred	107,537	-
Balance, end of year	$ 107,537	$ -

8. Disposal of Discontinued Operations

The Company entered into an agreement effective June 25, 2007 to dispose of the Company's 100% interest in Moncoa Medical Research Inc. to Douglas Keller, former President and Director of the Company, for consideration of $1, effective upon closing of the acquisition of the Selinsing Gold Property and Buffalo Reef Prospect ("the major transaction").

The fair value of the net assets of the discontinued business as at June 25, 2007 was as follows:

Current assets	$	349,427
Capital assets		19,237
Goodwill		864,572
Accounts payable and accrued liabilities		(40,552)
Debenture loan		(146,601)
Long term loan		(1,046,082)
	$	1

The Company classified the following assets, liabilities, revenues and expenses as discontinued operations held for sale as at June 25, 2007:

Assets		
Cash	$	83,495
Marketable securities		15,000
Accounts receivable		250,878
Prepaid expenses		54
Property and equipment		19,237
Total assets of discontinued operations	$	368,664

Liabilities		
Accounts payable and accrued liabilities	$	40,552
Debenture loan		146,601
Long-term debt		1,046,082
Total liabilities of discontinued operations	$	1,233,235

Total deficiency of the subsidiary's net assets on disposition was $864,571.

		Total
Gain on disposal of discontinued operations	$	864,572
Future income tax expense		(222,000)
Gain on disposal of discontinued operations, net of future income taxes	$	642,572

9. Debenture Payable

A promissory note for $9,000,000 was issued on June 15, 2007 by the Company to Wira Mas Unit Trust as partial consideration for the Selinsing Gold Property (note 6(a)). The principal was due by June 15, 2008 with the option to repay the entire balance at any time before maturity. The note was without interest or penalty for the first year, with any remaining unpaid balance subject to 10% annual interest. The note was secured by way of a debenture registered against all assets of the Company.

As the promissory note was issued as partial consideration for the Selinsing Gold Property, the note was recorded at its fair value of $8,181,818, which was calculated using an effective annual market interest rate of 10% over the one-year maturity term. Of the total discount of $818,182, $33,624 was capitalized to mineral property interests as interest in 2007 resulting in a carrying value of $8,215,442 at June 30, 2007. The remaining discount of $784,558 was capitalized to mineral property interests in 2008.

In June 2008, the promissory note was fully repaid upon maturity and the debenture was discharged.

10. Share Capital

(a) Authorized
Unlimited common shares without par value

(b) Issued and outstanding:

Common shares	Shares		Amount
Balance, February 28, 2007	18,812,018	$	769,421
Non-brokered private placement for cash (note 10(b)(i))	2,000,000		435,139
Two for one share consolidation (note 10 (b)(ii))	(10,406,004)		-
Brokered and non-brokered private placement for cash (note 10(b)(iii))	20,083,000		9,053,208
Less: fair value of agent's options (note 10(b)(iii) and 10(f))	-		(445,109)
Shares issued for sponsorship (note 10(b)(iii))	500,000		250,000
Share issuance costs for sponsorship (note 10(b)(iii))	-		(250,000)
Shares issued for Selinsing acquisition (note 6(a))	31,400,009		15,700,005
Shares issued for Damar share acquisitions (note 6(b))	15,000,000		7,500,000
Balance, June 30, 2007	77,389,023	$	33,012,664
Shares issued due to fractional rounding caused by share consolidation (note 10(b)(ii))	2		-
Agent's options exercised (note 10(f))	6,000		3,000
Agent's options exercised (note 10(g))	-		1,320
Balance, June 30, 2008	77,395,025	$	33,016,984

10. Share Capital (continued)

(b) Issued and outstanding (continued)

(i) On March 15, 2007, the Company completed a non-brokered private placement of 2,000,000 units at a price of $0.25 per unit for gross proceeds of $500,000. Each unit was comprised of one common share and one-half share purchase warrant. Each warrant is exercisable into one common share at $0.65 until March 15, 2009. A commission of 10% was paid as an agent's fee and $14,861 was paid for associated legal and filing expenses.

