MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended December 31, 2018
(in United States dollars, except where noted)

The following Management's Discussion and Analysis ("MD&A") of Monument Mining Limited ("Monument" or the "Company") as of February 26, 2018 should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended December 31, 2018 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The readers are also recommended to read this MD&A in conjunction with the audited consolidated financial statements for the year ended June 30, 2018 and related notes for additional details.

This MD&A contains "forward-looking statements" and the non-GAAP performance measure "unit cash cost per ounce sold" that are subject to risk factors set out in a cautionary note contained herein. All figures are in United States dollars unless otherwise noted. References to "C$" or "CAD" are to Canadian dollars, "RM" are to Malaysian Ringgits and "AUD" are to Australian dollars.

Additional information relating to the Company's activities may be found on the Company's website at www.monumentmining.com and at www.sedar.com.

1. EXECUTIVE SUMMARY

1.1 Second Quarter of Fiscal 2019 Highlights

- 4,600oz of gold sold for gross revenue of $5.66 million (Q2 2018: 3,900oz of gold sold for gross revenue of $4.97 million);
- 4,653oz of gold produced (Q2 2018: 4,151oz);
- Cash cost per ounce ("oz") of $686/oz (Q2 2018: $805/oz);
- Gross margin of $2.51 million (Q2 2018: $1.83 million);
- A NI43-101 Technical Report completed at Mengapur that included a copper, gold and silver mineral resource estimation; and
- A NI43-101 Technical Report completed at Selinsing, subsequent to the second quarter, establishing economic viability for a six-year life of mine.

1.2 Business Overview

Monument Mining Limited (TSX-V: MMY, FSE: D7Q1) is an established Canadian gold producer and mining asset developer. The Company owns the Selinsing and Murchison gold project portfolios, including a 100% interest in the Selinsing Gold Mine, and the Mengapur copper and iron portfolio. Selinsing is located in Pahang State, within the Central Gold Belt of Western Malaysia, comprised of the Selinsing, Buffalo Reef, Felda Land and Famehub projects. Murchison is located in the Murchison region, Western Australia ("WA"), comprised of the Burnakura, Tuckanarra and Gabanintha projects. The Mengapur Copper and Iron Portfolio (the "Mengapur Project") is located in Pahang State, Malaysia.

Monument's primary business activities include advancing its mineral projects from the exploration stage to production stage and conducting mining and processing operations to generate profit from sustainable precious metal and base metal production. Its business strategy consists of four perspectives. The shareholder perspective is to satisfy a return to shareholders. The growth perspective is to increase our resource inventory for higher sustainable production. The internal operations process perspective is to maximize performance and enhance the exploration success and recovery of our resources. The financial performance perspective is to sustain low costs, maintain efficient operations, and increase the quality of the assets by converting exploration and evaluation projects to producing mines. The Company's long-term goal is to become a sustainable dividend paying, mid-tier gold, base metals and industrial mineral producer.

Monument has an experienced management team with a demonstrated ability to quickly build profitable operations. The Company employs approximately 190 people and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities. Monument's Head Office is located in Vancouver, British Columbia, Canada. It operates through its subsidiaries in Pahang State, Malaysia and Western Australia, Australia.

1.3 Review of Operations

In the second quarter of fiscal 2019 ended December 31, 2018, the Company continued to focus on unlocking value in its development assets by progressing studies towards financing, construction and production. The Selinsing Gold Sulphide Project, as Monument's priority to be placed into production, continued the feasibility study that was completed subsequent to the second quarter in January 2019, with delivery of an execution plan to commence construction subject project funding and plans to carry out exploration on sulphide targets that are open in all directions at depth of the current mining areas. At the Murchison Gold Project, following completion of the NI43-101 Resource Estimation Report in July 2018 for Burnakura, the Company completed the initial internal economic assessment for underground mining opportunities during the second quarter, with plans to further progress exploration and mine optimization including underground mining to deliver a PEA study, which will drive potential Burnakura gold production. The success of these two projects would allow the Company to have years of future gold production. At the Mengapur Copper-Iron Project, following completion of the NI43-101 Resource

Technical Report during the second quarter in October 2018, the Company is seeking funding partnership for a feasibility study with the opportunity for copper production.

The Company is also strategizing its regional exploration programs for new discoveries based on its structural geology interpretation. The future of the Company is dependent on increasing mineral resources and reserves to realize the value that has been built in the past on its mineral assets. It is also actively looking for acquisition of new gold assets.

Selinsing Gold Mine had an original five-year life of mine starting in September 2009 and is still in production to date from remaining oxide ore inventory. Over the years, the cash flow from the Selinsing Gold Mine has supported the strong balance sheet growth with gold and copper-iron portfolios in multiple jurisdictions. Its reserves and resources have been fully replaced with a six-year life of mine according to the NI 43-101 Technical Report titled "Selinsing Gold Sulphide Project - NI 43-101 Technical Report" issued by Snowden Mining Industry Consultants Pty Ltd ("Snowden") (the "Snowden 2019 NI43-101 Report", or the "2019 Feasibility Study Report") at SEDAR (www.sedar.com) subsequent to the second quarter on January 31, 2019, and sulphide gold production is pending the plant upgrade to treat sulphide gold materials.

The second quarter gold production at the Selinsing Gold Mine continued to generate free cash of $1.08 million from gold sold, compared to $0.92 million in the same period last year. This was offset by $1.99 million (Q2 fiscal 2018: $1.22 million) spent on development and exploration, resulting reduction of total cash by $0.91 million (Q2 fiscal 2018: increase of $1.7 million after $2.00 million received from a gold forward sale).

The $1.99 million for development and exploration was amounted from $1.31 million (Q2 fiscal 2018: $0.55 million) at Selinsing for Sulphide project development including pre-stripping, tailings storage facilities upgrade and the feasibility study; and $0.82 million (Q2 fiscal 2018: $0.62 million) for exploration expenditures, including $0.16 million (Q2 fiscal 2018: $0.18 million) at Selinsing for drilling at old tailings and soil sampling at Buffalo Reef and Peranggih, $0.51 million (Q2 fiscal 2018: $0.37 million) at Murchison for regional geological study, and $0.15 million (Q2 fiscal 2018: $0.06 million) at Mengapur for resource evaluation study and care and maintenance.

The Company has closely managed production and improved productivity with full commitment from its operation team to sustain positive cash flow, however, cash on hand and free cash flow are inadequate to support the planned capital required for growth and the Company is seeking disciplined external financing for its on-going business development.

The Company's operation and development is dependent on cash generated by its gold production from remaining oxide ore inventory at the Selinsing Gold Mine, its success in obtaining funding to convert its Selinsing Gold Plant from an oxide process to sulphide process, and to develop its Burnakura Project into a second cash generation operation. In management's opinion both projects are highly prospective. However, there is no guarantee that the Company can obtain funding as required due to uncontrollable factors, including a volatile global economic environment.

1.3.1 *Development*

Selinsing Gold Mine

During the second quarter, the Company was finalizing the Feasibility Study for the Selinsing Gold Sulphide Project, which was initiated in the fourth quarter of fiscal 2017 to demonstrate that the BIOX® sulphide treatment technology is the most preferred processing method to achieve best economic outcomes for the project. The Snowden 2019 NI43-101 Report has concluded economic viability of the Selinsing Gold Sulphide Project based on metallurgical testwork over sulphide samples, metallurgical processing design, Front-End Engineering Design, along with geological review and mine planning studies, covering mineral exploration, development, and production area of the Selinsing Gold Mine.

The Feasibility Study has demonstrated an approximately six-year life of mine (LOM) with an NPV of $27.56 million based on reported oxide and sulphide ore reserves as of March 2018. Over the six-year LOM, a total 5.7 million tonnes of ore would be treated at an average grade of 1.45g/t for 223koz at a cost of $863.67 per ounce. At a gold price of $1,300 per ounce, the Selinsing Gold Mine Project would generate net cash flow after tax of $97.00 million from operations, or $45.00 million net of capital expenditure.

The economic evaluation does not include Inferred Mineral Resources. The analysis has been provided in the Feasibility Study to explore opportunities for a potential further increase in economics. Currently, the Inferred Mineral Resource inside the Reserve open pit designs contains an additional 20koz of gold, and outside of the open pit design contains 130koz of gold. Recommendations have been suggested to initiate further exploration programs, aimed on conversion of Inferred Mineral Resources to Indicated Mineral Resources. Should those conversions be successful, the Mineral Reserves could potentially be significantly increased. The Selinsing Gold Mine has a proven record of converting oxide Inferred Mineral Resources to recovered ounces in its 10-year production history. However, the previous production history may not be used as an indicator for future production.

During the second quarter, flotation and other testwork continued at the Bureau Veritas laboratory in Perth, WA, under the supervision of Orway Mineral Consultants Pty Ltd. The testwork successfully achieved gold recoveries in excess of 90% with acceptable mass yield of 12.5%, confirming the results achieved from the in-house laboratory at site. For the tailings storage facility ("TSF") development, construction of the spring water management system was completed, SRK Consulting (Australia) Pty Ltd ("SRK") issued a draft detailed design for the next expansion and preparation for the main embankment proceeded. The project team also continued to optimize costs for the sulphide plant upgrade including expected maintenance and reagent consumptions to lower operating cost estimates and sourcing local equipment to lower capital cost estimates.

Murchison Gold Project

After updating the mineral resource estimation at Burnakura Gold Project in July 2018, the planned gold production was postponed until completion of the PEA to include underground mining opportunities that would potentially allow for a better return on investment and reduction of operation risks. The PEA program is designed to identify the economic potential in a large scale at Burnakura, Tuckanarra and Gabanintha (together the "Murchison Gold Project") including open pit and underground mining opportunities. The NOA 7/8 resource estimates form a significant part of the Indicated Resources at Burnakura, resulting in an initial internal economic assessment being carried out and completed in October 2018, on the underground mining potential with a corresponding increase in the existing mill capacity to 500ktpa from 260ktpa, based on which staged mining alternatives have been evaluated as a part of the ongoing PEA study. Focus during the second quarter has been on the identification of geological host structures suitable for target drilling with a view to increase gold inventories.

1.3.2 *Production*

The second quarter gold recovered decreased by 3% to 4,960oz as a result of lower feed grade, offset by increased tonnes of ore processed, compared to 5,101oz recovered in the same quarter last year. Due to timing, gold produced, net of gold doré in transit and refinery adjustment, was 4,653oz (defined as good delivery gold bullion according to the London Bullion Market Association), a 12% increase compared to 4,151oz in the same period last year. Profit margin is dependent on quantities of gold sold that may vary from gold production in the period, gold prices and the costs of gold sold. During the second quarter, mill feed included stockpiled super low-grade oxide ore, old tailing materials and oxide ore from production at Felda Block 7, Buffalo Reef and Selinsing. Total mill feed increased by 10% to 241,925t from 219,548t last year with an increase in the old tailings reclaim rate, offset by a lower crushing rate from repairs and heavy rainfall (refer to Figure 1: Operating and Financial Results).

During the three months ended December 31, 2018, mining operations at Selinsing generated a gross margin of $2.51 million compared to $1.83 million in the same period last year, before non-cash depreciation and accretion expenses of $1.23 million (Q2 fiscal 2018: $1.39 million). Gold production increased by 12% or 502oz to 4,653oz during the second quarter from 4,151oz last year. The Company sold a total of 4,600oz of gold at an average realized price of $1,231 per ounce for gross revenue of $5.66 million compared to a total of 3,900oz of gold at an average realized price of $1,276 per ounce for gross revenue of $4.97 million last year. The weighted average London Fix PM gold price for the second quarter was $1,233 per ounce (Q2 fiscal 2018: $1,275 per ounce). Finished gold in inventory at December 31, 2018, totaled 7,073oz (December 31, 2017: 293oz).

