This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of Monument Mining Limited ("Monument" or the "Company") for the three months and six ended December 31, 2019 and the notes related thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as well as the annual audited financial statements for the year ended June 30, 2019.

All information in this MD&A is current as at February 28, 2020, unless otherwise indicated. 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.

This MD&A contains "forward-looking statements" and should be read in conjunction with the *Cautionary Statement on Forward-Looking Statements* at the end of this MD&A.

This MD&A contains references to non-IFRS performance measures. Refer to the section entitled *Non-IFRS Performance Measures* for explanations of these measures.

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 2020 Highlights

- 4,473oz of gold sold for gross revenue of $6.61 million (Q2 2019: 4,600oz of gold sold for gross revenue of $5.66 million);
- Average realized price per ounce ("oz") excluding prepaid gold sales of $1,486/oz (Q2 2019: $1,231/oz);
- Cash cost per ounce ("oz") of $903/oz (Q2 2019: $686/oz);
- All-in sustaining cost per ounce ("AISC") of $1,135/oz (Q2 2019: $965/oz);
- 4,827oz of gold produced (Q2 2019: 4,653oz);
- Gross margin of $2.57 million (Q2 2019: $2.51 million);
- Majority of haul road construction advanced for Peranggih trial mining;
- Additional six anomalous zones identified with strong association of Au, As, Sb, W and Mo at Peranggih.
- Drilling targets at Murchison selected and drilling commenced subsequent to the end of the second quarter.

1.2 Company Overview

Monument Mining Limited (TSX-V: MMY, FSE: D7Q1) is an established Canadian gold producer and mining asset developer. The Company owns the 100% interest in Selinsing Gold Mine and Murchison Gold Project portfolios, as well the Mengapur copper and iron portfolio. The Selinsing Gold Mine is located in Pahang State, within the Central Gold Belt of Western Malaysia, comprised of the Selinsing, Buffalo Reef, Felda Land, Peranggih and Famehub projects. Murchison is located in the Murchison region, Western Australia ("WA"), Australia, 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 exploration stage to the production stage and conducting mining and processing operations to generate profit from sustainable precious 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 mineral resource inventory to achieve higher sustainable production. The operations process perspective is to maximize performance of production and enhance exploration success. The financial performance perspective is to sustain low costs, maintain efficient operations excellence and increase the quality of our assets by advancing 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 195 people and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees as well as 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

Fiscal 2020 is a critical year, following completion of three NI 43-101 technical reports that have updated mineral resources and reserves for Monument's three major projects, the Company aim on the following deliveries:

- Selinsing Sulphide Project financing and commencement of an 18 month construction plan;
- Murchison Gold Project drilling to test targets for new gold;
- Mengapur partnership development for a large scale copper project; and

- Opportunities for corporate growth.

During the second quarter of fiscal 2020 ended December 31, 2019, the Company continued to focus on obtaining funding to initiate construction at Selinsing Gold Mine to convert the current gold processing plant from an Oxide to a Sulphide treatment plant, expecting to place the Selinsing Sulphide Project into production within 18 months from commencement of construction. This will provide Selinsing with additional cash flow.

While financing alternatives progressed for the Selinsing Sulphide Gold Project funding, production during the three and six months ended December 31, 2019 continued with positive cash flow through delivery of 4,827oz and 9,679oz of gold, increases over the 4,653oz and 7,961oz for the same periods of fiscal 2019. During the second quarter, mining focused on Selinsing pit 5/6, Block 7 for oxide and transitional leachable sulphide ore and a cutback at Selinsing Pit 4 to gain access to additional oxide material to maintain production. The transitional sulphide production decision resulted from metallurgical test work that indicated potential positive cash flow generation might be expected by processing the underlined leachable sulphides ore at the above pits through the current oxide treatment plant. However, the reader shall not use this production decision when considering investment alternatives.

The Peranggih area is also a target for mining pending the results of bulk sample test work. Haul road construction was primarily completed during the quarter. Trial mining originally planned to commence in October 2019 however was delayed due to the monsoon season that brought heavier rainfall than anticipated. Trial mining commenced subsequent to the end of the second quarter.

Murchison Gold Project primarily completed a data update and a GIS systems upgrade. A preliminary drill hole plan was delivered during the second quarter for a drilling program targeting down plunge of existing mineralization at the Burnakura and Gabanintha projects. Drilling commenced at the end of February 2020, subsequent to the end of the second quarter.

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

1.3.1 *Development*

Second quarter development focused on two objectives at the Selinsing Gold Mine (1) Optimize the sulphide gold project; (2) continue TSF and mine development for gold production.

Sulphide Gold Project: The sulphide plant upgrade construction is anticipated to take 18 months inclusive of commissioning activities. Consideration is being assessed by the procurement team, aiming to reduce the completion time for long lead items such as stainless steels for BIOX® based applications, the provision of HV power supply, BIOX® agitators, flotation cells and thickeners.

TSF Development: Following completion of construction of the TSF main embankment to 533.3 mRL at the Selinsing Gold Mine, which has increased the TSF capacity for fiscal 2020 production, a plan for the second stage TSF lift to 535.5 mRL was finalized to meet fiscal 2021 production requirements through the current oxide processing plant. Construction planning was initiated during the second quarter, targeting completion in April 2020. Preliminary planning for the final stage TSF lift to 540mRL commenced subsequent to the second quarter, aimed to meet sulphide gold production capacity. The construction will be withheld until the completion of funding.

Sulphide Leachability Test Work: Metallurgical drilling was undertaken at the Selinsing and Buffalo Reef pits for investigating the leachability of transitional sulphide ore through the current CIL circuit by adding lead nitrate and blending with super low grade ore.

The majority of samples showed good leachability with gold recovery above 70% at Selinsing Pit 5. Mining progressed to 465mRL for the east and the west of the main Pit 5 area, the actual recoveries have reached up to 68.8% during three and six month period ended December 31, 2019.

Buffalo Reef metallurgical drilling of 395m over 8 holes was also completed during the first quarter, with good intercepts of transition and fresh material. However, CIL test-work on transition samples gave initially poor results but some improvement was achieved after the addition of lead nitrate.

During the quarter, the Pit 4 south west cut-back design was completed. Mining of the Pit 4 south west cut-back commenced in November 2019 at an elevation of 540 mRL and progressed to 520 mRL by the end of the quarter.

Peranggih Bulk Mining: Haul truck road construction was primarily completed during the quarter which included 14 new culvert crossings along a 10km length from the Selinsing Northern tenement boundary to the south of the Peranggih tenement. Subsequent to December 31, 2019 trial mining commenced with the first two-week mining operation delivering a total 14,342t of material including 5,558t of bulk sample and 8,784t of waste. An additional 11,428t bulk sample is planned to be mined and sent to the Selinsing run-of-mine pad to feed the mill in a separate mining operation at a 1,024 average/day production rate, anticipated to be completed by the end of the third fiscal quarter. Once the bulk sample has been mined in its entirety it will be fed into the existing Selinsing oxide gold processing plant on a campaign basis to confirm average grade of the close-spaced drilled area, to quantify the presence of coarse gold and to test the metallurgical performance at plant scale.