(ii) On June 25, 2007, the total shares outstanding were rolled back on a two-for-one basis upon completion of the sale of the discontinued operations and acquisition of the Selinsing Gold and Buffalo Reef mineral property interests (collectively called the "major transaction"). The Company has adjusted the basic and diluted earnings per share retroactively for all periods presented to reflect the two-for-one rollback (note 11).

(iii) On June 25, 2007, the Company closed a private placement of 20,083,000 units at a price of $0.50 per unit for gross proceeds of $10,041,500. Each unit was comprised of one common share at $0.50 per share and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share at $0.65 per share until June 25, 2009. Net cash proceeds from the private placement were $9,053,208 after payment of a 7.5% agent's commissions and related legal, consulting and filing fees of $235,180.

Of the gross proceeds, the brokered portion was $4,111,500 and the non-brokered portion was $5,930,000. An Agent's option fee of 10% was issued to Haywood Securities Inc. and other agents involved totaling 2,000,800 agent's options (note 10(f)). On June 25, 2007, upon closing of the private placement, the Company issued 500,000 common shares at $0.50 per share to Haywood Securities Inc. as sponsorship fees and $100,000 cash as a consulting fee for the transaction.

(c) Subscription

At June 30, 2008, the Company was in the process of completing a private placement to raise $28,048,000 by issuing 70,120,000 units at $0.40 per unit, each unit comprising one common share and one common share purchase warrant entitling the investor to purchase one additional common share of the Company at $0.50 per share for a three-year term from closing.

At June 30, 2008, all 70,120,000 units were fully subscribed and total proceeds of $15,863,000 were received pursuant to the private placement. Subsequent to June 30, 2008, the private placement was completed, the remaining funds received, and the units issued (note 19(a)).

The 10% Agent's fee in the amount of $2,804,800, associated legal and filing fees of $52,440, and costs relating to the convertible credit facility financing (note 19(b)) of $36,041 were charged to deferred financing costs.

10. Share Capital (continued)

(d) Warrants

The Continuity of share purchase warrants is as follows:

Note reference	10(b)(i)	10(b)(iii)	Total
Expiry date	15-Mar-09	25-Jun-09	outstanding and
Exercise price	$ 0.65	$ 0.65	exercisable
Balance, February 28, 2007	-	-	-
Issued through private placement	1,000,000	10,041,500	11,041,500
Two for one consolidation	(500,000)	-	(500,000)
Issued through Selinsing acquisition	-	5,000,000	5,000,000
Issued through Damar share acquisition	-	7,500,000	7,500,000
Balance, June 30, 2007, outstanding and exercisable	500,000	22,541,500	23,041,500
Issued through exercise of Agent's warrants (note 10(f))	-	3,000	3,000
Balance, June 30, 2008,outstanding and exercisable	500,000	22,544,500	23,044,500

(e) Stock options

The Company's current Stock Option Plan came into effect on June 25, 2007 (the "2007 Plan"). The 2007 Plan was approved at the Shareholders' Annual General Meeting held on October 25, 2006 and ratified at the Shareholders' Annual General Meeting held on December 6, 2007. It allows the Company to grant stock options to its directors, officers, employees and consultants up to a maximum of 10% of the outstanding common shares of the Company at any time. Under the 2007 Plan, 7,739,503 common shares were reserved of which 4,370,000 stock options were outstanding as at June 30, 2008.

Stock option activity is as follows:

	Number of common shares under option	Weighted average exercise price
Balance, June 30, 2007		
Granted	4,670,000	$ 0.50
Cancelled	(300,000)	$ 0.50
Balance, June 30, 2008	4,370,000	$ 0.50

The following table summarizes the stock options outstanding at June 30, 2008:

	Options outstanding			Options exercisable	
Exercise Price	Number of common shares	Expiry date	Weighted average exercise price	Weighted average number exercisable	Weighted average exercise price
$ 0.50	4,300,000	Jul 05, 2012	$ 0.50	4,300,000	$ 0.50
$ 0.58	70,000	Feb 18, 2011	$ 0.58	17,500	$ 0.58

The expected remaining life of the stock options is 4.02 years.