Cash cost per ounce decreased by 15% to $686/oz in the second quarter from $805/oz in the same period last year primarily due to an increase in the ore processed by more selectively adding ore and reclaimed old tailings, combined with lower mining and processing cost per tonne compared last year from processing softer, highly oxidized ore from stockpile, improvements on tailings reclaim process, Felda Block 7 oxide ore and high grade Selinsing oxide ore encountered during cutback mining.

During the six months ended December 31, 2018, mining operations at Selinsing generated a gross margin of $5.23 million compared to $3.02 million in the same period last year, before non-cash depreciation and accretion expenses of $2.36 million (Six months ended December 31, 2017: $2.82 million). Gold production increased by 6% or 426oz to 7,961oz during the period from 7,535oz last year. The Company sold a total of 9,150oz of gold at an average realized price of $1,223 per ounce for gross revenue of $11.19 million compared to a total of 7,400oz of gold at an average realized price of $1,281 per ounce for gross revenue of $9.48 million last year. The weighted average London Fix PM gold price for the period was $1,223 per ounce (Six months ended December 31, 2017: $1,280 per ounce).

Cash cost per ounce decreased by 25% to $652/oz in the six months ended December 31, 2018 from $873/oz in the same period last year primarily due to an increase in the feed grade and ore processed. Reclaimed old tailings and ore were selectively added with processing softer, highly oxidized ore from stockpile, Felda Block 7 and Selinsing and improvements on tailings reclaim process.

The production and financial results for the three and six months ended December 31, 2018 and 2017 are summarized in the following table:

Figure 1: Operating and Financial Results

Selinsing, Felda Block 7, Buffalo Reef		Three months ended		Six months ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Operating results	Unit				
Ore mined	t	56,734	85,214	87,039	115,908
Waste removed [(1)]	t	700,250	231,698	1,467,129	490,357
Stripping ratio		12.34	2.72	16.86	4.23
Ore stockpiled	t	1,088,218	1,425,073	1,088,218	1,425,073
Ore processed	t	241,925	219,548	478,730	441,084
Average ore head grade	g/t Au	0.88	1.00	0.85	0.81
Process recovery rate	%	72.2	72.0	68.4	69.1
Gold recovery	oz	4,960	5,101	8,911	7,903
Gold production	oz	4,653	4,151	7,961	7,535
Gold sold	oz	4,600	3,900	9,150	7,400
Financial results					
Gold sales	US$'000	5,663	4,975	11,193	9,477
Gross margin	US$'000	2,510	1,834	5,230	3,018
Weighted average gold price					
London Fix PM	US$/oz	1,233	1,275	1,223	1,280
Monument realized	US$/oz	1,231	1,276	1,223	1,281
Cash costs per ounce [(2)]					
Mining	US$/oz	161	153	150	165
Processing	US$/oz	441	551	414	623
Royalties	US$/oz	82	97	86	81
Operations, net of silver recovery	US$/oz	2	4	2	4
Total cash cost per ounce	US$/oz	686	805	652	873

(1) Included in Waste Removed for the three months ended December 31, 2018, was 220,659t for cutback at Selinsing (Three months ended December 31, 2017: 14,504t for TSF construction material). For the six months ended December 31, 2018, was 37,094t for TSF construction material and 541,744t for cutback at Selinsing (Six months ended December 31, 2017: 158,664t for TSF construction material). The costs of which were capitalized and not included in the mining operations.

(2) Total cash cost per ounce includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, idle production costs, capital costs, exploration costs and corporate administration costs. Readers should refer to section 14 "Non-GAAP Measures".

Figure 2: Gold production and cash costs per ounce

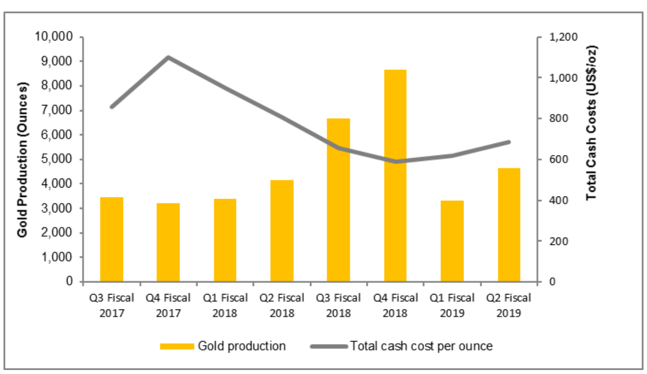
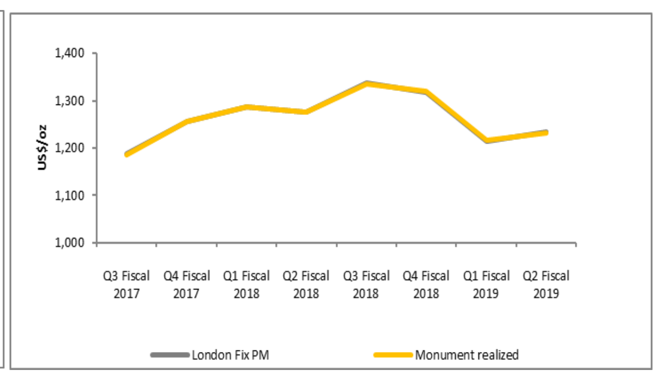


Figure 3: Quarterly Average Gold Price



1.3.3 *Exploration*

Malaysia

Near Mine Exploration

Sulphide***:*** The Selinsing long-term exploration potential is on sulphide resources. At both Selinsing and Buffalo Reef deposits the sulphide mineralization is still open down dip, down plunge and along strike. Monument plans to follow-up with drilling programs at the Selinsing and Buffalo Reef deposits focused on adding resources and defining preferentially sulphide mineralization at depth below and around the existing pits within gap zones in between the known resources that contain little drill hole information, through extension drilling for Buffalo Reef, and to investigate underground opportunities with deep drilling at Selinsing Pits and extensions to the south. The main programs include: down dip and strike/plunge extension sulphide drilling program plus resource definition drilling for Buffalo Reef Central ("BRC") and Felda Block 7; and Selinsing Deeps sulphide gold high grade resource definition/extension drilling. The drilling program at Felda Block 7 will also enable the BRC and Buffalo Reef South ("BRS") open pits to be extended at depth.

Oxide: The Selinsing short-term exploration program is focused on existing mine areas such as BRS, BRC and BRN, locating more oxide and leachable sulphide ore through extensional drilling, to increase mill feed. Opportunities for infill drilling have also been verified for infill and extension drilling on and around Selinsing Pits, in particular Pit IV and Pit V west walls, aiming to intercept oxide shallow high-grade mineralization and using current understanding from structural information and interpretation, including historical underground developments.

Old Tailings: The old tailings were re-estimated in the 2019 Feasibility Study. Auger drilling was proposed for grade control purpose and carried out at the Southern portion of the Old Tailings. Samples were prepared at the grade control laboratory and assay results indicated that most of the sample grades are in the 0.50 – 0.70g/t Au range in line the Feasibility Study.

Regional Exploration

Soil Sampling Program: As a part of Selinsing regional exploration program, soil sampling was continued during the second quarter, focused on the prioritized Peranggih/Panau area, initially at the Panau South target, which was completed with 140 primary samples collected. The access road to Panau East was then surveyed, repaired, and sampling was started with 20 samples collected during the second quarter.

Regional exploration is targeting larger strategic development areas surrounding the Selinsing Gold Mine, aimed to test regional resource potential. The current target areas have been selected for sampling and assaying including additional sections at Peranggih and Panau, in accordance with a geological study completed by Model Earth in 2015 and more recent geological studies. The soil sampling results could lead to identifying further regional drilling targets.

Western Australia

In fiscal 2019 Murchison exploration is focusing on establishment of disciplined regional discovery strategies to extend the current resources reported in the 2018 SRK NI43-101 Resource Estimation Report. Understanding and honouring geological controls within the modelling phase has been a key step to de-risking the resource. The Mineral Resource provides a solid foundation for the ongoing PEA study, which is being undertaken to support a production plan at the Murchison Gold Project.

During the second quarter, a litho-structural interpretation from aeromagnetic surveys was undertaken across all three projects areas, Burnakura, Gabanintha and Tuckanarra. This study identified and ranked several regional targets for follow-up. In addition to regional targets, deposit scale and deep resource potential was identified under several pits across the entire Murchison Gold Project. To support targeted exploration, a compilation from historical records was also initiated to ensure that the database is complete with all available geological records.

The Company has developed exploration milestones and strategy, preparing to commence exploration programs to test regional targets such as NOA 9, and deep underground potential targets at ANA, NOA 1 and NOA 2, and NOA 7/8 areas.

1.3.4 *The Mengapur Copper-Iron Project*

The Mengapur Project is a large economic scale Copper-Iron Project in the East Coast region of Malaysia within Pahang State. Significant exploration programs and metallurgical studies were carried out from 2011 to 2015. A geological and resource modelling study was carried out in 2018 and a NI43-101 Mineral Resource Estimate Technical Report was completed by Snowden and SEDAR filed in October 2018. As copper prices steadily rise, the Company intends to carry out follow-up work in fiscal 2019 to assess the opportunity for copper production.

The major mining lease for the Mengapur Project tenements was renewed for the two-year period beginning June 1, 2018; exploration license extension and mining lease applications to convert certain areas of the exploration license are pending approval by Pahang State for Star Destiny Sdn. Bhd. ("SDSB"), a 100% owned subsidiary of Monument. Management continues its dialogue with the Pahang State authority to speed-up this process.

1.4 2019 Activity Highlights

- On July 5, 2018, the Company provided an update on the FEED study for the Selinsing Gold Sulphide Plant upgrade. Additional flotation testwork was commissioned at the Bureau Veritas laboratory in Perth on further samples of drill core from Buffalo Reef. The aim of the testwork is to provide independent verification of the flotation conditions reported by the in-house R&D team.
- On July 16, 2018, the Company announced significant intercepts at Peranggih with the continuity of the mineralization confirmed, extended and better defined. Highlights included 9.8m @ 10.29g/t Au.
- On July 18, 2018, the Company announced a NI43-101 Mineral Resource Update at the Burnakura Property in Western Australia. Indicated Resources have increased to 293Koz from 98.4Koz and Inferred Resources to 88Koz from 4.4Koz.
- On August 7, 2018, the Company announced a significant drill intercept at ANA for the Burnakura Project that was 1.3m @26.8g/t Au. High-grade mineralization was intercepted more than 170m down dip of the known mineralization at ANA and the favourable Banded Iron Formation horizon which controls the gold mineralization has been shown to be continuous at depth.
- On September 24, 2018, the Company announced NOA 7/8 Drilling Program Results at the Burnakura Gold Project that successfully extended NOA 7/8 northerly down plunge, confirming the understanding of mineralization. Significant intercept highlights included 12m @ 8.02g/t Au and 12m @ 6.80g/t Au.
- On October 1, 2018, the Company announced Shallow Oxide Drilling Program Results at the Burnakura Gold Project to delineate high-grade shallow oxide material. Significant intercept highlights included 11m @ 2.8g/t Au and 3m @ 8.8g/t Au, at the Lewis area.
- On October 29, 2018, the Company filed a Mineral Resource Estimate for the Mengapur Cu-Au Deposit, NI43-101 Technical Report. A total of 39.5 Mt @ 0.43% Cu and 0.18 g/t Au of Indicated Mineral Resources, along with 50.9 Mt @ 0.44% Cu and 0.11 g/t Au of Inferred Mineral Resources, was reported above a 0.3% Cu cut-off grade.
- On November 8, 2018, the Company provided an update on the progress of the Burnakura Gold Project at Murchison in Western Australia. An initial internal economic assessment was completed under the ongoing PEA study with an increase of mill capacity to 500ktpa from 260ktpa. Based on those assessments, development has been re-strategized and planned gold production is postponed until completion of the PEA to include underground mining opportunities.
- A geological structural study was also completed for Murchison, reflecting new geological information to interpret regional geology. Regional and localized drill targets have been identified and ranked with priority at Burnakura, and for entire Murchison Gold Project. Several highly prospective exploration targets based on structural mapping have been developed by International Geoscience Structural Geology.
- On December 14, 2018, the Company announced the results from its Annual General Meeting. All of management's nominees for directors being Robert F. Baldock, Cathy Zhai, Zaidi Harun, Graham Dickson, and Michael John Kitney were approved by shareholders. All resolutions were approved as proposed by more than 99% of the shares voted.
- On January 31, 2019, subsequent to the second quarter, the Company announced results of a positive Feasibility Study at Selinsing, establishing the economic viability of the project for a six-year life of mine through the extension of the existing oxide plant to incorporate additional sulphide ore extraction. The NI 43-101 Technical Report is titled "Selinsing Gold Sulphide Project - NI 43-101 Technical Report" (Snowden 2019 TR).