1.3.2 *Production*

Production and financial results for the three and six months ended December 31, 2019 are summarized in Figure 1 below:

Figure 1: Operating and Financial Results

Selinsing, Felda Block 7, Buffalo Reef		Three months ended		Six months ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Operating results	Unit				
Ore mined	t	88,255	56,734	135,052	87,039
Waste removed (1)	t	809,478	700,250	1,643,278	1,467,129
Stripping ratio		9.17	12.34	12.17	16.86
Ore stockpiled	t	145,084	1,088,218	145,084	1,088,218
Ore processed	t	215,305	241,925	449,080	478,730
Average ore head grade	g/t Au	0.98	0.88	0.99	0.85
Process recovery rate	%	65.8	72.2	68.8	68.4
Gold recovery	oz	4,456	4,960	9,783	8,911
Gold production	oz	4,827	4,653	9,679	7,961
Gold sold	oz	4,473	4,600	8,796	9,150
Financial results					
Gold sales	US$'000	6,606	5,663	12,949	11,193
Gross margin	US$'000	2,566	2,509	5,212	5,230
Weighted average gold price					
London Fix PM	US$/oz	1,485	1,233	1,481	1,223
Monument realized (2)	US$/oz	1,486	1,231	1,481	1,223
Cash costs per ounce (3)					
Mining	US$/oz	230	161	205	150
Processing	US$/oz	527	441	532	414
Royalties	US$/oz	135	82	128	86
Operations, net of silver recovery	US$/oz	11	2	14	2
Total cash cost per ounce	US$/oz	903	686	879	652
All-in sustaining costs per ounce (3)					
By-product silver recovery	US$/oz	1	1	1	1
Corporate expenses	US$/oz	2	7	8	7
Accretion of asset retirement obligation	US$/oz	10	11	11	11
Exploration and evaluation expenditures	US$/oz	49	35	49	40
Sustaining capital expenditures	US$/oz	170	226	198	208
Total all-in sustaining cost per ounce	US$/oz	1,135	965	1,145	920

(1) Waste removed of 809,478t for the three months ended December 31, 2019 includes 543,933t operating waste and 265,545t used for cutback (Three months ended December 31, 2018: 479,591t operating waste, 207,677t for cutback and 12,982t for TSF construction fill). For the six months ended December 31, 2019 waste removed consisted of 1,263,936t operating waste, 271,031t for cutback and 108,311t for TSF construction fill (Six months ended December 31, 2018: 888,290t operating waste, 528,762t cutback and 50,076t for TSF construction fill). The cost of waste removed for TSF construction was capitalized and not included in mining operations.

(2) Monument realized a weighted average gold price of 1,486US$/oz for the three months ended December 31, 2019 which excludes gold prepaid delivery of 723oz for comparison purposes. Monument realized a weighted average gold price of 1,481US$/oz for the six months ended December 31, 2019 which excludes gold prepaid delivery of 1,446oz for comparison purposes.

(3) Readers refer to section 14 "Non-IFRS Performance Measures" for detailed descriptions of each calculation.

1.3.3 *Exploration*

Malaysia

Sulphide: The sulphide mineralization at both Selinsing and Buffalo Reef deposits is still open down dip, down plunge and along strike. Monument plans to follow-up with drilling programs 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 programs plus resource definition drilling for Buffalo Reef Central ("BRC") and Felda Block 7; and Selinsing Deep's high grade sulphide gold 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. No drilling program was carried out during the three and six month periods ended December 31, 2019.

Oxide: The Selinsing short-term exploration program is focused on existing mine areas such as Selinsing, BRS, BRC and BRN, locating more oxide and leachable sulphide ore through extensional drilling, to increase mill feed. Opportunities for infill and extension drilling have also been verified on and around Selinsing Pits, in particular the Pit 4 and Pit 5 west walls, aiming to intercept oxide shallow high-grade mineralization and using current understanding from structural information and interpretation including historical underground developments.

The diamond drilling campaign in the south-west area of Pit 4 was carried out last year, of which assay results were received during Q1 2020; significant intercepts including 2.6 metres at 7.62 g/t Au and 8.5 metres at 1.33 g/t Au confirmed the extension of the mineralisation in this area. The north-west area of Pit 4 presents another opportunity for the supply of additional ore to the oxide plant. There are indications of mineralization not included in the current mining plan. Several high-grade mineralized areas are defined from previous GC and RC drilling passing through this area, further economic studies are still to be completed.

Regional Exploration: Bench mapping continues to be conducted during the trial mining period to gain a better understanding of Peranggih geology, less than 10% of the total mineralization strike has been drilled to date and the gold mineralization is still open along strike and down-dip. The extensive nature of brecciation events indicates potential for a significant gold discovery within the Peranggih goldfield. The exploration team is completing its geochemical and pathfinder analysis with encouraging results announced subsequent to the end of the quarter.

Dependant on the results of the trial mining program and continued analysis of soil sample test results, a follow-up exploration program may be designed to test adjacent areas and areas with similar occurrences of brecciated material within the district. Additional exploration and grade control drilling could provide more information on expected mineralization, which may extend to Peranggih North or to other test targets. Potential to extend and better define the mineral resource in the central zone and in between previously drilled areas continues to be assessed based on test results.

Western Australia

The focus for fiscal 2020 regional exploration is now on selected drill hole targets at the Murchison Gold Project including open pit and underground mining opportunities. Drilling which began at end of February subsequent to the second quarter will be completed in the third quarter of fiscal 2020. Drill holes have been planned for both the Burnakura and Gabanintha projects, down-plunge of existing mineralization to test additional targets.

The near -term exploration plan is focused on targeting high grade underground mineralization down dip from the historically mined NOA, Alliance, New Alliance and Yagahong open pits in addition, the NOA 9 regional target is included in the upcoming drilling plan. Holes will be widely spaced with a view to find significant new resources rather than smaller step outs from existing drilling.

Throughout the second fiscal quarter historical and GIS Compilation database refinement work and upgrades continued to realize improved efficiencies and utilization. As this refinement work continues, improved interpretation of data will assist in identifying additional drilling targets to supplement the drilling program planned for the third fiscal quarter.

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 in fiscal 2019 a NI43-101 Mineral Resource Estimate Technical Report was completed by Snowden and SEDAR filed in October 2018.

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 2020 Activity Highlights

- On September 17, 2019, the Company announced that a trial mining program would commence in October 2019 at Peranggih Gold Prospect ("Peranggih"). The bulk sample material will be fed into the existing Selinsing oxide gold processing plant to confirm the average grade of the close-spaced drilled area, to quantify the presence of coarse gold and to test the metallurgical performance at plant scale.
- On September 30, 2019, the Company announced that the 3D structural geological targeting study confirmed near mine down-plunge potential and highlighted regional prospectivity at the Murchison Gold Project as part of the exploration work under the Murchison development strategy. The newly identified down-plunge targets may provide the best chance of discovery and of increasing the resource base in the near term.
- On October 23, 2019, the Company announced that the 1,000th gold bar was poured at its Selinsing Gold Mine in Malaysia on October 16, 2019, which brings total gold production to date over 304,000 ounces since commencement of gold production in 2010.
- On November 7, 2019, the Company announced encouraging drill results from a 681m diamond drill program for 14 holes at the Selinsing Gold Mine Pit 4 west wall, including significant intercepts from MSMDD211 **(2m @ 1.06 g/t from 40m)**, MSMDD215 **(2.6m @ 7.62 g/t from 54.2m)** and MSMDD217 **(8.5m @1.33g/t from 14.5m)**. This indicates that the mineralization has extended outside of the resources defined in the NI43-101 report, which has the potential to increase the current Selinsing gold resources.
- Subsequent to December 31, 2019 on February 11, 2020, the Company announced that a trial mining program commenced on January 20th 2020 at the Peranggih Gold Prospect ("Peranggih") in Peninsular Malaysia, Pahang State. Bulk sample material will be fed into the existing Selinsing oxide gold processing plant to confirm the average grade of the close-spaced drilled area, to quantify the presence of coarse gold and to test the metallurgical performance at plant scale.
- Subsequent to December 31, 2019 on February 19, 2020 the Company announced the discovery of a new anomaly at the Mentique Prospect, 1km parallel to the west of the Peranggih Gold Prospect. Mineralization at Mentique has an Au-Sb-As-W-Mo association.
- Subsequent to December 31, 2019 on February 28, 2020 the Company announced that it has commenced a 38 hole, 4,580 metre drilling program at its 100% owned Burnakura and Gabanintha gold projects in Western Australia. The objective of the program is to test certain exploration targets identified through geological interpretation of last year's data collection, prior years' drilling results and structural geological studies.