The exercise prices of all stock options granted during the year were equal to the closing market prices at the grant date.

10. Share Capital (continued)

(e) Stock options (continued)

Using an option pricing model with assumptions noted below, the estimated fair value of all options granted during the year ended June 30, 2008 have been reflected in the financial statements as follows:

		Year ended June 30, 2008		Year ended June 30, 2007
Mineral property exploration and development	$	138,312	$	-
Administration and operation		1,458,240		-
Total compensation cost recognized in operations, credited to contributed surplus	$	1,596,552	$	-

The weighted average assumptions used to estimate the fair value of options were:

	June 30, 2008	June 30, 2007	February 28, 2007
Risk-free interest rate	4.58%	N/A	N/A
Expected life	4.97 years	N/A	N/A
Expected volatility	84%	N/A	N/A
Expected dividends	nil	N/A	N/A

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and, therefore, the existing models may not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

(f) Agent's options

Continuity of Agent's options outstanding:

Expiry date		Exercise price	June 30, 2007 # of options outstanding	Agent's options exercised	June 30, 2008 # of options outstanding
25-Jun-09	$	0.50	2,000,800	(6,000)	1,994,800

Agent's options for 2,000,800 units were issued in conjunction with the June 25, 2007 private placement. Each Agent's option unit is comprised of one common share of the Company and one-half share purchase warrant exercisable at $0.50 for two years until June 25, 2009 ("Agent's warrant"). Each Agent's warrant would allow the holder to purchase one common share at $0.65 exercisable to June 25, 2009.

10. Share Capital (continued)

(f) Agent's options (continued)

The fair value of the Agent's options was calculated at $445,109 using a Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 4.40%; expected life – 2 years; expected volatility – 78.06%; and expected dividends – nil.

During the 2008 fiscal year, 6,000 Agent options were exercised.

(g) Contributed surplus

		Amount
Balance, February 28, 2007	$	-
Agent's options issued upon private placement		445,109
Warrants issued for property acquisitions		2,780,820
Balance, June 30, 2007		3,225,929
Stock-based compensation		1,596,552
Exercise of Agent's options (note 10(f))		(1,320)
Balance, June 30, 2008	$	4,821,161

11. Loss Per Share

		June 30, 2008		June 30, 2007 (note 18)		February 28, 2007
Loss (earnings) from continued operations	$	2,885,293	$	(73,477)	$	179,761
Loss (earnings) from discontinued operations	$	-	$	(704,811)	$	50,236
Net loss (earnings) for the year	$	2,885,293	$	(778,288)	$	229,997
Weighted average number of common shares outstanding		77,394,302		12,864,329		8,803,582
Basic and diluted loss (earnings) per share – continued operations	$	0.04	$	(0.01)	$	0.02
Basic and diluted loss (earnings) per share – discontinued operations	$	-	$	(0.05)	$	0.01
Basic and diluted loss (earnings) per share – total	$	0.04	$	(0.06)	$	0.03

The Company rolled back its issued and outstanding shares on June 25, 2007 on the basis of one Monument share for every two Moncoa Shares (note 10(b)(ii)). The Company adjusted basic earnings (loss) per share retroactively for all periods presented to reflect this change. The above table presents the comparison for earnings (losses) per share after the adjustment.

12. Related Party Transactions

There were no related party transactions during the year ended June 30, 2008.

(a) During the four-month period ended June 30, 2007, the Company issued a promissory note payable of $9,000,000 to Wira Mas Unit Trust, which has a common director with the Company, after closing of the major transaction; this loan was paid in full before maturity during the year ended June 30, 2008.

(b) During the four-month period ended June 30, 2007, the Company disposed of discontinued operations to its former President, Director and controlling person of the Company.