2. PROJECT UPDATE

2.1 Selinsing Gold Portfolio

The Selinsing Gold Portfolio is located in Pahang State, Malaysia, including Selinsing Gold property ("Selinsing"), Buffalo Reef property ("Buffalo Reef"), Felda Land ("Felda") and Famehub properties ("Famehub"). Buffalo Reef lies continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located. Both Felda and Famehub properties are located east and north of Selinsing and Buffalo Reef properties.

Among those properties, Selinsing and Buffalo Reef are primary gold properties acquired on June 25, 2007 and are at development and production stage while others are at exploration and evaluation stage. The 1.00 million tpa gold processing plant is situated on the Selinsing site, easily accessible by all of its owned properties.

The Federal Land Development Authority ("FELDA") Land is gazetted as a group settlement area covering 3,920 acres owned by local individual ("Settlers"). The Company acquired exclusive irrevocable exploration licenses over 896 acres of Felda Land through its subsidiary Able Return Sdn Bhd from Settlers, with consent from the Federal Land Development Authority. Pursuant to these agreements with Settlers, certain portions of Felda Land can be converted to mining leases upon exploration success at the Company's discretion, subject to regulatory approval. The exclusive mining permits will be automatically assigned for mining to the Company in event of approval of the mining leases obtained by those Settlers. In October 2017, a portion of Felda Land ("Felda Block 7") was converted into proprietary mining leases.

(in United States dollars, except where noted)

Famehub Properties were acquired in September 2010, containing approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef along the trend and east of the Selinsing Gold Mine. The Company has reviewed the exploration programs at all of these properties, targeting the consolidation of its Selinsing and Buffalo Reef properties together with the Famehub Properties around the Selinsing Gold Mine as a long-term exploration strategic portfolio in order to extend the life of the mine. Snowden completed a NI 43-101 Technical Report on the Famehub area dated August 2010 that may be found on Monument's website.

2.1.1 Resources and Reserves and Results of the Feasibility Study

According to the Snowden 2019 NI43-101 Report dated January 31, 2019, subsequent to the second quarter, the Company has Proven and Probable Mineral Reserves at Selinsing Gold Mine, including the Selinsing and the adjacent Buffalo Reef and Felda Block 7 deposits in Pahang State, Malaysia. All Mineral Reserves and Mineral Resources were updated by Snowden as Independent qualified person defined under NI 43-101 standards (www.sedar.com).

The tables below summarize the newly estimated Mineral Reserves and Mineral Resources by classification and ore type, all expressed in metric tonnes and Troy ounces (1 ounce = 31.1035 g).

Selinsing-Buffalo Reef/Felda Reserves as of March 31, 2019 (Snowden)												
Category	OXIDE (above approx. 0.4 g/t Au cut-off)			TRANSITION (above approx. 0.75 g/t Au cut-off)			SULPHIDE (above approx. 0.75 g/t Au cut-off)			**OXIDE + TRANSITION + SULPHIDE**		
	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	**kTonnes**	**g/t**	**Au (kOz)**
Mineral Reserves (based on a US$1,300/oz gold price)												
Proven*	1,265	0.47	19	-	-	-	45	1.53	2	**1,310**	**0.51**	**21**
Probable**	991	0.91	29	757	1.72	41.9	2,680	2.03	175.1	**4,428**	**1.73**	**246**
P+P	2,256	0.67	48	757	1.72	42	2,725	2.02	177	**5,738**	**1.45**	**267**

*Proven Reserve is entirely stockpile material;
**Probable Oxide Reserve comprises oxide ore in Selinsing, Buffalo Reef, Felda deposits, and in Selinsing Old Tailings; Probable Transition and Sulphide Reserve comprises ore in Selinsing, Buffalo Reef and Felda deposits.

The updated Mineral Reserves are estimated using an average gold price of $1,300 per ounce.

Selinsing-Buffalo Reef/Felda Resources as of March 31, 2019 (Snowden)												
Category	OXIDE (above 0.3 g/t Au cut-off)			TRANSITION (above 0.5 g/t Au cut-off)			SULPHIDE (above 0.5 g/t Au cut-off)			**OXIDE + TRANSITION + SULPHIDE**		
	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	**kTonnes**	**g/t**	**Au (kOz)**
Mineral Resources, reported inclusive of Reserves (based on a potential US$2,400/oz gold price)												
Measured*	1,265	0.47	19	-	-	-	45	1.53	2	**1,310**	**0.51**	**21**
Indicated**	1,533	0.85	42	1,086	1.49	52	8,052	1.60	415	**10,671**	**1.48**	**509**
M+I	2,798	0.68	61	1,086	1.49	52	8,097	1.60	417	**11,981**	**1.38**	**530**
Inferred***	349	1.05	11.8	485	1.22	19	5,563	1.79	319	**6,397**	**1.70**	**350**

*Measured Resource is entirely stockpile material; **Indicated Oxide Resource is a combination of oxide mineralization occurring in Selinsing and Buffalo Reef/Felda deposits plus Selinsing Old Tailings material; Indicated Transition and Sulphide Resource comprises mineralization occurring in Selinsing and Buffalo Reef/Felda deposits; ***Inferred Resource comprises mineralization occurring in Selinsing and Buffalo Reef/Felda deposits.

Based on the above reserves, the 2019 Feasibility Study has demonstrated an approximately six-year life of mine (LOM) with an NPV of $27.56 million based on reported oxide and sulphide ore reserves as of March 2018. Over the six-year LOM, a total 5.7 million tonnes of ore would be treated at an average grade of 1.45g/t for 223koz at a cost of $863.67 per ounce. At a gold price of $1,300 per ounce, the Selinsing Gold Mine Project would generate net cash flow after tax of $97.00 million from operations, or $45.00 million net of capital expenditure.

The opportunity to consider Inferred Resources was discussed in the Feasibility Study. The Inferred Mineral Resource inside the Reserve open pit designs potentially contains an additional 20koz of gold. The Inferred Mineral Resource external to the open pit design contains 130koz of gold. Recommendations have been suggested to initiate further exploration programs, aimed on conversion of Inferred Mineral Resources to Indicated Mineral Resources. Should those conversions be successful, the Mineral Reserves could potentially be significantly increased. The Selinsing Gold Mine has a proven record in converting oxide Inferred Mineral Resources to recovered ounces, even though historical record should not be used as an indicator of future performance.

2.1.2 Production

For the quarter ended December 31, 2018 the Selinsing gold plant processed a total of 241,925t (Q2 fiscal 2018: 219,548t) and gold recovery was 4,960oz (Q2 fiscal 2018: 5,101oz). The process recovery was 72.2% for second quarter and in line with 72.0% in the same period last year. For the quarter ended December 31, 2018, mill feed comprised of 65% SLG oxide, 14% oxide and 21% old tailings compared to the same period last year of 71% SLG oxide, 21% oxide and 8% old tailings. Total materials mined during the second quarter included 220,659t waste cutback at Selinsing and Buffalo, compared to last year that included 14,504t for tailings storage facility construction.

For the six months ended December 31, 2018 the Selinsing gold plant processed a total of 478,730t (Six months ended December 31, 2017: 441,084t) and gold recovery was 8,911oz (Six months ended December 31, 2017: 7,903oz). The process recovery decreased to 68.4% for the six-month period from 69.1% in the same period last year. For the six months ended December 31, 2018, mill feed comprised of 66% SLG oxide, 16% oxide, 17% old tailings and 1% leachable sulphide compared to the same period last year of 80% SLG oxide, 11% oxide, and 9% old tailings. Total materials mined during the six months ended December 31, 2018 included 541,744t waste cutback at Selinsing and Buffalo Reef and 37,094t of waste removed for the tailings storage facility upgrade, compared the same period last year that included 158,664t waste cutback at Buffalo Reef and 113,620t for tailings storage facility construction.

The figures below illustrate production results on a consolidated basis including Selinsing, Buffalo Reef and Felda Block 7 operations.

Figure 7: Selinsing Gold Mine: Revenue

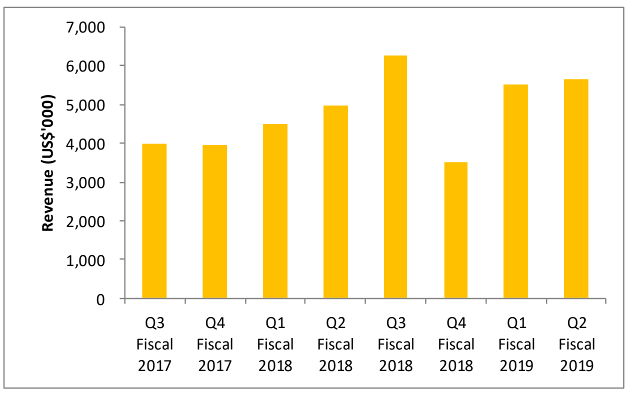
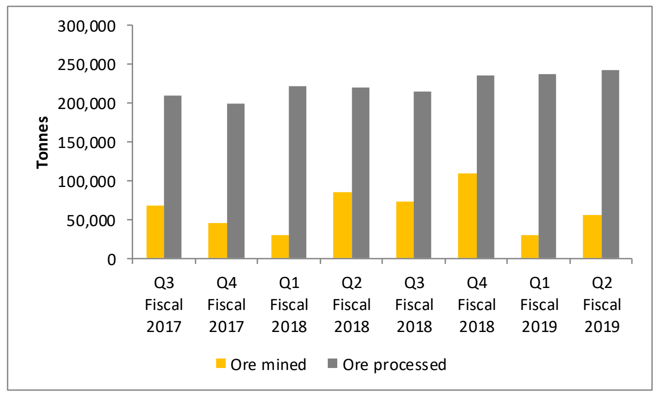


Figure 8: Selinsing Gold Mine: Operating Metrics



The Company commenced mining at the southern area of the Buffalo Reef project in January 2013 and the northern area in July 2014. The oxide ore mined is sold under commercial terms to Able, the owner of the Selinsing processing plant. Production output is consolidated with the Selinsing gold mine. During the second quarter total ore mined from Buffalo Reef was 11,765t (Q2 fiscal 2018: 13,606t).