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 the Selinsing and Buffalo Reef properties.

Among those properties, Selinsing and Buffalo Reef are primary gold properties acquired on June 25, 2007 and are at the development and production stage while others are at the 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.

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. Snowden completed a NI 43-101 Technical Report on the Famehub area dated August 2010 that can be found on Monument's website. 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.

(in United States dollars, except where noted)

2.1.1 *Resources and Reserves and Results of the Feasibility Study*

According to the Snowden 2019 NI43-101 Report dated January 31, 2019, 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). The updated Mineral Reserves are estimated using an average gold price of $1,300 per ounce.

Selinsing-Buffalo Reef/Felda Reserves as of March 31, 2018 (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.

Selinsing-Buffalo Reef/Felda Resources as of March 31, 2018 (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 these 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 into 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*

Mining: The mining of transitional leachable sulphide ore was increased significantly over the prior comparative periods (Q2 fiscal 2020: 58,857t compared to Q2 fiscal 2019: 10,344, six months ended December 31, 2019: 88,339t compared to six months ended December 31, 2018: 10,882t) due to reduced availability of oxide ore and depleting oxide stockpile levels. Mining rates, material mined tonnages relating to both ore and waste were significantly higher during the first and second quarters of fiscal 2020 compared to the same period of fiscal 2019 (refer to Figure 1: Operating and Financial Results). Additional waste was mined for TSF construction in the first quarter and cut-back as well as pre-stripping activities were carried out in the second quarter at Selinsing Pit 4. Ore mined completed an initial ramp up in the second quarter and returned to a normal level that lowered the stripping ratio accordingly.

As a result of increased mining rates related to both waste and ore as well as mining an increased tonnage of leachable sulphide material which is mined at a higher average weighted cost due to blasting requirements, mining costs increased 39% to $1.03 million and 31% to $1.80 million during the second fiscal quarter and first six months of fiscal 2020, respectively (Second fiscal quarter 2019: $0.74 million, First six months of fiscal 2019: $1.37 million). The Company continues to implement grade control drilling practices to manage mining cost increases during ramp up of mining rates to access additional ore and replenish stockpile levels.

Processing: Processing throughput tonnage was slightly down for the three and six months ended December 31, 2019, in line with the comparative period of last year. Overall mill availability, utilization and efficiency were 97%, 98.4% and 85.5 respectively. The average recovery for the quarter was lower than the same quarter of the previous year due to processing transitional ore partially offset by higher grade mill feed.

As a result of processing an increased amount of harder, leachable sulphide ore which require additional consumables and reagents to maintain recovery levels as well as an increased level of plant maintenance, processing costs increased 16% to $2.36 million and 24% to $4.68 million during the three and six months ended December 31, 2019, respectively (Second fiscal quarter 2019: $2.03 million, First six months of fiscal 2019: $3.79 million).

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

Figure 2: Gold production and cash costs per ounce

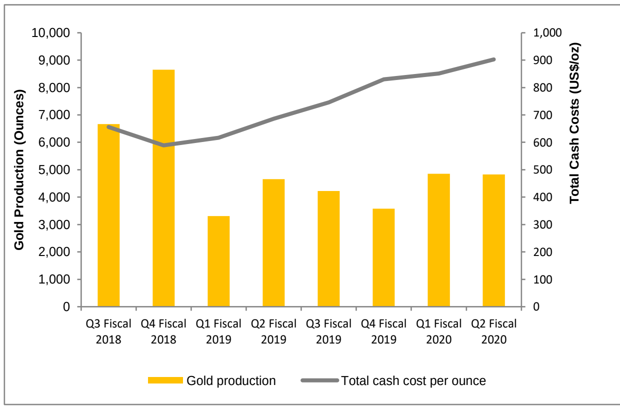
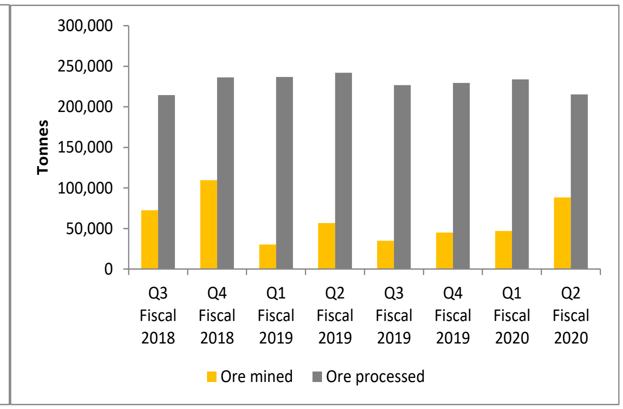


Figure 3: Selinsing Gold Mine: Operating Metrics



2.1.3 Development

The Selinsing Sulphide Gold Project optimization is the primary focus of fiscal 2020 to commence a new six year life of mine after depletion of existing Selinsing oxide production. Continued TSF and mine development for gold production continues to increase mining of leachable sulphide materials in bridge of cash flow during this transition period.

Sulphide Gold Feasibility Study and Project Execution Plan

The Feasibility Study for the Selinsing Gold Sulphide Project was released on February 1, 2019. 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. 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.

Bioleach batch amenability tests (BAT) were conducted in-house using locally adapted bacteria. The bioleach tests were conducted as training exercises for metallurgists and technicians to have better understanding of how the bioleach process works and essential parameters to be monitored. Equipment specifications were also prepared for the proposed pilot plant for use as the BIOX© test facility, including the crusher, ball mill, pumps, cyclone, rougher and cleaner flotation cells, reagent mixing and dosing pumps; conversion of the Intec pilot plant to BIOX® primary and secondary reactors is anticipated.

A potential underground desktop study was also carried out internally, 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 are both required. Major follow-up work will be undertaken for further resource definition and conversion of the Inferred open pit potential into Indicated Mineral Resource, as well as mineralisation extensions for potential underground mining. The main emphasis will be in the Buffalo Reef area for fresh/sulphide material.

As of December 31, 2019, expenditures totaling $2.55 million for Selinsing Sulphide Project development have been incurred where economic viability has been established prior to the commencement of commercial production over Selinsing Deep, Buffalo Reef and Felda land including . Sulphide Project related expenditures incurred during the six months ended December 31, 2019 included $0.78 million at Selinsing Deep related to stockpiled non-leachable sulphide ore.

TSF Development/Pit 4 South-West Cutback: As the TSF main embankment to 533.3 mRL at the Selinsing Gold Mine was completed during the first fiscal quarter increasing TSF capacity for fiscal 2020 production, activities during the second fiscal quarter related to planning construction for the second stage TSF lift to 535.5 mRL which was finalized to meet fiscal 2021 production requirements. During the six months ended December 31, 2019 total expenditures allocated to the completed TSF expansion was $0.42 million including 108,311t of waste mined used for upgrade material. The Pit 4 cutback was completed during the second fiscal quarter in order to gain access to additional ore mined and was included in expenditures of $0.35 million including 271,031 tonnes of waste mined, allocated to capitalized waste.