13. Income Tax

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

		June 30, 2008		June 30, 2007
				(note 18)
Income tax recovery computed at statutory rates	$	1,020,700	$	50,700
Lower effective rate attributable to Malaysian income		(2,800)		(10,400)
Non-deductible stock-based compensation		(478,400)		-
Non-deductible foreign exchange loss		(16,200)		-
Other non-deductible expenses		(5,300)		(64,600)
Share issuance costs deductible for tax purposes		90,800		94,400
Unutilized tax losses		(375,800)		-
Recognition of previously unutilized tax losses		-		151,900
Reduction in future income tax assets due to statutory rate reduction		(7,200)		-
Future income tax recovery	$	225,800	$	222,000

13. Income Tax (continued)

Future income tax assets and liabilities have been calculated using the following enacted corporate income tax rates: Canada at 26% (2007 – 34.12%) and Malaysia at 20% (2007 – 20%). Significant components of future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

		June 30, 2008		June 30, 2007 (note 18)
Future income tax liabilities				
Mineral property interests in excess of tax value	$	(869,800)	$	(1,034,800)
Future income tax assets				
Property, plant, and equipment in deficiency of tax value		17,600		12,800
Asset retirement obligation in excess of tax value		21,500		-
Share issuance costs carry forwards		211,700		372,200
Loss carry forwards		726,800		288,600
		977,600		673,600
Valuation allowance		(830,800)		(587,600)
Net future income tax assets		146,800		86,000
Net future income tax liabilities	$	(723,000)	$	(948,800)

At June 30, 2008, the Company's losses for Malaysian tax purposes are approximately $571,000 (Malaysian Ringgit 1,831,000), that may be carried forward to apply against future income for Malaysian tax purposes. These losses do not expire.

At June 30, 2008, the Company has non-capital losses available for carry-forward for tax purposes that are available to reduce taxable income of future years in Canada of $2,356,500. The losses expire as follows:

		Total
2009	$	46,800
2010		10,700
2014		19,300
2025		50,900
2026		180,600
2027		1,186,900
2028		861,300
	$	2,356,500

The future benefit of future income tax assets have not been recorded in these consolidated financial statements to the extent that the Company estimates that these assets, more likely than not, will not be realized.

14. Commitments

	2009	2010	2011	2012	2013	Total
Office lease	$ 63,585	$ 64,795	$ 66,005	$ 67,215	$ 32,730	$ 294,330
Property fees	32,760	32,760	32,760	24,791	-	123,071
	$ 96,345	$ 97,555	$ 98,765	$ 92,006	$ 32,730	$ 417,401

15. Other Income (Expenses)

	June 30, 2008	June 30, 2007	February 28, 2007
Foreign currency exchange loss	$ (68,555)	$ (5,127)	$ (6,157)
Interest income	109,955	30,315	441
Professional and filing fees	-	(58,815)	-
Total	$ 41,400	$ (33,627)	$ (5,716)

16. Supplemental Cash Flow Information

	June 30, 2008	June 30, 2007
Supplemental information		(note 18)
Non cash financing and investing activities		
Promissory note payable issued for mineral property interests	$ -	$ 8,181,818
Shares, warrants issued for acquisitions of mineral property interests	$ -	$ 25,980,825
Stock based options charged to mineral property interests	$ 138,312	$ -
Deferred financing costs included in accounts payable	$ 2,893,281	$ -
Amortization charged to mineral property interests	$ 19,936	$ -
Mineral property costs included in accounts payable	$ 463,052	$ -
Property, plant and equipment costs included in accounts payable	$ 200,738	$ -
Increase in asset retirement obligations related to mineral property interests	$ 107,537	$ -
Agents' options issued for private placement	$ -	$ 445,109
Future income taxes included in mineral property interests	$ -	$ 948,800
Amortization of discount on debenture payable included in mineral property interests	$ 784,558	$ 33,644

17. Segment Disclosures

The Company's one reportable operating segment is the exploration and development of mineral property interests, which occur entirely in Malaysia. Geographic information is as follows:

Assets	June 30, 2008	June 30, 2007 (note 18)
Canada	$ 10,445,577	$ 4,618,672
Malaysia	44,478,000	41,238,997
	$ 54,923,577	$ 45,857,669

18. Prior Year Restatement and Comparative Figures

The Company has concluded that the prior year's financial statements failed to correctly account for the fair value of the debenture payable issued upon acquisition of its mineral property interests and the resulting future income tax effect on the consideration paid. The Company had previously calculated the purchase price of the mineral property interests based on the face value of the debenture payable with a non-market interest rate, instead of at its fair value. The Company had not previously recorded any future income tax effect resulting from the consideration paid or assets acquired.