2.1.3 Development

As of December 31, 2018, development expenditure of $3.31 million (June 30, 2018: $2.93 million) was incurred in relation to construction in progress under Plant, Property and Equipment for the Selinsing Sulphide Project, including the2019 Feasibility Study for the Sulphide Project commenced in the fourth quarter of fiscal 2017, continued during the current quarter and completed subsequently in January 2019.

The Company incurred expenditures of $0.39 million on the Sulphide Project for the six months ended December 31, 2018 and $0.09 million for previous tailings storage facility work was reclassed to mineral properties.

<u>Feasibility Study and Project Execution Plan</u>

During the second quarter, the Feasibility Study was moved onto the finalization stage.

The mining aspects were optimised by Monument with updated cost and revenue information. The mine design for the reserve pit shell was largely unchanged in comparison with the 2016 Preliminary Feasibility Study except for revision in the Selinsing Pit area based on an updated geotechnical study conducted by Peter O'Bryan and Associates ("POB").

The economic viability of the project described in the Feasibility Study is primarily driven by adding flotation and BIOX® processes to the current Selinsing Gold Processing Plant to treat sulphide ore. The significant Feasibility Study has focused on metallurgical testwork, metallurgical processing design and Front-End Engineering Design in relation to sulphide ore treatment, and procurement of equipment to build flotation and BIOX® plants, along with geological review and mine planning studies. The metallurgical factors for sulphide were developed by Monument from in-house and independent testwork by Outotec and reviewed by OMC. The oxide metallurgical factors are from site production data.

During the second quarter, final testwork including locked cycle cleaner flotation tests and reagent optimization that was completed at the Bureau Veritas Laboratory in Perth, WA, an independent metallurgical test laboratory. The total average gold metallurgical recovery parameters achieved 74% for Old Tailings, 75% for oxide, and 85% for transition and fresh/sulphide, and signed off by Orway Mineral Consultants, who designed and supervised the metallurgical testwork program.

A potential underground desktop study was also carried out indicating potential in the Selinsing area but more inventories over a 3g/t Au cut-off grade and sourcing an available and cost-effective contractor arrangement is required. Major follow-up work will be for further resource definition and conversion of the Inferred open pit potential as well as extensions for underground mining. The main emphasis will be in the Buffalo Reef area for fresh/sulphide material.

While an execution plan is in place to start up construction of the Selinsing Gold plant upgrade, the project team continues to optimize costs including expected maintenance and reagent consumptions to lower operating cost estimates and sourcing local equipment to lower capital cost estimates.

Tailings storage facility

During the second quarter, SRK Consulting issued a draft detailed design of the tailings storage facility expansion including the basis of design, spring water management, embankment design, stability assessment and surface water management. The planned embankment raise would be from 531.0mRL to 533.3mRL to allow for 0.3m beach freeboard. Construction of the new spring water management system was completed and preparation for the TSF main embankment construction proceeded with installation of various seepage channels, excavating the stream diversion, removal of unwanted materials and backfilling.

2.1.4 Exploration

Total exploration expenditure at the Selinsing Gold Portfolio of \$0.37 million (Fiscal 2018: \$1.06 million) was incurred for the six months ended December 31, 2018, comprised of \$0.27 million (Fiscal 2018: \$0.95 million) at Peranggih, \$0.05 million (Fiscal 2018: \$0.08 million) at Buffalo Reef and, \$0.05 million (Fiscal 2018: \$0.03 million) at Selinsing Deep.

Exploration activities during the second quarter comprised of auger drilling at the old tailings, a continuation of the soil sampling program and refinements on diamond and RC drilling design.

Oxide: The Selinsing short-term exploration program is focused on existing mine areas such as BRS, BRC and BRN, locating more oxide and leachable sulphide ore through extensional drilling, to increase mill feed. Opportunities for infill drilling have also been verified for infill and extension drilling on and around Selinsing Pits, in particular Pit IV and Pit V west wall, aiming to intercept oxide shallow high-grade mineralization and using current understanding from structural information and interpretation, including historical underground developments.

Sulphide: The Selinsing long-term exploration potential is on sulphide resources. At both Selinsing and Buffalo Reef deposits the sulphide mineralization is still open down dip, down plunge and along strike. Monument plans to follow-up with drilling programs at the Selinsing and Buffalo Reef deposits focused on adding resources and defining preferentially sulphide mineralization at depth below and around the existing pits within gap zones in between the known resources that contain little drill hole information, through extension drilling for Buffalo Reef, and to investigate underground opportunities with deep drilling at Selinsing Pits and extensions to the south. The main programs include: down dip and strike/plunge extension sulphide drilling program plus resource definition drilling for Buffalo Reef Central ("BRC") and Felda Block 7; and Selinsing Deeps sulphide gold high grade resource definition/extension drilling. The drilling program at Felda Block 7 will also enable the BRC and Buffalo Reef South ("BRS") open pits to be extended at depth.

Old Tailings: The old tailings were re-estimated in the 2019 Feasibility Study. Auger drilling was further proposed for grade control purpose and carried out at the less sampled Southern portion of the Old Tailings. A total of 62 samples was prepared at the grade control laboratory, and assay results indicated that most of the sample grades are in the 0.50 – 0.70g/t Au range in line with the Feasibility Study.

Soil Sampling Program: As a part of the Selinsing regional exploration program, soil sampling was continued during the second quarter, focused on the prioritized Peranggih/Panau area, initially at the Panau South target, which was completed with 140 primary samples collected, plus field duplicates. The access road to Panau East was then surveyed, repaired, and sampling was started at the end of the second quarter, with 20 samples collected.

Regional exploration is targeting larger strategic development areas surrounding the Selinsing Gold Mine, aimed to test regional resource potential. The current target areas have been selected for sampling and assaying including additional sections at Peranggih and Panau, according to a geological study completed by Model Earth in 2015, together with more recent geological studies. These studies investigated the structural and lithological controls on the regional mineralization distribution. The soil sampling results could lead to identifying further regional drilling targets.

2.1.5 Environment, Safety and Health

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

- The Department of Minerals and Geosciences ("JMG") with mining and processing activities including environmental jurisdiction inside the Company's project tenements;
- The Department of the Environment ("DOE"), whose jurisdiction lies outside the Company's tenements regarding air and water quality discharge; and
- The Department of Safety and Health ("DOSH"), primarily concerned with occupational safety and health, lifting equipment, pressurized vessels, storage and handling of hazardous chemicals.

During the quarter ended December 31, 2018, Selinsing operations recorded no lost time accidents. All reported accidents and incidents were shared among supervisors and staff at safety toolbox meetings and new safety topics were raised at each of these meetings. Regular safety inspections were carried out by the HSE department and notices of improvement send out to various departments for any immediate corrective action required on HSE issues. Third party environmental compliance audits were conducted by accredited independent consultants and laboratories on drinking water quality, environmental audits, scheduled waste, and chemical storage, in addition to borehole water quality, ambient air quality and environmental noise monitoring.

The DOSH certificate update for all machinery was submitted during the second quarter including renewal for the elution column, tower crane and portable air compressor. The Company's Health, Safety and Environment compliance committee met to ensure the requirements of JMG, DOE and DOSH are adhered to in a timely manner.

2.1.6 Litigation

The Arci Suit: On July 30, 2015, the Company announced that the former partners of ARCI ("ARCI") have filed a suit against TRA Mining (Malaysia) Sdn. Bhd. ("TRA"), SMSB (the Plaintiff in the 5% JV Suit), Monument and two of its subsidiaries in the Shah Alam High Court, Malaysia alleging, among others, that ARCI is the owner of MC 1/113 and thus entitled to the profits generated by Monument from the said mining certificate. Monument vehemently denies any liability in respect of ARCI's Claim.

The ARCI Suit had been struck out by the Shah Alam High Court on August 24, 2016. ARCI appealed to the Court of Appeal against the decision of the Shah Alam High Court. The Court of Appeal had on December 12, 2018 dismissed ARCI's appeal. The matter is now deemed closed as ARCI did not appeal against the decision of the Court of Appeal within the time line provided by the applicable Malaysian law.

2.2 Murchison Gold Portfolio

The Murchison Gold Portfolio is 100% owned by the Company and acquired in 2014, consisting of the Burnakura, Gabanintha, and Tuckanarra gold properties, located in the Murchison Mineral Field, a highly prospective historical gold province within the Murchison District of Western Australia. Burnakura and Gabanintha are located 40 km southeast of Meekatharra, WA and 765 km northeast of Perth, WA. Tuckanarra is located approximately 40 km southwest of Burnakura.

The Murchison Gold Portfolio includes a number of mining and exploration tenements and lease applications covering approximately 514 square kilometres of mining land prospective for resource extension, and a fully operational gold processing plant at the Burnakura site, a newly developed camp site and all necessary infrastructure. Underground mining was carried by the previous owner of the Burnakura gold processing plant for several months and shortly after it was placed in administration.

2.2.1 Resources

The Murchison Gold Project consists of a historical resource of 300koz Au of Indicated Resource and 344koz Au of Inferred Resources reported to a 1.0g/t Au lower cut-off, at time of acquisition in 2014, within a number of previously operated open pits and underground mine. The Company believes that the quality of the data supporting the resources meets industry standards and considers this historical resource estimate to be relevant to its ongoing review of the Murchison Gold Project. The historical resources were reported in line with the JORC guidelines, and resource confidence categories and the reliability of the estimate are consistent with this standard, however they are not yet in full compliance with NI43-101 standards.

The current updated mineral resource estimation at Burnakura reported in the SRK NI43-101 Report dated July 2018, comprised of an Indicated Mineral Resource of 4.043mt@2.3g/t Au for 293koz and an Inferred Mineral Resource of 1.551mt@1.8g/t Au for 88koz at a 0.5g/t Au grade cut-off for Open Pit and 3.0 g/t Au for Underground. This represents a positive outcome toward the preparation of a preliminary economic assessment in respect of the Burnakura deposits. The company is planning to continue a confirmation program over the remainder of the historical resources combined with exploration to add new resources.

(in United States dollars, except where noted)

Figure 9: 2018 Mineral Resource estimate breakdown for Burnakura Project

Updated Mineral Resources, Burnakura Gold Project (SRK, July 2018)					
Deposit	**Category**	**Lower cut-off (Au g/t)**	**Tonnes (Kt)**	**Au (g/t)**	**Gold (Koz)**
NOA1-6	Indicated	0.5	1,030	2.1	68
	Inferred	0.5	609	2.3	44
ANA	Indicated	0.5	2,141	1.6	107
	Inferred	0.5	92	1.5	4
Authaal	Indicated	0.5	-	-	-
	Inferred	0.5	556	1.4	25
Federal City	Indicated	0.5	96	1.3	4
	Inferred	0.5	259	1.3	11
TOTAL*	**Indicated**	**0.5**	**3,267**	**1.7**	**179**
	Inferred	**0.5**	**1,516**	**1.8**	**84**
NOA7-8**	Indicated	3.0	776	4.6	114
	Inferred	3.0	35	3.9	4
GRAND-TOTAL	**Indicated**		**4,043**	**2.3**	**293**
	Inferred		**1,551**	**1.8**	**88**

Notes:
(1) Small discrepancies may occur due to rounding.
(2) All Mineral Resources have been reported on a dry tonnage basis.
(3) SRK is unaware of any issues that materially affect the Mineral Resources in a detrimental sense.
(4) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(5) Mineral Resources estimated by David Slater (Principal Consultant, SRK), QP.
(6) *Open pit Resources (NOA1-6, ANA, Authaal, Federal City) are constrained in a Lerchs Grossman pit shell
**Underground Resources (NOA7-8) are constrained to >3g/t and 200m vertical depth.