Sulphide Leachability Test Work: Pit 5 mining continued to progress during the period based on the results from metallurgical drilling completed during the first quarter to investigate the possibility of treating the non-leachable material using CIL, additional lead nitrate and flotation methods. The objective of metallurgical drilling and test work is to provide representative samples of the remaining ore at Selinsing and Buffalo Reef as well as deliver options for continued economic gold production at Selinsing. Samples were tested in three phases, those reported above 0.35 g/t were selected for further CIL test work (Stage 1), non-leachable transitional ore for CIL tested with additional lead nitrate in addition to blending analysis with SLG ore (Stage 2), while non-leachable fresh material separated into low and high-grade categories according to corresponding pit to proceed for flotation testing (Stage 3). With actual recoveries reaching up to 68.8% the Company is continuing to monitor actual results and the test work results including the feasibility to support mining longer term.

Peranggih Bulk Mining: With haul truck road construction primarily completed during the quarter, trial mining preparations at Peranggih were also ongoing. Preparation work for trial mining included: demarcation of tenement boundaries, starter pit outline, building a siltation pond and marking bulk sample blocks on areas that were grade control drilled in previous periods. The drill programs at Peranggih in 2017 and 2018 successfully delineated a wide high-grade zone and multiple isolated high-grade zones, surrounded by a halo of lower grade gold mineralization. It proved the presence of disseminated gold in the breccia matrix. A preliminary metallurgical investigation was carried out on the Peranggih Oxide ore 2014 DD core samples, showing an average recovery of oxide material by cyanide leaching exceeding 80% with the highest recovery up to 98%.

2.1.3 Exploration

Total exploration expenditures excluding development activities at the Selinsing Gold Portfolio for the six months ended December 31, 2019 were $0.39 million and were attributable to $0.03 million at Selinsing, $0.23 million at Peranggih and $0.13 million at Buffalo Reef.

As no major exploration drilling programs have been initiated during the first six months of fiscal 2020 due to ongoing sulphide development work, the main exploration activity during the quarter relates to regional soil sampling at Peranggih for which preliminary results were received and announced subsequent to the end of the second quarter.

Soil Sampling Program: The Peranggih goldfield is considered a high priority target due to its significant potential and near-surface mineralization. Regional exploration has targeted large strategic development areas surrounding the Selinsing Gold Mine such as Peranggih, aimed to test regional resource potential. In order to source more oxide feed to the existing CIL plant, the exploration team is completing its geochemical and pathfinder analysis on the Peranggih gold field. Several promising trends were discovered and announced subsequent to the quarter end and follow up RAB drilling is currently being considered, to be conducted later in fiscal 2020.

A soil sampling campaign was conducted in the Peranggih area between December 2018 and March 2019, covering a total area of 16 km², to the Northeast, south, and southwest of existing Peranggih mineralization. The main objective of the program was to identify additional oxide exploration targets. Soil sample lines were spaced at 50m x 200m to the southwest of Peranggih and 50m x 400m to the Northeast of Peranggih. A total of 506 samples were collected during this campaign. Data compilation and geological interpretation were recently completed.

Samples were collected from the A-horizon soil layer for this campaign as it had previously proven to be highly successful for delineating gold soil anomalies in the region. Approximately 100g of material was collected for each sample by digging 5cm below the top soil layer, rich in organic matter. Samples were inserted into zip-lock bags and later stored at the core shed for tagging and packing before being sent for assay.

All samples were sent to Intertek Genalysis laboratory in Perth for 19 multi-element pathfinder analysis (Au, Ag, As, Bi, Cd, Co, Cu, La, Mo, Ni, Pb, Pd, Pt, Sb, Sn, Th, U, W, Zn) by its proprietary partial leach analysis method (Terraleach Partial Digest Geochemistry). This technology is designed to remove the "mobile ion" component from soil with the aim of potentially detecting metal dispersion from a buried ore-body. Pathfinder elements are analyzed using this technique as well. A detection limit of 0.01 ppb for gold ensures very low levels of gold can be detected, the completed assay report was received in September 2019.

Peranggih is one of the most promising prospects where gold mineralization has been confirmed by high grade drill intercepts along the NW-SE structural trend. The distribution of gold also correlates well along the fault structure direction. Selected pathfinder elements show high spatial correlation with gold.

2.1.4 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 three and six months ended December 31, 2019, there were no lost time accidents recorded at the Selinsing operation. All reported incidents were shared among 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 sent 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 environmental audits, ambient air quality and environmental noise monitoring.

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. The Company continued to improve its internal mining studies and these figures 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 program to add new resources.

(in United States dollars, except where noted)

Figure 4: 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.

2.2.2 Exploration

The focus of exploration at Murchison during quarter was refinement and optimization of historical and GIS Compilation databases as well as planning and scheduling for upcoming drilling program announced subsequent to the quarter end. The 3D structural geological targeting study that was completed during the first fiscal quarter confirmed near mine down-plunge targets and provided several highlights to incorporate into the planned and future drill programs including:

- New high grade down-plunge targets were defined at both Burnakura and Gabanintha and existing down-plunge targets were refined by pit mapping and 3D structural analysis.
- Advanced geophysical filtering of gravity, magnetic and electromagnetic data was undertaken and clearly illustrates some of the key structures controlling the location of gold mineralization to district scale.
- Potential large granitoid-hosted gold systems at Lewis-Reward and Mt Bowie prospects was highlighted as well as potential for polymetallic VMS systems along strike of the Culculli and Austin systems.
- Multiple new regional structural targets were generated at the Burnakura Project based on Dr. Jun Cowan's specialized down-plunge projection method.

The drilling program that commenced in February 2020 subsequent to the end of the quarter will take approximately 20 days to complete while samples will be sent to ALS labs. Assay results are expected to be received in April 2020 and will be announced accordingly.

Burnakura: An exploration plan has been developed for both regional and underground potential. The 3D structural targeting study identified 3 high priority down-plunge targets at Burnakura. The NOA and Alliance mineralization has been identified as having major potential as an underground target. Mineralization at NOA 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. The most recent drilling program at Alliance extended the mineralized structure 180m down dip.

Tuckanarra: Only minor data compilation was completed for the Tuckanarra project, but previous work has highlighted that 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. The 3D structural targeting study identified 3 high priority down-plunge targets at Gabanintha. The most promising target is down-plunge of the Yagahong pit mineralization.

(in United States dollars, except where noted)

2.2.3 Development

The Company continues to ensure that the plant and other facilities are operationally ready through its care and maintenance program to ensure efficient commissioning in the future. Site accommodations and catering are fully functional in readiness for Company personnel and mining contractors to commence on site.

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 current geological understanding, of copper oxide, transition and sulphide skarn type mineralization.

Figure 5 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 mineralization to have reasonable prospects of eventual economic extraction, a cut-off grade of 0.3% Cu was selected. This represented 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.

Figure 5: 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 test work in studying downstream products. The resource confirmation and definition drilling were largely completed in fiscal 2014.

During fiscal 2018, geological and resource modelling work was resumed and in fiscal 2019 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 to assess the opportunity for copper production.

Harmonization Agreement: MMSB is the exclusive operator of the Mengapur. It entered into a Harmonization Agreement with Phoenix Lake Sdn. Bhd. ("PLSB") and ZCM Minerals Sdn. Bhd. ("ZCM"), (together the "Third Parties"). Pursuant to the Harmonization Agreement, the Third Parties have exclusive rights to mine free digging oxide magnetite iron materials (the "Third Party Interest") contained in top soil overburden at Area A and Area B under certain conditions, and to purchase the those materials once mined from MMSB for RM28 per tonne. In May 2019, ZCM had assigned its right to the Area A to PLSB. The Company carried out grade control and supervision over the mining operation, including collecting proceeds from Iron Ore sales on behalf of Malaco, the owner of the Third Party Interest, with all operating costs incurred by MMSB to maintain iron ore operation being charged back to Malaco with additional fees.

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 test-work 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 third quarter of fiscal 2019 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.Sc., MEng, FAusIMM, MAIG, a Qualified Person defined in accordance to National Policy 43-101, retained by Golder Associates Pty Ltd.