The effect of the restatement is as follows:

	Previously Reported June 30, 2007	Effect of Revision	Restated June 30, 2007
Mineral property interests	$ 40,930,658	$ 164,242	$ 41,094,900
Debenture payable	$ 9,000,000	$ (784,558)	$ 8,215,442
Future income tax liability	$ -	$ 948,800	$ 948,800

Certain of the prior years' figures have been reclassified to conform to the financial statement presentation adopted for the current year ended June 30, 2008.

19. Subsequent Events

(a) Private placement

On July 21, 2008, the Company closed a private placement for total gross proceeds of $28,048,000 by issuing 70,120,000 units at $0.40 per unit, each unit comprising one fully paid share and one common share purchase warrant entitling the investor to purchase one additional common share of the Issuer at $0.50 per share for a three-year term from closing. Costs of the financing include a 10% agent fee in the amount of $2,804,800 paid to Qualson Global Limited and other associated legal and filing fees of $79,389.

All common shares issued upon the private placement and exercise of the warrants issued on the private placement will be subject to a four-month hold period expiring November 22, 2008.

19. Subsequent Events (continued)

(b) Convertible credit facility

Concurrently with the equity financing, the Company entered into a convertible credit facility for up to $10 million over a three-year term maturing July 15, 2011 with interest of 3% payable in the first year in cash or shares at the option of the Company and thereafter in cash. The Company must draw down not less than $6 million but up to $10 million by no later than December 31, 2008 as needed to fund its development work. The credit facility can be repaid any time at the Company's discretion. A 10% commission will be paid to the Agent, Qualson Global Limited, upon draw down of the facility. Financing costs of $90,386 were incurred upon closing.

The credit facility is convertible into units at a price of $0.40 per unit with each unit comprising one share and one-half warrant at the option of the lender. Each whole share purchase warrant is exercisable until July 15, 2011 and entitles the holder to purchase one common share at a price of $0.75 if converted in the first two years of the facility and at a price of $0.83 if converted in the third year of the facility. All conversions of the note and exercise of the warrants issued on conversion will be subject to a four-month hold period.

The convertible credit facility is secured by way of a debenture registered against all assets of the Company. The Company has the right to repay the entire principal balance of the debt after draw down at any time before maturity.

(c) Stock options

Subsequent to June 30, 2008, the Company announced that the Board of Directors approved a fixed Stock Option Plan (the "2009 Plan"), which reserves in the aggregate 22,126,000 stock options for its directors, officers, employees and consultants. The 2009 Plan is subject to approval by a disinterested vote of the Company's shareholders.

The Board of Directors immediately granted, under the 2009 Plan, 13,390,000 stock options to its directors, officers, employees and consultants. The stock options are exercisable at a price of $0.40 for five years; vesting periods vary from zero to three years. As a result of this grant and prior grants, a total of 17,760,000 stock options have been granted and 4,366,000 shares are available for grant under the 2009 Plan. The previous 10% Rolling Stock Option Plan has automatically converted to the 2009 Plan.

(d) Ball Mill Purchase

On August 19, 2008, upon TSX Venture Exchange's acceptance of the Ball Mill Purchase Agreement between the Company and Avocet, the Company purchased a 1.0 million tons per year capacity ball mill from Avocet. Consideration of $3,250,000 for the mill was paid by the issuance of 8,125,000 units at $0.40 per unit, at the same price and the same terms as the private placement disclosed above, with each unit representing one share and one share purchase warrant exercisable at $0.50 for three years from date of issuance. The cost to close the transaction was $23,055. Avocet is a shareholder of the Company.