The Company continued to improve its internal mining studies. The follow-up to the fiscal 2018 drilling program is in development to pursue a Preliminary Economic Assessment on the Burnakura Gold Project under NI 43-101 standards.

2.2.2 Exploration

During the second quarter, a geological structural study was completed with updates reflecting new geological information to interpret regional geology. Regional and localized drill targets have been identified and ranked with priority at Burnakura and entire Murchison Gold Project for further confirmation. Compilation of historical data is also being carried out to check any gaps in existing data including reports, drill hole database and geochemical data.

Burnakura: The ANA, Authaal, and Federal City internal resource model updates were re-estimated by SRK, and together with updated NOA1_6 and NOA 7_8 resource models, made up the total Mineral Resources included in the NI43-101 technical report dated July 17, 2018.

A regional structural geology study was completed during the second quarter. Certain highly prospective exploration targets based on structural mapping have been developed by International Geoscience Structural Geology expert, Dr Warwick Crowe. Among those targets, NOA 9 was identified through regional aeromagnetic interpretation. NOA 9 is located in an area of alluvial cover at the extreme north end of the Burnakura project area. A prospective NNW trending structure has been mapped which is known to control the mineralization. The target is under transported cover.

An exploration plan has been developed for both regional and underground deep potential. The NOA line of mineralization has been identified for major underground potential. Mineralization at NOA underground is hosted and controlled by northerly plunging folds. Work is being undertaken to identify further northerly plunging folds for potential repeats of the NOA line of mineralization. Deep potential was also identified at ANA, where the most recent drilling program extended the mineralized structure 180m down dip. Further drillholes are being planned to test this mineralized structure down to 400m.

Diagnostic leach results from NOA 7/8 metallurgical testwork were received during the second quarter. The results confirmed that the unleached gold was associated with pyrite and arsenopyrite. Further process streams are being investigated to unlock and maximize recovery from this high-grade underground resource.

Tuckanarra: Geological modelling continued to support opportunities for open pit resources at Tuckanarra. The Cable, Bollard and Bottle Dump deposits are in the process of being re-modelled for internal mining studies. Further, a study of the exploration potential was completed, highlighting there is potential for further discoveries along untested prospective strike, in particular at the Bottle Dump deposit.

Gabanintha: A review and study of historical drilling data has continued and highlighted that the mineralization is open at depth. A structural study identified a new regional exploration target named Lorena, which displays a similar structural regime that hosts the Terrell, Yagahong and Kavanagh mineralization. Deep underground potential was also identified under the Yagahong pit. Drilling programs were revised and will be carried out, pending an internal review.

For the six months ended December 31, 2018, exploration at Murchison incurred expenditure of $0.05 million (Fiscal 2018: $0.17 million) on geological work.

2.2.3 Development

Following the updated mineral resource estimation at Burnakura Gold Project from July 2018, an initial internal economic assessment was completed during the second quarter under the PEA study with an increase of mill capacity to 500ktpa from 260ktpa. Based on those assessments, the Company has re-strategized development of the Burnakura Gold Project. The planned gold production is postponed until completion of the PEA to include underground opportunities that would potentially allow for a better return.

The PEA program is designed to identify the economic potential in a large scale at Burnakura, Tuckanarra and Gabanintha (together the "Murchison Gold Projects") including open pits and underground mining opportunities. The NOA 7/8 resource estimates form a significant part of the Indicated Resources at Burnakura, resulting in an initial internal economic assessment being carried out in June 2018 and completed during the second quarter in October 2018 on the underground mining potential with a corresponding increase in the existing mill capacity to 500ktpa from 260ktpa, based on which staged mining alternatives have been evaluated as a part of the PEA study. The metallurgical drill samples were assayed and further diagnostic leaching testwork has also been carried out on NOA7/8 core samples.

The ongoing PEA study is preliminary in nature, including Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

The Company has ensured that the plant and other facilities are being kept in good condition through proper care and maintenance with a view to ensure efficient commissioning in the future, and the site accommodation and catering are fully functional in readiness for Company personnel and mining contractors to commence on site.

During the six months ended December 31, 2018, the Company incurred expenditures of $0.33 million (Fiscal 2018: $0.67 million) on site activities, $0.05 million (Fiscal 2018: $0.39 million) on mine development and $0.10 million (Fiscal 2018: $0.19 million) on plant maintenance at the Murchison Gold Project.

2.3 Mengapur Copper-Iron Project

The Mengapur is located in Pahang State, Malaysia, approximately 130 kilometers from Monument's wholly-owned Selinsing Gold Mine near Sri Jaya, 12 kilometers from a highway and 75 kilometers from the Malaysian port of Kuantan. The Mengapur Project includes a mining tenement held by Cermat Aman Sdn. Bhd. ("CASB") and an exploration tenement held by Star Destiny Shd. Bhd. ("Star Destiny"). Following significant exploration programs and metallurgical studies carried out from 2011 to 2015, a geological and resource modelling study has been carried out in 2018 and a NI43-101 Mineral Resource Estimate Technical Report was released in October 2018.

2.3.1 Resources

The technical report titled "Mineral Resource Estimate for the Mengapur Cu-Au Deposit, NI43-101 Technical Report" and dated October 29, 2018, is available on the SEDAR website. It was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects by John Graindorge BSc (Hons); Grad. Cert. Geostatistics, MAusIMM(CP), Principal Consultant, Resources, Snowden Mining Industry Consultants Pty Ltd., the Qualified Person.

The project has been drilled using mostly diamond core drilling down to a nominal spacing of approximately 40m by 40m in a significant portion of the project area. The 2018 Mineral Resource estimate has incorporated a total of approximately 112,000m completed to date, of which nearly 53,000m were completed by Monument between 2011 and 2014. Drilling was primarily comprised of diamond core drilling, with some minor RC drilling. The geological interpretation has considered all known material items and represents an accurate reflection of the current geological understanding, of the copper oxide, transition and sulphide skarn type mineralization.

Figure 10 below presents the 2018 Mineral Resource estimate for the Mengapur project, reported above a 0.3% Cu cut-off grade. To establish the requirement for the grade, quantity and quality of the mineralization to have reasonable prospects of eventual economic extraction, a cut-off grade of 0.3% Cu was selected, representing an assumption of an open-pit mining approach with limited selectivity and is based on values used at other similar deposits, along with consideration of the continuity above the cut-off grade. The cut-off grade of 0.3% Cu is considered by Monument to be the base case scenario at this stage; however further study is required to assess mining and processing options, along with costs.

(in United States dollars, except where noted)

Figure 10: Mengapur August 2018 Mineral Resource estimate (0.3% Cu lower cut-off)

Indicated Mineral Resource							
Material type	**Tonnes Mt**	**Cu %**	**Au g/t**	**Ag g/t**	**Contained Cu t**	**Contained Au oz**	**Contained Ag oz**
Oxide	6.3	0.45	0.17	9.7	28,300	34,000	1,960,000
Transitional	9.7	0.48	0.15	9.8	46,800	47,000	3,060,000
Fresh	23.5	0.41	0.21	4.5	96,400	159,000	3,400,000
Total Indicated	**39.5**	**0.43**	**0.18**	**6.6**	**170,000**	**229,000**	**8,380,000**
Inferred Mineral Resource							
Type	**Tonnes Mt**	**Cu %**	**Au g/t**	**Ag g/t**	**Contained Cu t**	**Contained Au oz**	**Contained Ag oz**
Oxide	15.5	0.41	0.06	19.1	63,600	29,900	9,520,000
Transitional	12	0.5	0.1	17	60,000	38,600	6,560,000
Fresh	23.4	0.43	0.14	6.9	100,600	105,300	5,190,000
Total Inferred	**50.9**	**0.44**	**0.11**	**13**	**224,000**	**180,000**	**21,270,000**

(1) Small discrepancies may occur due to rounding.
(2) All Mineral Resources have been reported on a dry tonnage basis.
(3) Snowden is unaware of any issues that materially affect the Mineral Resources in a detrimental sense.
(4) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(5) Mineral Resources estimated by John Graindorge (Principal Consultant, Snowden), QP.
(6) The majority of the interpreted mineralization is within 200m of the surface and as such considered by Snowden to be within the limits of extraction by open-pit mining.

2.3.2 Development

The Mengapur Project is a large economic scale project in the Company's pipeline of projects. Since acquisition of Mengapur, the Company has carried out extensive exploration programs to confirm historical resources and metallurgical testwork in studying downstream products. The resource confirmation drilling was largely completed in fiscal 2014.

During fiscal 2018, geological and resource modelling work was resumed. A NI43-101 Mineral Resource Estimation Technical Report was SEDAR filed in October 2018. As copper prices rise, the Company intends to carry out follow-up work in fiscal 2019 to assess the opportunity for copper production.

During the quarter ended December 31, 2018, the Company incurred costs of $0.41 million (Fiscal 2018: $0.68 million) on exploration and evaluation at Mengapur, including $0.05 million on resource study work, $0.09 million on property fees and $0.26 million on site activities, which included $0.15 million of amortization. Site activities at Mengapur included environmental compliance, erosion and sediment control. Care and maintenance activities were carried out to ensure the facility and assets are kept in good condition.

Intec Interim License: In February 2015, Monument and Intec International Projects Pty Ltd ("Intec") entered the Heads of Agreement which was amended in August 2017 (together the "Intec Agreements"). Pursuant to the Intec Agreements, the Company was granted an interim license with an expiry date of January 16, 2017 and subsequently extended to January 16, 2022, to exploit the Intec patented technology at the Company's alpha sites in Malaysia, including Mengapur. Subject to the success of staged testwork and certain conditions, Monument will obtain a full license to treat sulphide gold or copper materials using Intec technology across designated territories including Australia and South East Asia countries.

Tenements: The mining lease at the 100% owned subsidiary CASB was renewed during the second quarter for the two-year period beginning June 1, 2018. The prospecting exploration permit of SDSB expired on September 23, 2012. The Company submitted an application of renewal in November 2011 to the Pahang State authority. The Company also submitted additional mining lease applications in 2009, 2010 and 2012 covering sections of the same area. The Company has yet to receive an official notification from the Pahang State authority in response to its applications. Management continues its dialogue with the Pahang State authority to speed-up this process. According to the Mining Enactment 2001 of Malaysia, until receipt of official notification with the Company's consent, the exploration rights remain intact.

The scientific and technical information in Section 2 has been prepared, reviewed and approved by Mr. Roger Stangler, B.S.c, MEng, MAusIMM, MAIG, a Qualified Person defined in accordance to National Policy 43-101, and Chief Managing Geologist of the Company.

3. FINANCIAL RESULTS

3.1 Summary

During the three months ended December 31, 2018, operations processed Felda Block 7 oxide ore, Selinsing oxide ore, super low-grade oxide ore and old tailings through the Selinsing Gold Plant in transition from oxide ore production to sulphide ore production. The production gross margin is expected to vary from time to time due to recovery rates and volatile gold prices.