3. OVERVIEW OF FINANCIAL PEFORMANCE

3.1 SUMMARY

During the three months ended December 31, 2019 operations processed Selinsing, Buffalo Reef and Block 7 leachable sulphide ore, 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 6: Financial Highlights

	Fiscal 2018		Fiscal 2019				Fiscal 2020	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	$	$	$	$	$	$	$	$
Revenues (000's)	6,275	3,498	5,530	5,663	4,590	5,210	6,343	6,606
Weighted average gold price								
London Fix PM (per ounce)	1,337	1,318	1,214	1,233	1,299	1,338	1,477	1,485
Monument realized (per ounce)	1,335	1,320	1,215	1,231	1,299	1,337	1,475	1,486
Net earnings (loss) before other items and tax (000's)	1,093	(659)	1,105	768	269	759	745	756
Earnings (loss) per share before other items and tax:								
- Basic	0.00	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00
- Diluted	0.00	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00
Net earnings (loss) after other items and tax (000's)	(1,491)	66	1,062	469	(914)	(1,116)	208	(1,076)
Earnings (loss) per share:								
- Basic	(0.00)	0.00	0.00	0.00	(0.00)	(0.00)	0.00	(0.00)
- Diluted	(0.00)	0.00	0.00	0.00	(0.00)	(0.00)	0.00	(0.00)

The quarterly financial results of the Company are outlined for the past eight quarters in Figure 6 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, 2019 net loss was $1.08 million, or ($0.00) per share (basic) compared to net income of $0.47 million or $(0.00) per share (basic) in the same quarter last year.

The decrease in net income was attributable to the following factors:

- A significant increase in foreign exchange loss due to the depreciation of the US dollar to the Malaysian Ringgit.
- An increase in interest expense, non-cash in nature due to the prepaid gold sale and tax expense.
- An increase in non-cash depreciation and amortization expense.

Offset by:

- Less gold ounces sold, at a higher average realized gold price.

For the six months ended December 31, 2019 net loss was $0.87 million, or ($0.00) per share (basic) compared to net income of $1.53 million or $0.00 per share (basic) for the comparable period last year. The reduction in net income is related to the same characteristics as discussed for the three months ended December 31, 2019 and were attributable to the following factors:

- A significant increase in foreign exchange loss due to the depreciation of the US dollar to the Malaysian Ringgit.
- An increase in interest expense, non-cash in nature due to the prepaid gold sale and tax expense.
- An increase in non-cash depreciation and amortization expense.

Offset by:

- Less gold ounces sold, at a higher average realized gold price.

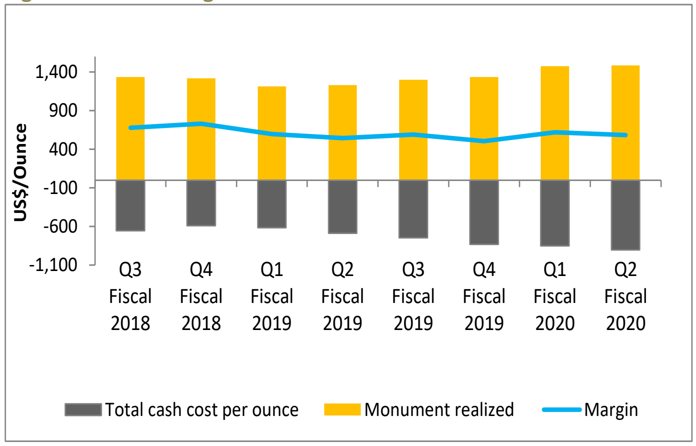
3.2 Operating Results: Sales and Production Costs

Three Months Ended December 31, 2019

For the three months ended December 31, 2019, mining operations before non-cash amortization and depreciation generated a gross margin of $2.56 million an increase of 2% from $2.51 million in the same quarter last year. Income from mining operations was $1.14 million compared to $1.28 million in the same quarter last year after non-cash depletion and accretion of $1.42 million compared to $1.23 million, respectively.

Gold recovery decreased by 10% during the quarter to 4,456oz (Q2 2019: 4,960oz) compared to the same quarter last year due to slightly lower recovery rates caused by processing leachable sulphide material, offset by an 11% increase in mill feed grade to 0.98g/t (Q2 2019: 0.88g/t). Total cash cost per ounce sold increased to $903/oz in the quarter from $686/oz in the same quarter last year due to an increase in production costs.

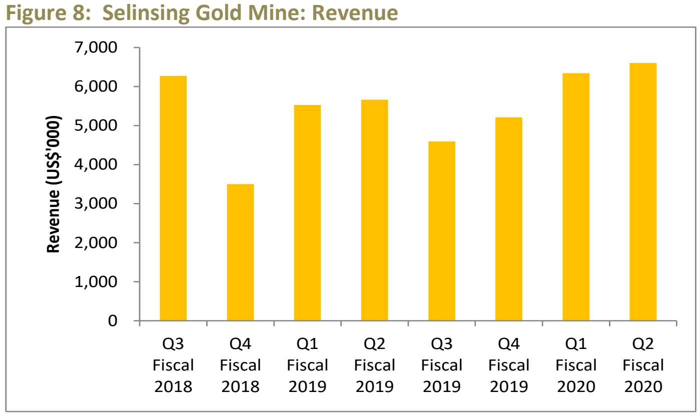
Figure 7: Gross margin



Sales

Gold sales generated $6.61 million for the three months ended December 31, 2019 compared to $5.66 million in the same quarter last year. The revenue resulted from 3,750oz (Q2 2019: 4,600oz) of gold sold from production at an average realized gold price of $1,486 per ounce (Q2 2019: $1,231 per ounce) for the quarter and 723oz delivered in fulfilling gold prepaid obligations at an average realized gold price of $1,429 per ounce. The weighted average London Fix PM gold price was $1,485 per ounce for the quarter compared to $1,233 per ounce for the same quarter last year. Figure 8 shows a historical graphical summary demonstrating sales by quarter.

Figure 8: Selinsing Gold Mine: Revenue



Production Costs

Total production costs for the three months ended December 31, 2019 were $4.04 million, compared to $3.15 million in the same quarter last year, despite less gold being sold in the quarter compared to the same quarter last year. Cash cost per ounce increased by 32% to $903/oz in the quarter from $686/oz in the same quarter last year that resulted from an increase in leachable sulphide material being processed, increasing processing costs as well as mining at an increased rate, increasing mining costs. As a result of the change in processing blend, feed grade increased over the same quarter last year to 0.98g/t Au from 0.88g/t Au. In addition, royalty rates increased from 5% to 10% in January 2019 impacting the quarterly comparison. A breakdown and further analysis of the cash cost components is provided below, and Figure 9 shows a historical graphical summary demonstrating the breakdown by quarter.

Figure 9: Cash production costs by quarter

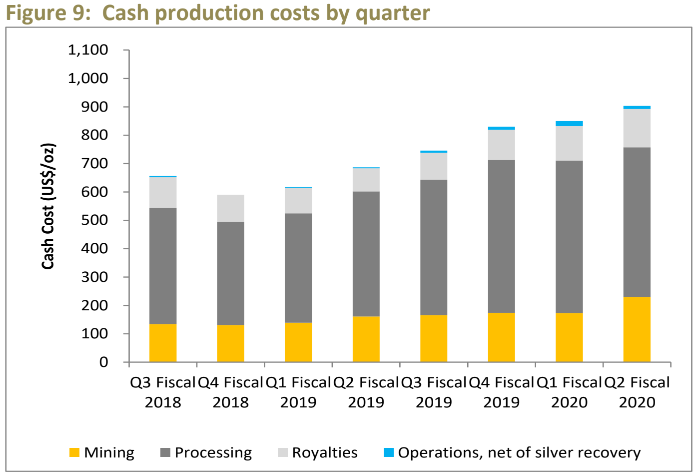


Figure 10: Production costs

	Three months ended		Six months ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Production cost breakdown ('000s)				
Mining	1,031	740	1,802	1,371
Processing	2,358	2,030	4,682	3,786
Royalties	604	375	1,128	785
Operations, net of silver recovery	47	9	125	21
Total production costs	**4,040**	**3,154**	**7,737**	**5,963**

Mining

Mining activities continued to focus on Selinsing Pit 5/6, Buffalo Reef Felda Block 7 as well as the Selinsing Pit 4 south west cutback where mining began during the second fiscal quarter. 4 open pits continue supplying ore for the Selinsing Plant; Pit 5/6 in Selinsing, BRC2 (Oxide + Transition), BRC3 (Oxide + Transition) and BR North (Oxide + Transition) in the Buffalo Reef area. The Buffalo Reef Transition ore feed to the CIL plant is based on ongoing lead nitrate leaching tests that continue to be conducted.