Figure 11: Financial highlights

	Fiscal 2017		Fiscal 2018				Fiscal 2019	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	$	$	$	$	$	$	$	$
Revenues (000's)	3,986	3,954	4,502	4,975	6,275	3,498	5,530	5,663
Weighted average gold price								
London Fix PM (per ounce)	1,188	1,257	1,286	1,275	1,337	1,318	1,214	1,233
Monument realized (per ounce)	1,187	1,255	1,286	1,276	1,335	1,320	1,215	1,231
Net earnings (loss) before other items and tax (000's)	(1,133)	(2,442)	(1,060)	(423)	1,093	(659)	1,105	768
Earnings (loss) per share before other items and tax:								
- Basic	(0.00)	(0.01)	(0.00)	(0.00)	0.00	(0.00)	0.00	0.00
- Diluted	(0.00)	(0.01)	(0.00)	(0.00)	0.00	(0.00)	0.00	0.00
Net earnings (loss) after other items and tax (000's)	(1,789)	(3,909)	(1,504)	(1,820)	(1,491)	66	1,062	469
Earnings (loss) per share:								
- Basic	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	0.00	0.00	0.00
- Diluted	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	0.00	0.00	0.00

The quarterly financial results of the Company are outlined for the past eight quarters in Figure 11 above. The overall financial results of the Company reflect its income from gold mining operations, on-going corporate business development, administrative costs and other income or expenses such as foreign currency exchange gains or losses.

For the three months ended December 31, 2018 net income was $0.47 million, or $0.00 per share (basic) compared to net loss of $1.82 million or $(0.01) per share (basic) in the same period last year. The increase in net income was mainly due to higher revenue from gold sales with lower corporate expenses and foreign currency exchange loss and tax expense.

Mining operations generated income of $1.28 million compared to income of $0.44 million in same period last year, and corporate expenses was $0.51 million which decreased by 42% or $0.36 million from $0.86 million last year due to lower salaries and wages, stock compensations and legal expenses.

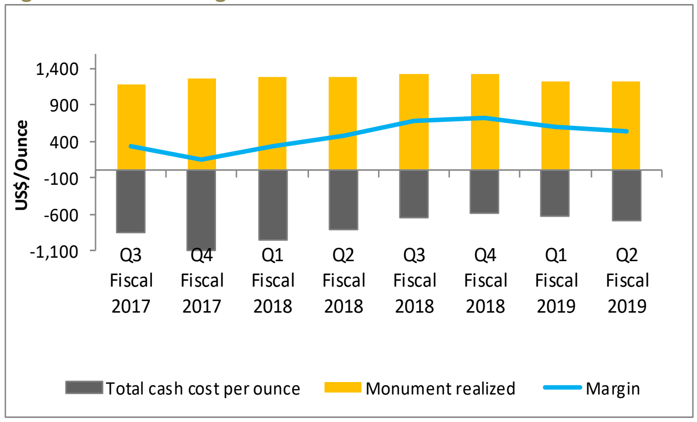
Loss from other items of $0.08 million was comprised of foreign currency exchange loss of $0.14 million (Q2 fiscal 2018: loss of $0.66 million) from appreciation of the US dollar and $0.06 million (Q2 fiscal 2018: $0.01 million) of interest income.

For the six months ended December 31, 2018 net income was $1.53 million, or $0.00 per share (basic) compared to net loss of $3.33 million or $(0.01) per share (basic) in the prior year. The increase in earnings was mainly due to higher income from mining operations, lower corporate expenses and decreased in foreign currency exchange loss. Mining operations generated income of $2.87 million compared to $0.20 million in the same period last year, and corporate expenses was $0.99 million which decreased by 69% or $0.69 million from $1.68 million in the same period last year. Income from other items was $0.10 million comprised of interest income $0.08 (Six months ended December 31, 2017: $0.02 million income) and foreign currency exchange income of $0.02 million (Six months ended December 31, 2017: $1.10 million loss).

3.2 Operating Results: Sales and Production Costs

For the quarter ended December 31, 2018, mining operations before non-cash amortization and depreciation generated a gross margin of $2.51 million, increased by 37% or $0.68 million from $1.83 million in the same period last year. Income from mining operations was $1.28 million compared to $0.44 million last year after non-cash depletion and accretion of $1.23 million compared to $1.39 million, respectively.

Figure 12: Gross margin



Gold recovery decreased by 3% during the second quarter to 4,960oz (Q2 fiscal 2018: 5,101oz) compared to the same quarter last year on higher feed grade. Ore processed increased to 241,925t (Q2 fiscal 2018: 219,548) also contributing to higher gold recovery.

Total cash cost per ounce sold decreased to $686/oz in the second quarter from $805/oz in the same period last year, together with increased ounces sold the profit margin has raised before non-cash items to $2.51 million from $1.83 million last year.

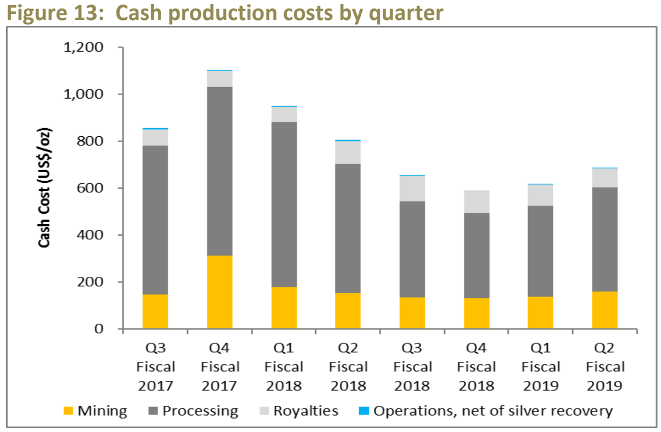
Sales

Gold sales generated $5.66 million for the quarter ended December 31, 2018 compared to $4.97 million in the same period last year. The revenue resulted from 4,600oz of gold sold (Q2 fiscal 2018: 3,900oz) at an average realized gold price of $1,231 per ounce (Q2 fiscal 2018: $1,276 per ounce) for the year. The weighted average London Fix PM gold price was $1,233 per ounce for the quarter compared to $1,275 per ounce for the same quarter last year.

Production Costs

Total production costs in the quarter ended December 31, 2018 was $3.15 million, compared to $3.14 million in the same period last year, reflecting lower production costs offset by higher amounts of gold sold in the second quarter. Cash cost per ounce decreased by 15% to $686/oz in the second quarter from $805/oz in the same period last year that resulted from an increase in ore processed by 10% from improved old tailings reclaim, offset by lower feed grade. Feed grade decreased over the same period last year, primarily due to less oxide ore production at Felda Block 7 and increased reclaiming of lower grade old tailings.

Figure 13: Cash production costs by quarter



A breakdown and further analysis of the cash cost components is provided below, and Figure 13 shows a historical graphical summary demonstrating the breakdown by quarter.

Figure 14: Production costs

	Three months ended		Six months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Production cost breakdown ('000s)				
Mining	740	597	1,371	1,221
Processing	2,030	2,148	3,786	4,609
Royalties	375	378	785	603
Operations, net of silver recovery	9	18	21	26
Total production costs	**3,154**	**3,141**	**5,963**	**6,459**

<u>Mining</u>

Total operation mining cash cost increased and the cash cost per ounce of mining operations was higher by 5% to $161/oz from $153/oz in the same quarter last year, mainly due to a higher waste to ore ratio, offset by an increase in gold sales in the quarter ended December 31, 2018. Mining production was 56,734t of ore for the second quarter compared to 85,214t of ore mined in the same period last year. Total waste removed increased to 700,250t (Q2 fiscal 2018: 231,698t) that included 220,659t for cutback mainly at the Selinsing pit during the second quarter, bringing total materials mined to 756,984t compared to 316,913t in the same period last year. As a result of an increase in total materials mined and production from the Selinsing pit, the cost per tonne mined increased by 19% from $1.49/t to $1.83/t.

The stripping ratio presented in Figure 1 of 12.34 for the second quarter and 2.72 in the same quarter last year, accounted for waste mined from both operations and development. There was 207,677t for cutback at Selinsing, where mining has resumed, and 12,982t for cutback at Buffalo Reef during the second quarter compared to 14,504t for TSF construction in the same quarter last year, the cost of which were capitalized and not included in the mining operations.

Processing

Total processing cash costs for the quarter ended December 31, 2018 were $2.03 million compared to $2.15 million in the same period last year with more gold sold in the current period. Gold feed grade decreased with less oxide ore production from Felda Block 7 compared to the same quarter last year.

Processing cost per tonne increased by 14% from $9.19/t to $10.47/t in the second quarter primarily due to higher equipment hiring costs for crushing equipment that required repair, eight times more water detoxified to bring down the TSF water level following heavy rainfall, and increased tailings pump and screen maintenance costs, compared to second quarter in previous year. Total ore processed increased by 7% to 241,925t from 219,548t in the same period last year from an increased old tailing reclaim rate. Mill feed comprised of 158,309t from stockpiled super low-grade oxide ore, 33,085t from oxide ore and 51,069t from old tailings compared to the same quarter last year of 156,229t super low-grade oxide ore, 45,587t oxide ore and 16,855t old tailings.

Royalties

The Company pays royalties to the Malaysian Government, and an additional 2% to the PKNP (Pahang State Development Corporation) for gold produced from the Buffalo Reef tenements. Total royalties cost decreased by 1% to $0.38 million for the quarter ended December 31, 2018 compared to $0.38 million in the same quarter last year. Royalties paid are affected by average gold spot prices, source of production and the amount of gold produced and sold in the period.

Non-cash Costs

For the quarter ended December 31, 2018, non-cash production expenses included depreciation and amortization of $1.18 million and accretion of asset retirement obligations in the amount of $0.05 million, compared to $1.35 million and $0.05 million in the same period last year, respectively.

Six months ended December 31, 2018

For the six months ended December 31, 2018, mining operations before non-cash amortization and depreciation generated a gross margin of $5.23 million, increased by 73% or $2.21 million from $3.02 million in the same period last year. Income from mining operations was $2.87 million compared to $0.20 million in the same period last year after non-cash depletion and accretion of $2.36 million compared to $2.82 million, respectively.

Gold recovery increased by 13% during the six-month period to 8,911oz (Six months ended December 31, 2017: 7,903oz) compared to the prior year six-month period on higher feed grade and ore processed that increased to 478,730t (Six months ended December 31, 2017: 441,084t). Total cash cost per ounce sold decreased to $652/oz in the six-month period from $873/oz in the same period last year, together with increased ounces sold the profit margin has raised before non-cash items to $5.23 million from $3.02 million in the same period last year.

Sales

Gold sales generated $11.19 million for the six months ended December 31, 2018 compared to $9.48 million in the same period last year. The revenue resulted from 9,150oz of gold sold (Six months ended December 31, 2017: 7,400oz) at an average realized gold price of $1,223 per ounce (Six months ended December 31, 2017: $1,281 per ounce) for the six-month period. The weighted average London Fix PM gold price was $1,223 per ounce for the six months period compared to $1,280 per ounce for the previous year same period.

Production Costs

Total production costs decreased by 8% in the six months ended December 31, 2018 to $5.96 million, compared to $6.46 million in the same period last year, during the same period a higher amount of gold was produced and sold. Cash cost per ounce decreased by 34% to $652/oz in the six-month period from $873/oz in the same period last year that resulted from an increase in ore processed by 9% and in feed grade by 5%.

Mining

Total operation mining cash cost increased due to an increase in gold production and sales in the six months ended December 31, 2018 while the cash cost per ounce of mining operations was decreased to $150/oz from $165/oz in the same period last year and a decrease in production cost per tonne. Mining production was 87,039t of ore for the six months period compared to 115,908t of ore mined in the same period last year. As a result, cost per tonne mined decreased by 23% from $1.76/t to $1.35/t.

The stripping ratio presented in Figure 1 of 16.86 for the six-month period and 4.23 in the same period last year, accounted for waste mined from both operations and development. There was 541,744t removed for cutback and 37,094t for TSF construction in this six-month period compared to 158,664t removed for the TSF construction in the same period last year, the cost of which were capitalized and not included in the mining operations.

(in United States dollars, except where noted)

Processing

Total processing cash costs for the six months ended December 31, 2018 were $3.79 million compared to $4.61 million in the same period last year with more gold produced and sold in the current period and higher feed grade.

Processing cost per tonne increased by 9% in the six-month period primarily due to increased equipment hire costs for crushing due to contractor repairs and higher detoxification consumable costs for reducing the TSF water level after heavy rainfall. Total ore processed increased by 9% to 478,730t from 441,084t in the prior year. Mill feed comprised of 222,059t from stockpiled super low-grade oxide ore, 171,343t from oxide ore and 81,929t from old tailings compared to the same period last year of 334,766t super low-grade oxide ore, 64,767t oxide ore, and 41,551t old tailings.

Royalties

The Company pays royalties to the Malaysian Government based upon 5% of the market value of gold produced, an additional 2% to the PKNP (Pahang State Development Corporation) for gold produced from the Buffalo Reef ore and an additional 5% for gold produced from Felda Block 7. Total royalties cost increased by 30% to $0.79 million for the six months ended December 31, 2018 compared to $0.60 million in the same period last year, due to production at Felda Block 7 and increase in gold sold and produced. Royalties paid are affected by average gold spot prices and the amount of gold produced and sold in the period.

Non-cash Costs

For the six months ended December 31, 2018, non-cash production expenses included depreciation and amortization of $2.26 million and accretion of asset retirement obligations in the amount of $0.10 million, compared to $2.73 million and $0.09 million in the same period last year, respectively. The decrease in total non-cash production expenses is mainly due to Selinsing oxide ore being fully depleted.

3.3 Corporate General and Administrative

Figure 15: Corporate Costs

	Three months ended		Six months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
			$	$
General and administration	327	385	644	817
Stock-based compensation	2	83	3	117
Legal, accounting and audit	83	274	162	546
Shareholder communications	36	50	78	78
Travel	24	36	66	78
Regulatory compliance and filing	34	35	38	42
Amortization	2	1	3	4
Total Corporate Costs	**508**	**863**	**994**	**1,682**

Corporate expenditure for the quarter ended December 31, 2018 of $0.51 million (Q2 fiscal 2018: $0.87 million) decreased by $0.36 million or 42% compared to the same period last year. The decrease was mainly due to legal and professional costs that were $0.08 million (Q2 fiscal 2018: $0.27 million), or 70% lower for the second quarter due to decreased litigation costs and general and administration costs that were $0.33 million (Q2 fiscal 2018: $0.39 million), or 15% lower for the second quarter due to reduced salaries and wages from changes in executive management.

Corporate expenditure for the six months ended December 31, 2018 of $1 million (Six months ended December 31, 2017: $1.68 million) decreased by $0.69 million or 41% compared to the same period last year. Legal, accounting and audit expenses decreased by $0.38 million, or 70%, to $0.16 million in the six-month period compared to $0.55 million in the same period last year due to decreased litigation costs. General and administration costs were $0.65 million (Six months ended December 31, 2017: $0.82 million), or 21% lower for the six-month period, primarily due to a $0.15 million, or 21% decrease in salaries and wages expenses to $0.56 million (Six months ended December 31, 2016: $0.71 million) from change in executive management.

3.4 Other Income (Loss)

Loss from other items for the quarter ended December 31, 2018 was $0.08 million compared to loss of $0.64 million in the same quarter last year. The change for the second quarter was mainly due to a decrease of $0.52 million in foreign currency exchange loss to $0.14 million (Q2 fiscal 2018: loss of $0.66 million) due to a higher US dollar.

Income from other items for the six months ended December 31, 2018 was $0.1 million compared to other loss $1.07 million in the same period last year. The change for the period was mainly due to $1.12 million increase in foreign currency exchange to an income of $0.02 million (Six months ended December 31, 2017: $1.10 million loss) due to a higher US dollar.

3.5 Income Taxes

Income tax expense for the quarter ended December 31, 2018 was $0.19 million (Q2 fiscal 2018: $0.76 million) consisting of current tax expense of $0.46 million (Q2 fiscal 2018: $0.85 million) and offset by deferred tax recovery of $0.27 million (Q2 fiscal 2018: $0.09 million).

Income tax expense for the six months ended December 31, 2018 was $0.41 million (Six months ended December 31, 2017: $0.77 million) consisting of current tax expense of $0.71 million (Six months ended December 31, 2017: $0. 95 million) and offset by deferred tax recovery of $0.30 million (Six months ended December 31, 2017: $0.18 million).

4. LIQUIDITY AND FINANCIAL CONDITION

The Company's principal cash requirements are working capital used for business development, general administration, property maintenance and development, construction of the gold treatment plant expansions, production operations at Selinsing and exploration. The Company's cash and cash equivalents as at December 31, 2018 was $12.84 million including $0.30 million restricted cash, $6.65 million gold prepaid net of financing fees, and remaining cash balance of $5.89 million in comparison with $15.01 million reported at June 30, 2018 that included $0.30 million restricted cash, $6.65 million gold prepaid net of financing fees and $8.06 million remaining cash.

For the quarter ended December 31, 2018, total cash generated from operations was $1.08 million (Q2 fiscal 2018: $0.92 million). Changes in working capital items reduced cash from operating activities by ($0.92) million (Q2 fiscal 2018: increase of $1.08 million). The working capital reduction for the second quarter was primarily due to increased inventories and decrease in accounts payable and accrued liabilities. For the three months ended December 31, 2017, the $1.08 million working capital reduction was primarily due to timing of accounts receivables, reduction of inventories and decrease in accounts payable and accrued liabilities.

For the six months ended December 31, 2018, total cash generated from operations was $1.84 million (Six months ended December 31, 2017: $2.90 million). Changes in working capital items reduced cash from operating activities by ($2.39) million (Six months ended December 31, 2017: increase of $0.72 million). The ($2.39) million working capital reduction was primarily due to timing of accounts receivables and decrease in accounts payable and accrued liabilities. For the six months ended December 31, 2017, the $0.72 million working capital increase was primarily due to reduction of inventories, offset by timing of accounts receivables and prepaid expenses.

For the three and six months ended December 31, 2018, financing activities generated $nil million compared to $2.00 million and $5.00 million, respectively, from a gold forward sale in the same periods last year.

Cash investment in exploration and evaluation activities totalled $0.82 million during the second quarter compared to $0.68 million in the same period last year, of which $0.51 million (Q2 fiscal 2018: $0.37 million) was used on the Murchison Gold Portfolio in Western Australia for exploration on the regional control structure, geological modeling, and mine development study; $0.16 million (Q2 fiscal 2018: $0.24 million) on the Selinsing Gold Portfolio for drilling at old tailings, soil sampling and regional geology study, and $0.15 million (Q2 fiscal 2018: $0.06 million) on the Mengapur Copper and Iron Project in Malaysia for geological resource estimation reporting. For the six months ended December 31, 2018, cash investment in exploration and evaluation was $1.74 million including $1.15 million at Murchison, $0.37 million at Selinsing and $0.20 at Mengapur compared to $1.01 million in the same period last year including $0.62 million at Murchison, $0.39 million at Selinsing and $0.09 at Mengapur.

Cash investment in property, plant and equipment ("PPE") during the second quarter was $1.17 million, compared to $0.54 million in the same period last year. The main expenditure on PPE was at Selinsing that included $1.04 million (Q2 fiscal 2018: $0.34 million) for capitalized mining waste, various plant equipment and tailing storage facility upgrades and $0.09 million (Q2 fiscal 2018: $0.15 million) on the Sulphide Project. For the six months ended December 31, 2018, cash investment in PPE was $2.29 million compared to $2.49 million in the same period last year. Expenditures were mainly for Selinsing with $2.24 million compared to $2.38 million last year that included $1.47 million for the acquisition of mining rights over Felda Block 7 primary mining leases.

The Company had positive working capital of $26.30 million at December 31, 2018, compared to $27.10 million at June 30, 2018, including restricted cash of $0.30 million. The decrease in working capital during the second quarter is mainly resulted from decrease in cash and increase in the current portion of deferred revenue, offset by increases in current inventory and trades receivables, and lower accounts payable and accrued liabilities.

5. CAPITAL RESOURCES

The Company's capital resources as at December 31, 2018 included cash and cash equivalents. The Company's primary sources of funding are cash flow generated from the sale of gold, debt, equity financing through the issuance of stock, and other financial arrangements that can be reasonably considered and available to provide financial resources to the Company. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital asset upgrades and working capital.

The Company entered into a $7.00 million Gold Forward Sale Transaction with Concept Capital Management ("CCM" or the "Purchaser"). Pursuant to the Sale of Gold Agreement, the Company's Australian subsidiary, Monument Murchison Pty Ltd (the "Seller") received a $7.00 million prepayment and committed to deliver a total 8,676 ounces of gold to the Purchaser over a 36-month period commencing February 28, 2019. In addition, on the same pro-rata delivery terms, CCM has the option to purchase additional ounces of gold at 620 ounces per unit for $0.50 million up to 3,720 ounces for a total $3.00 million to be prepaid to the Seller, by October 31, 2018 or, with the written agreement of the seller, at any time up to and including January 28, 2019. Subsequent to the second quarter, as of January 28, 2019 additional ounces of gold were not purchased by CCM.

The gold forward sale is guaranteed by the Company and its Malaysian subsidiary, Able Return Sdn Bhd, and is secured by certain of the Company's assets. As of December 31, 2018, deferred revenue was $6.65 million comprised of the $7.00 million gold prepayments, net of $0.35 million Agent fees. Revenue will be recognized on deliveries of the gold ounces to CCM.

In conjunction with the above transaction, the Company continues to seek additional funding to place its Selinsing Sulphide Project into production. The Company continues to assess the Burnakura early stage production decision. Upon success, this would potentially allow the Company to generate a second source of cash flow from the Australian operations.

Figure 16: Commitment and Contingencies (000's)

	2019 $	2020 $	2021 $	2022 $	2023 $	Total $
Operating leases	48	73	78	74	7	279
Mineral property obligations	522	914	1,000	891	1,059	4,385
Purchase commitments	206	-	-	-	-	206
Total	**775**	**987**	**1,078**	**965**	**1,065**	**4,870**

Operating leases relate to premise leases including offices and accommodations for both administration and operations. Mineral property obligations include compulsory exploration expenditures and levies pursuant to relevant government regulations to keep tenements in good standing. Purchase commitments are mainly related to operations carried out at the mine sites in Malaysia and Western Australia.

In addition to commitments outlined in the above table, the Company has committed to deliver 8,676 ounces of gold over a 36-month period commencing February 28, 2019 relating to the gold forward sale.

6. OFF BALANCE SHEET ARRANGEMENTS

None.

7. TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include key management, who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly: five directors (executive and non-executive), the Chief Executive Officer ("CEO"), the Chief Financial Officer and the Vice President of Business Development who directly reports to the CEO.

The remuneration of the key management of the Company as defined above including salaries, director fees and stock-based compensation is as follows:

Figure 17: Key management compensation (000's)

	Three Months Ended		Six months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Salaries	238	259	478	521
Directors' fees	33	38	68	74
Share-based payments	1	60	3	121
Total compensation	**272**	**357**	**549**	**717**

Amounts due to related parties as at December 31, 2018 were a $0.76 million (December 31, 2017: $nil) legacy payment included as non-current accrued liabilities, due to the CEO change announced January 2, 2018.

8. SUBSEQUENT EVENTS

None.