Cash cost per ounce sold from mining operations increased by 43% to $230/oz from $161/oz in the same quarter last year, mainly due to increased tonnage mined related to both ore and waste. The increase of mining leachable sulphide ore materials in transition zones for mill feed to supplement current processing is also contributing to the increased cost. Mining production included 88,255t of ore (Q2 2019: 56,734t) and 809,478t of waste (Q2 2019: 700,250t). For Q2 fiscal 2020 waste included 543,933t of operating waste and 265,545t of waste cutback at Selinsing, compared to 479,594t of operating waste, 207,677t of waste cutback at Selinsing and 12,982t of waste removed for the TSF upgrade for the same period last year. Based on the current quarters mining sequence, the stripping ratio reduced to 9.17 for the quarter compared to 12.34 for the same quarter last year. This is due to depleting stockpile levels attempting to be replenished and a lack of available oxide ore during the transition from oxide production to sulphide production. The cost of waste mined related to the TSF upgrade and other waste determined to be capital in nature are not included in mining operating costs. As a result of an increase in total materials mined and mining an increase tonnage of leachable sulphide ore with an increased weighted average cost compared to free dig oxide ore, cost per tonne mined increased by 5% from $1.49/t to $1.57/t.

Processing

Total processing cash costs for the three months ended December 31, 2019 were $2.36 million compared to $2.03 million in the same quarter last year with less gold sold in the current quarter offset by higher feed grade.

Processing cost per tonne increased by 25% from $10.47/t to $13.08/t in the quarter primarily due to more consumables and power costs used to process harder leachable sulphide ore from Selinsing, higher maintenance and higher detoxification consumable costs for reducing the TSF water levels after heavy rainfall. Total ore processed decreased by 11% to 215,305t from 241,925t in the same quarter last year. Mill feed for the quarter was comprised of 90,941t SLG oxide, 15,726t oxide, 63,621t old tailings and 45,467t leachable sulphide compared to the same quarter last year of 158,309t SLG oxide, 33,085t oxide, 50,531t old tailings and 0t leachable sulphide.

Royalties

The Company previously paid 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. The royalty rate increased to 10% starting January 1, 2019 for Selinsing production. Total royalties cost increased 61% to $0.60 million for the three months ended December 31, 2019 compared to $0.38 million for the same quarter last year, due to increased production and royalty rates. Royalties paid are affected by average gold spot prices and the amount of gold produced and sold in the quarter.

Non-cash Costs

For the three months ended December 31, 2019, non-cash production expenses amounted to $1.42 million (Q2 2019: $1.23 million) including depreciation and amortization of $1.38 million and accretion of asset retirement obligations in the amount of $0.04 million, compared to $1.18 million and $0.05 million in the same quarter last year, respectively.

Six months ended December 31, 2019

For the six months ended December 31, 2019, mining operations before non-cash amortization and depreciation generated a gross margin of $5.21 million, a decrease of 2% from $5.23 million in the same period last year. Income from mining operations was $2.55 million compared to $2.87 million during the same six month period last year after non-cash depletion and accretion of $2.66 million during the six months ended December 31, 2019 compared to $2.36 million in the same period last year.

Gold recovery increased by 10% during the six months ended December 31, 2019 to 9,783oz (Six months ended December 31, 2018: 8,911oz) due to slightly higher recovery rates and a 16% increase in mill feed grade to 0.99g/t (Six months ended December 31, 2018: 0.85g/t). Total cash cost per ounce sold increased to $879/oz in the six month period ended December 31, 2019 from $652/oz in the same period last year due to an increase in production costs, mainly related to increased mining and processing costs caused by both mining and processing harder leachable sulphide material blended with a lower tonnage of oxide compared to the same period last year. Increased mining rates related to both ore and waste also played a role in the increased production costs as production is maintained and the stockpile is attempted to be replenished during the transition from oxide production to sulphide production.

Sales

Gold sales generated $12.95 million for the six months ended December 31, 2019 compared to $11.19 million in the same period last year. The revenue resulted from 8,796oz (Six months ended December 31, 2018: 9,150oz) of gold sold from production at an average realized gold price of $1,481 per ounce (Six months ended December 31, 2018: $1,223) for the period and 1,446oz delivered in fulfilling gold prepaid obligations at an average realized gold price of $1,429 per ounce. The weighted average London Fix PM gold price was $1,481 per ounce for the quarter compared to $1,223 per ounce for the same period last year.

Production Costs

Total production costs for the six months ended December 31, 2019 were $7.74 million, compared to $5.96 million in the same period last year, despite less gold being sold the during the six months compared to the same period last year. Cash cost per ounce increased by 35% to $879/oz during the six months ended December 31, 2019 compared to $652/oz in the same period last year that resulted from an increase in leachable sulphide material being processed, increasing processing costs as well as mining at an increased rate increasing mining costs. As a result of changing processing material to include leachable sulphide, feed grade increased over the same period last year to 0.99g/t Au from 0.85g/t Au. In addition, royalty rates also increased from 5% to 10% in January 2019 impacting the six month comparison.

Mining

For the six months ended December 31, 2019 cash cost per ounce sold from mining operations increased by 37% to $205/oz from $150/oz in the same period last year, mainly due to increased tonnage including ore and waste. The addition of mining leachable sulphide ore materials in transition zones for mill feed to supplement current processing is also contributing to the increased cost. Mining production included 135,052t of ore (Six months ended December 31, 2018: 87,039t) and 1,643,278t of waste (Six months ended December 31, 2018: 1,467,129t). Waste mined for the six months ended December 31, 2019 included 1,263,936t of operating waste, 271,031t of waste cutback at Selinsing and Buffalo Reef and 108,311t of waste fill related to the TSF upgrade, compared to 888,290t of operating waste, 528,762t of waste cutback at Selinsing and 50,076t of waste removed for the TSF upgrade for the same period last year. Based on the current fiscal years mining sequence, the stripping ratio reduced to 12.17 for the six months ended December 31, 2019 compared to 16.86 for the same period last year. The cost of waste mined related to the TSF upgrade and other waste determined to be capital in nature are not included in mining operating costs. As a result of an increase in total materials mined and production from the Buffalo pit, cost per tonne mined increased by 13% from $1.34/t to $1.51/t.

Processing

For the six months ended December 31, 2019 total processing cash costs were $4.68 million compared to $3.79 million in the same period last year with less gold sold in the current quarter offset by higher grade mill feed.

Processing cost per tonne increased by 18% from $10.05/t to $11.87/t in the period primarily due to more consumables and power costs used to process harder ore from Selinsing, additional maintenance and higher detoxification consumable costs for reducing the TSF water levels. Total ore processed decreased by 6% to 449,080t from 478,730t in the period last year. Mill feed for the six months ended December 31, 2019 was comprised of 238,283t SLG oxide, 21,737t oxide, 122,849t old tailings and 66,211t leachable sulphide compared to the same period last year of 317,813t SLG oxide, 76,482t oxide, 82,196t old tailings and 2,240t leachable sulphide.

Royalties

For the six months ended December 31, 2019 total royalties cost increased 44% to $1.13 million compared to $0.79 million for the same period last year, due to increased production and royalty rate.

Non-cash Costs

During the six months ended December 31, 2019, non-cash production expenses amounted to $2.66 million (Six months ended December 31, 2018: $2.36 million) including depreciation and amortization of $2.57 million and accretion of asset retirement obligations in the amount of $0.09 million, compared to $2.26 million and $0.10 million in the same period last year, respectively.

3.3 Corporate General and Administrative

Figure 11: Corporate Costs (000's)

	Three months ended		Six months ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
			$	$
General and administration	319	327	692	644
Stock-based compensation	(5)	2	- 4	3
Legal, accounting and audit	51	83	133	162
Shareholder communications	36	36	87	78
Travel	43	24	78	66
Regulatory compliance and filing	34	34	38	38
Project investigation and financing	(103)	-	-	-
Amortization	11	2	22	3
Total Corporate Costs	**387**	**508**	**1,046**	**994**

Corporate expenditures for the three months ended December 31, 2019 were $0.39 million (Q2 2019: $0.51 million), a decrease of $0.12 million or 24% compared to the same quarter last year. The decrease was mainly attributable to reclassifying the Burnakura project financing costs of $0.10 million, increased amortization of $0.01 million and increased corporate travel expenses during the quarter.

For the six months ended December 31, 2019 corporate expenditures $1.05 million (Six months ended December 31, 2018: $0.99 million), an increase of $0.06 million or 5% compared to the same period last year. The increase was mainly attributable an increase in general and administration costs of $0.03 million associated with a late tax payment penalty and an increase in salaries and wages of $0.03 million from changes in executive management.

3.4 Other (Loss) Income

Loss from other items for the three months ended December 31, 2019 was $1.27 million compared to a loss of $0.08 million from the same quarter last year. The change for the three months ended December 31, 2019 was mainly due to interest expenses recognized from gold prepaid sales of $0.46 million (Q2 fiscal 2019: $nil) and by a foreign exchange loss of $0.82 million (Q2 fiscal 2019: $0.14 million).

During the six months ended December 31, 2019 loss from other items $1.41 million compared to income of $0.10 million for the same period last year. The reduction in the current fiscal year is mainly due to interest expenses recognized from gold prepaid sales of $0.96 million (Six months ended December 31, 2018: $nil) and by a foreign exchange loss of $0.51 million (Six months ended December 31, 2018: foreign exchange gain of 0.02 million).

3.5 Income Taxes

Income tax expense for the three months ended December 31, 2019 was $0.57 million (Q2 fiscal 2019: $0.22 million) consisting of current tax expense of $0.71 million (Q2 fiscal 2019: $0.49 million) offset by a deferred tax recovery of $0.15 million (Q2 fiscal 2019: offset by deferred tax recovery of $0.27 million).

For the six months ended December 31, 2019 income tax expense was $0.96 million (Six months ended December 31, 2018: $0.44 million) consisting of current tax expense of $0.81 million (Six months ended December 31, 2018: $0.74 million) and deferred tax expense of $0.15 million (Six months ended December 31, 2018: offset by deferred tax recovery of $0.30 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 gold treatment plant expansions, production operations at Selinsing and exploration. The Company's cash and cash equivalents as at December 31, 2019 was $5.05 million, a decrease of $4.29 million from June 30, 2019. The Company's cash and cash equivalents primarily comprised of cash held with reputable financial institutions and is invested in cash accounts. The funds are not exposed to liquidity risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations other than $0.30 million allocated as restricted cash.

For the six months ended December 31, 2019, the Selinsing Gold Mine generated free cash of $0.43 million from gold operations, compared to $1.84 million in the same quarter in the prior year. This was offset by $4.70 million (Six months ended December 31, 2018: $4.02 million) spent on investment and financing activities comprised of $3.20 million on development and exploration, $1.50 million on a short term loan advanced to a shareholder and $0.01 million in lease payments resulting in a reduction of total cash of $4.29 million (Six months ended December 31, 2018: decrease of $2.18 million).

Cash used in investing activities for the six months ended December 31, 2019, amounted to $3.20 million (Six months ended December 31, 2018: $4.02 million) and was comprised of $1.96 million at Selinsing for sulphide project development including pre-stripping and the tailings storage facilities upgrade (December 31, 2018: $2.28 million, including $0.04 million for Murchison equipment expenditures). In addition, $1.24 million in exploration and evaluation expenditures (Six months ended December 31, 2018: $1.74 million) including $0.53 million at the Selinsing portfolio for metallurgical drilling (Six months ended December 31, 2018: $0.43 million) as well as Murchison exploration expenditures of $0.17 million (Six months ended December 31, 2018 $0.49 million) and care and maintenance expenditures at both Murchison and Mengapur of $0.54 million (Six months ended December 31, 2018: $0.82 million).

The Company's cash flows from operating, financing and investing activities during the three months and six months end December 31, 2019 are summarized as follows:

In US' 000s	**Three months ended**		**Six months ended**	
	December 31, 2019	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
	$	**$**	**$**	**$**
Cash (used in) provided from operating activities	**(783)**	**1,078**	**429**	**1,844**
Financing activities				
Payment of finance lease obligations	(10)	-	(17)	-
Loan receivable	(1,500)	-	(1,500)	-
Cash used in financing activities	**(1,510)**	**-**	**(1,517)**	**-**
Investing activities				
Selinsing Gold Portfolio	(1,232)	(1,290)	(2,489)	(2,613)
Murchison Gold Portfolio	(358)	(550)	(631)	(1,189)
Mengapur Project	(44)	(146)	(82)	(219)
Loan receivable	1,500	-	-	-
Cash used in investing activities	**(134)**	**(1,987)**	**(3,202)**	**(4,022)**
Decrease in cash and cash equivalents	(2,427)	(909)	(4,290)	(2,178)
Cash and cash equivalents at the beginning of the period	7,478	13,745	9,341	15,014
Cash and cash equivalents at the end of the period	**5,051**	**12,836**	**5,051**	**12,836**
Cash and cash equivalents consist of:				
Cash	4,743	12,539	4,743	12,539
Restricted cash	308	297	308	297
	5,051	**12,836**	**5,051**	**12,836**

5. CAPITAL RESOURCES

The Company's capital resources as at December 31, 2019 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, 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 Prepaid 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, after a twelve month grace period effective January 23, 2018, over a 36-month period commencing February 28, 2019 to January 31, 2022. Due to postponed gold production at the Burnakura Gold Project, the gold delivery obligation has been taken over by the Company's Malaysian subsidiary, Able Return Sdn Bhd, as a guarantor.

On February 26, 2020, subsequent to the quarter, 983 ounces of gold was deducted from the gold forward delivery obligation due to settlement of the loan owed to Monument by CCM (refer to note 30 "Subsequent Events").

During the six months ended December 31, 2019, 1,446 ounces of gold were delivered, leaving 6,025 ounces of gold to be delivered to CCM at 241 ounces of gold per month over the remaining 25-month period to January 31, 2022, which have been fully reserved for delivery.

In conjunction with the above transaction, the Company continues to seek additional funding to place its Selinsing Sulphide Project into production. The Company also 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 Australian operations.