9. CRITICAL ACCOUNTING ESTIMATES

Refer to note 3 of the consolidated financial statements as at June 30, 2018. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions that affect the amounts reported. Significant estimates and areas where judgment is applied include: purchase price allocation and valuation of deferred consideration assets, ore reserves and mineral resource estimates, depreciation and amortization and determination of useful lives, inventory valuation, exploration and evaluation expenditures, impairment of non-current assets, provision for reclamation and remediation obligations, deferred taxes, share-based payments, derivative assets and liabilities, determination of commencement of commercial production, title to mineral properties, realization of assets, functional currency, business combinations and own use contracts. Actual results could differ from the Company's use of estimates and judgements.

10. CHANGES IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

Refer to note 3 of the condensed consolidated interim financial statements as at December 31, 2018.

11. FINANCIAL INSTRUMENTS – RISK EXPOSURE AND OTHER INSTRUMENTS

The Company's financial instruments are classified and measured subsequent to initial recognition at amortized cost including cash and cash equivalents, restricted cash, trade and other receivables, and accounts payable and accrued liabilities. Refer to the consolidated financial statements as at June 30, 2018 for the details of the financial statement classification and amounts of income, expenses, gains and losses associated with the relevant instruments. Details provided include a discussion of the significant assumptions made in determining the fair value of financial instruments. The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk, and liquidity risk as outlined below.

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. The Company mitigates market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Foreign Currency risk

The Company is exposed to foreign currency risk to the extent financial instruments held by the Company are not denominated in US dollars. The Company operates in Canada, Australia and Malaysia whereby operations sell commodities and incur costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

Exposure to the Canadian dollar is through corporate administration costs. The Company has exposure to the Australian dollar through the Company's Australian operations. The Company has exposure to the Malaysian Ringgit through the Company's Malaysian operations. The Malaysian Ringgit weakened slightly during the second quarter compared with the USD and CAD. A weaker Malaysian Ringgit reduces costs in US dollar terms at the Company's Malaysian operations.

Based on the above net exposures as at December 31, 2018 and assuming that all other variables remain constant, a 5% depreciation or appreciation of the RM against the US dollar would result in an increase/decrease of approximately $0.09 million (June 30, 2018: $0.11 million) in the Company's net income, a 5% depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately $0.04 million (June 30, 2018: $0.06) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately $nil (June 30, 2018: $0.02) in net income.

Figure 18: Monthly USD to CAD Exchange Rates

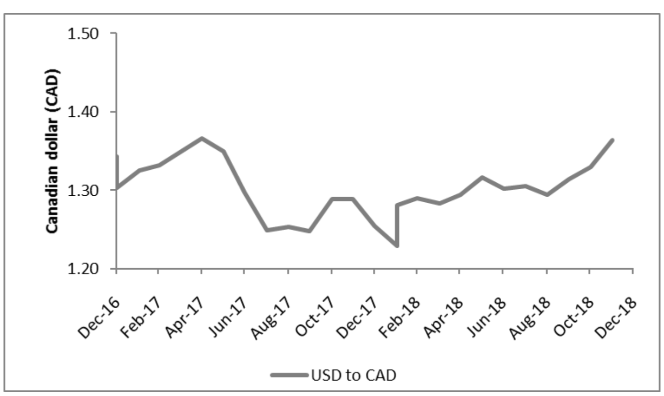
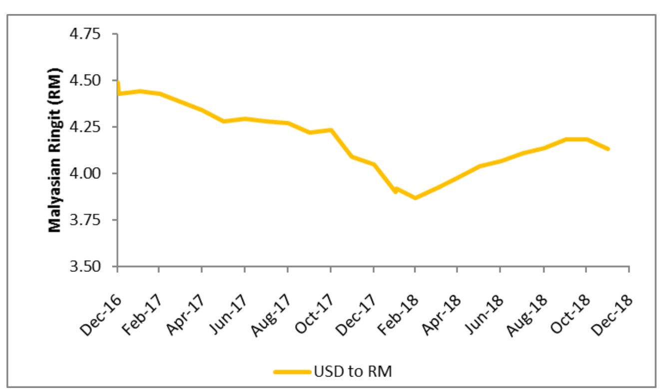


Figure 19: Monthly USD to RM Exchange Rates



(in United States dollars, except where noted)

Commodity price risk

For the three months ended December 31, 2018, the Company's revenues and cash flows were impacted by gold prices in the range of $1,185 to $1,279 per ounce (Q2 fiscal 2018: $1,241 to $1,303 per ounce) based on London Fix PM prices. The Company has not hedged its exposure to commodity price fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Generally, the Company's interest income will be reduced during sustained periods of lower interest rates as higher yielding cash equivalents and short-term investments mature and the proceeds are reinvested at lower interest rates. The converse situation will have a positive impact on interest income.

To limit interest rate risk, the Company uses a restrictive investment policy. The fair value of the investments of financial instruments included in cash and cash equivalents is relatively unaffected by changes in short-term interest rates. The investments are generally held to maturity and changes in short-term interest rates do not have a material effect on the Company's operations.

Credit risk

The Company's credit risk on trade receivables is negligible.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents. The maximum exposure to credit risk is the carrying amounts at December 31, 2018. The amount of $0.70 million (June 30, 2018: $1.47 million) is held with a Malaysian financial institution, $0.18 million with an Australian financial institution (June 30, 2018: $0.29 million) and $11.96 million (June 30, 2018: $13.25 million) is held with Canadian financial institutions. To mitigate exposure to credit risk, the Company has established policies to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable credit worthiness, and to ensure liquidity of available funds.

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 effective management of its capital structure, together with 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.

12. OUTSTANDING SHARE DATA

The following details the share capital structure as at February 26 2019, the date of this MD&A (Figure 20).

Figure 20: Share capital structure

Common shares [(1)]	Quantity
Issued and outstanding	324,838,231

Restricted share units	Quantity
	18,923,465

(1) 7,000,000 common shares are held in escrow in relation to the Intec Transaction. The terms of escrow period have been extended to January 16, 2022.

13. RISKS AND UNCERTAINTIES

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

Whether a mineral deposit, if ever discovered, will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure together with the impact on mine-ability and recoverability, as well as metal prices which are highly cyclical. Government regulations are also a significant factor 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 gold production at its Selinsing gold mine. The profitability of the production is dependent on various factors that may not be controllable by the Company.

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

Litigation

The Company is subject to the litigation described herein and may in the future be subject to other legal proceedings related to its projects. Given the uncertain nature of these actions, the Company cannot reasonably predict the outcome of the ongoing litigation. If the Company is unable to resolve these matters favourably it may have a material adverse effect on the Company.

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 administrative delays common in Malaysia, unregistered prior agreements or transfers and title may be affected by undetected defect or litigation.

To the Company's best knowledge, title to its mineral properties is in good standing.

Realization of assets

Mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, obtaining of permits, satisfaction of governmental requirements and possible aboriginal claims, attainment of successful production from the properties or from the proceeds of their disposal.

Reserves and resource estimates

There is a degree of uncertainty attributable to the estimation 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. Changes in gold recovery rates during milling and especially the impact of the Intec Technology on treatment of gold sulphides may also adversely affect the viability of reserves and resources.

Profitability from production

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

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

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

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current properties.

Additional funding for mineral property pipelines

The Company will continue to assess targets to increase its mineral resource base. Additional capital may be required from time to time to fund such acquisitions and development in order to fulfill its business strategy. The additional capital may come from public markets, debt financing and cash flows generated from current production, which are largely influenced by integrated world and regional economies which are out of the Company's control. Management has successfully mitigated those risks in the past through exercise of due care, experience and knowledge; however, those factors do not guarantee such risks will be successfully mitigated into the future.

Foreign operations

The Company's properties are located in Malaysia and Western Australia. The Company has historically received strong support from the local, state and federal governments for its gold mine development and operation. However, the political risk is considered external and not at the control of the Company.

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

The regulations the Company shall comply with in Malaysia include, but are not limited to, the Mineral Enactment Act 2001, Mineral Development Act 2004, Environmental Quality Regulations 1978, The Planning Guideline for Environmental Noise Limit and Controls, Factories and Machinery Act 1967, Occupational Safety and Health Act 1994, Income Tax Act 1967, Finance Act 2017, the Goods and Services Tax Act 2014 and Employment Act 1955.

The regulations the Company shall comply with in Western Australia include, but are not limited to, Mines Safety and Inspection Act 1994, Dangerous Goods Safety Act 2004, Environmental Protection Act 1986, Corporations Act – Corporations (Western Australia) Acts 1961 and 1981, Income Tax – Income Tax Act 1962, Fringe Benefit Tax Assessment Act 1986, Payroll Tax Assessment 2002, Goods & Services Act 1999 and Fair Work Act 2009.

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

14. NON-GAAP PERFORMANCE MEASURES

Cash cost per ounce sold

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

15. 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.

CAUTION ON FORWARD LOOKING STATMENTS

All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion and Analysis, but not limited to, any information as to the future financial or operating performance of Monument, constitute ''forward-looking information'' within the meaning of Canadian securities legislation and ''forward-looking statements'' within the meaning of the United States Private Securities Litigation Reform Act of 1995 (referred to herein as "forward-looking statements"). These statements are based on expectations, estimates and projections as of the date of this Management's Discussion and Analysis. Forward-looking statements include, without limitation, statements with respect to: possible events; estimates of construction, commissioning and production of the *gold treatment plant at Selinsing Gold Mine Project; exploration results and budgets; mineral reserve and resource estimates; capital expenditures; strategic plans; proposed financing transactions; the timing and amount of estimated future production; costs of production; mine life; success of exploration, development and mining activities; permitting timelines; estimates of fair value of financial instruments; currency fluctuations; requirements for additional capital; government regulation and permitting of mining operations and development projects; environmental risks; unanticipated reclamation expenses; litigation, title disputes or other claims; and limitations on insurance coverage. The words ''plans'', ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''guidance'', ''targets'', ''models'', ''intends'', ''anticipates'', or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', ''should'', ''might'', or ''will be taken'', ''occur'' or ''be achieved'' and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Monument as of the date of such statements, are inherently subject to significant business, political, economic and competitive uncertainties and contingencies. The estimates and assumptions of Monument contained or incorporated by reference in this Management's Discussion and Analysis, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Malaysia (including, without limitation, land acquisitions for and permitting and construction of new tailings facilities) being consistent with our current expectations; (3) development of the Phase IV plant expansion on a basis consistent with Monument' current expectations; (4) the viability, permitting and exploration of Mengapur project being consistent with Monument' current expectations; (5) political developments in Malaysian jurisdiction in which the Company operates being consistent with its current expectations;(6) the exchange rate between the Canadian dollar, Malaysian ringgit, Australian dollar and the U.S. dollar being approximately consistent with current levels; (7) certain price assumptions for gold;(8) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels;(9) production and cost of sales forecasts for Selinsing operations meeting expectations; (10) the accuracy of current mineral reserve and mineral resource estimates for the Company and any entity in which it now or hereafter directly or indirectly holds an interest; (11) labour and materials costs increasing on a basis consistent with Monument's current expectations; (12) outcomes and costs of ongoing litigation. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates that could impact the mark-to-market value of outstanding derivative instruments; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Malaysia, Australia or other countries in which the Company conducts business or may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and expected costs, developments and outcomes of ongoing litigation and other contests over title to properties,. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect, and could cause, Monument's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Monument. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this Management's Discussion and Analysis are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ''Risk Factors'' section. These factors are not intended to represent a complete list of the factors that could affect Monument. Monument disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.*

Other information

Where we say ''we'', ''us'', ''our'', the ''Company'', or ''Monument'' in this Management's Discussion and Analysis, we mean Monument Mining Limited and/or one or more or all of its subsidiaries, as may be applicable.