Figure 12: Commitment and Contingencies (000's)

	2020 $	2021 $	2022 $	2023 $	2024 $	Total $
Lease commitments	33	42	23	-	-	98
Mineral property obligations	445	606	754	619	767	3,191
Purchase commitments	1,527	37	37	7	4	1,612
Total	**2,005**	**685**	**814**	**626**	**771**	**4,901**

Lease commitments relates to future contractually obligated payments associated with a long-term office lease recognized as a right-of-use asset. 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 in Malaysia and Western Australia.

In addition to commitments outlined in the table above, the Company is obligated to deliver 6,025 ounces of gold related to the gold prepaid sale over a remaining 25-month period to January 31, 2022, which is further reduced by 983 ounces of gold as of February 26, 2020 (refer to section 8 "Subsequent Events").

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 report directly to the CEO.

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

Figure 13: Key management compensation (000's)

	Three Months Ended		Six months ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Salaries	233	238	470	478
Directors' fees	33	33	68	68
Share-based payments	(5)	2	(4)	3
Total compensation	**261**	**273**	**534**	**549**

During the quarter ended December 31, 2019, $0.80 million (December 31, 2018: $0.39 million) was paid out in relation to legacy payments that had been expensed in previous periods.

Net amounts due to related parties as at December 31, 2019 were $nil (December 31, 2018: $0.76 million), representing the legacy payment due to the CEO change announced on January 2, 2018 and $0.04 million (December 31, 2018: $nil) relating to director fees that were included within current accrued liabilities.

Directors' fees are paid on a quarterly basis and the unpaid amounts due to directors are recorded against accrued liabilities and are unsecured and bear no interest.

8. SUBSEQUENT EVENTS

Pursuant to the Loan Agreement signed in August 2019 between Monument and Concept Capital Management ("CCM"), subsequent to December 31, 2019 on February 26, 2020 (the "Settlement Date"), the loan owed by CCM to Monument in the amount of $1.50 million principal plus $0.11 million interest were fully settled by 983 ounces at $1,635 per ounce, the gold price at London Fix PM on the Settlement Date. 983 ounces of gold have been deducted against gold forward delivery obligation, which is now reduced from total 8,676 ounces to 7,693 ounces of gold. As a result, remaining gold delivery amount has been adjusted at 241 ounces of gold each month till January 31, 2022, except no delivery from June to September, and only 222 ounces for October 2020.

9. CRITICAL ACCOUNTING ESTIMATES

Refer to Note 3 of the unaudited condensed interim consolidated financial statements as at December 31, 2019. 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 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 unaudited condensed consolidated interim financial statements as at December 31, 2019.

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, loan receivable and accounts payable and accrued liabilities. Refer to the unaudited condensed interim consolidated financial statements as at December 31, 2019 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 strengthened slightly during the second quarter compared with the USD and CAD. A stronger Malaysian Ringgit increases costs in US dollar terms at the Company's Malaysian operations.

Based on the above net exposures as at December 31, 2019 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 $0.02 million (June 30, 2019: $0.12 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 $0.05 million (June 30, 2019: increase/decrease $0.04 million) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately $0.01 million (June 30, 2019: increase/decrease $0.01 million) in net income.

(in United States dollars, except where noted)

Figure 14: Monthly USD to CAD Exchange Rates

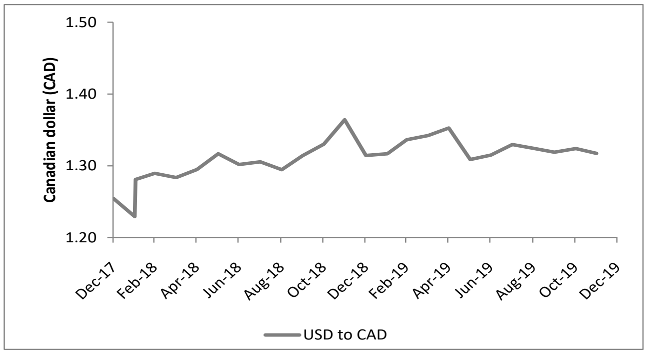
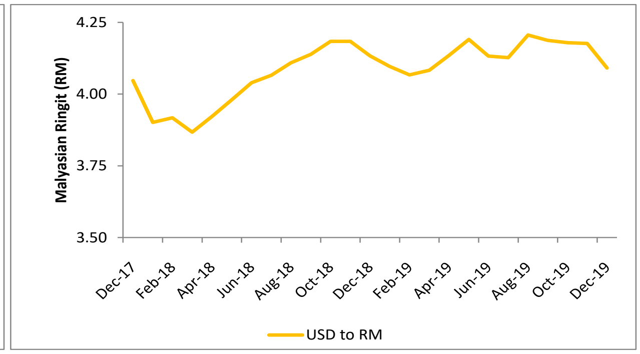


Figure 15: Monthly USD to RM Exchange Rates



Commodity price risk

For the three months ended December 31, 2019, the Company's revenues and cash flows were impacted by gold prices in the range of $1,389 to $1,546 per ounce (Q2 fiscal 2019: $1,185 to $1,279 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 investments of financial instruments included in cash and cash equivalents is relatively unaffected by changes in short-term interest rates. 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 as at December 31, 2019. $0.51 million (June 30, 2019: $0.52 million) is held with a Malaysian financial institution, $0.11 million (June 30, 2019: $0.06 million) with an Australian financial institution and $4.43 million (June 30, 2019: $8.76 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 28, 2020, the date of this MD&A (Figure 16).

Figure 16: Share capital structure

Common shares (1)	Quantity
Issued and outstanding	325,371,565

Restricted share units	Quantity
	18,223,464

(1) 7,000,000 common shares are held in escrow in relation to the Intec Transaction. The terms of the 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 produces and explores for gold resources. The exploration for and development of mineral deposits involves significant risks which even with a combination of careful evaluation, experience and knowledge may not be eliminated. 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 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:

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 as well as 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 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 as well as the ultimate operating cost of relevant projects. 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 mineral properties, 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-IFRS PERFORMANCE MEASURES

This news release refers to cash costs per ounce sold, all-in sustaining costs per ounce sold ("AISC"), AISC per ounce sold, sustaining capital expenditures and exploration and evaluation expenditures included in AISC calculations. These are measures with no standardized meaning under International Financial Reporting Standards ("IFRS"), i.e. they are non-IFRS measures, and may not be comparable to similar measures presented by other companies. Their measurement and presentation is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cash cost per ounce sold

The Company has included the non-IFRS performance measure "cash cost per ounce sold". This non-IFRS performance measure does not have any standardized meaning prescribed by IFRS 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.

All-in sustaining cost per ounce sold

The Company reports all-in sustaining costs on a gold ounce sold basis. This performance measure has no standardized meaning and may not be comparable to similar measures presented by other issuers or used as a substitute for measures of performance prepared in accordance with IFRS. The Company follows the guidance announced by the World Gold Council ("WGC") in September 2013 and updated in November 2018. The WGC is a non-profit association of the world's leading gold mining companies established in 1987 to promote the use of gold to industry, consumers and investors. The WGC is not a regulatory body and does not have the authority to develop accounting standards or disclosure requirements. The WGC has worked with its member companies to develop a measure that expands on IFRS measures such as operating expenses and non-IFRS measures to provide visibility into the economics of a gold mining Company. All-in sustaining costs are calculated by taking total cash costs and adding sustaining capital expenditures, corporate administrative expenses at the Selinsing Gold Mine including share-based compensation, exploration and evaluation costs, and accretion of asset retirement obligations. Sustaining capital expenditures are defined as those expenditures which do not increase annual gold ounce production at the Selinsing Gold Mine and exclude all expenditures for major growth or infrastructure projects and non-producing projects. Certain other cash expenditures, including tax payments and acquisition costs, are also not included. The Company believes that this measure represents the total costs of producing gold from current operations and provides the Company and other stakeholders of the company with additional information of the Company's operational performance and ability to generate cash flows.

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.