MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2017
(in United States dollars, except where noted)

The following Management's Discussion and Analysis ("MD&A") of Monument Mining Limited ("Monument" or the "Company") as of November 29, 2017 should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended September 30, 2017 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The readers are also recommended to read this MD&A in conjunction with the audited consolidated financial statements for the year ended June 30, 2017 and related notes for additional details.

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

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

1. EXECUTIVE SUMMARY

1.1 First Quarter of Fiscal 2018 Highlights

- 3,500oz of gold sold for gross revenue of $4.50 million (Q1 fiscal 2017: 2,350oz of gold sold for gross revenue of $3.14 million);
- 3,384oz of gold produced (Q1 fiscal 2017: 3,291oz);
- Cash cost per ounce ("oz") of $948/oz (Q1 fiscal 2017: $981/oz);
- Closed Felda Block 7 transaction at Selinsing;
- Completed close spaced drilling program at Peranggih North;
- A FEED study being carried out on Selinsing to deliver an Implementation Execution Plan for the Sulphide Project; and
- Preliminary Economic Assessment ("PEA") commenced at Burnakura.

1.2 Business Overview

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

Monument's primary business activities include advancing its mineral projects from the exploration stage to production stage and carrying out mining and processing operations to generate profit from sustainable precious metal and base metal production. Its main business objective is to increase shareholder value by building up a mineral property pipeline through acquisitions, exploration, development and production while mitigating associated business risks. The Company's long-term goal is to become a sustainable dividend paying, mid-tier gold, base metals and industrial mineral producer.

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

1.3 Review of Operations

The first quarter of fiscal 2018, the Company followed up previous year's focus to build its development foundation at its Malaysian and Western Australian gold portfolios, including placing the Burnakura Gold Mine in early stage production, generating a second cash flow in West Australia; and further update the prefeasibility study in order to deliver an execution plan to add additional flotation and BIOX® plants to the existing oxide processing plant at Selinsing Gold Mine in Malaysia, targeting completion in the third quarter of fiscal 2018, and place it into construction. The success of those two projects would allow the Company to have years of gold production to come.

In parallel to the above focus, the Company has established the Peranggih deposit hosted to the North of Buffalo Reef as a highly prospective oxide exploration target. Geological evidence and modeling indicate that the Peranggih deposit is located in a similar shearing structure to the Selinsing and Buffalo Reef gold deposits and may have the potential to contain significant oxide feed materials. Close spaced drilling was completed at Peranggih North, an area of future trial mining, during the quarter and further geological and bulk sample testwork will continue in fiscal 2018.

During the first quarter, the above progress has used $2.37 million (Q1 fiscal 2017: $2.76 million) of internal cash resources, comprised of $2.04 million (Q1 fiscal 2017: $1.08 million) at Selinsing on the Felda Block 7 acquisition and Sulphide Project development; $0.29 million

(Q1 fiscal 2017: $1.57 million) at Murchison on development of early stage production, and $0.03 million (Q1 fiscal 2017: $0.10 million) at Mengapur on care and maintenance.

With development success, there are challenges the Company will resolve going forward. The capital resources of the Company include its cash and cash equivalents, supported for years by free cash generated from Selinsing Gold Mine production. The available free cash is declining primarily caused by low level of oxide ore materials available to mine. This is expected to improve with Felda Block 7 mining that commenced in the second quarter fiscal 2018. Free cash is, however, inadequate to support the planned capital requirement for growth and the Company is seeking disciplined external financing for its on-going business development.

During the first quarter fiscal 2018 gold production at Selinsing Gold Mine generated a gross margin of $1.18 million (Q1 fiscal 2017: $0.84 million) before non-cash depletion and accretion expenses of $1.43 million (Q1 fiscal 2017: $0.93 million). Free cash generated from operating activities was $1.97 million (Q1 fiscal 2017: $2.11 million cash used). The Company has suffered from processing low grade oxide materials and delay of Block 7 mining at Felda Land. The Proprietary Mining Leases (the "PML") were issued to the Block 7 owners during the quarter and mining commenced in the second quarter of fiscal 2018.

The Company maintained a clean balance sheet with no debt at September 30, 2017. During the transition from oxide to sulphide operations at the Selinsing Gold Mine, the Company has closely managed production and improved productivity with full commitment from its operation team to sustain positive cash flow. However, there is no guarantee that positive cash flow will continue and readers should not use the positive cash flow as an indicator for future performance.

The Company's operation and development is dependent on its gold production from remaining oxide ore inventory at the Selinsing Gold Mine, its success in obtaining funding to place its Burnakura Project into production and to develop its Selinsing Sulphide Project, which in Management's opinion are both highly prospective projects. There is no guarantee that the Company can obtain funding as required due to uncontrollable factors, including a volatile global economic environment.

1.3.1 Development

Selinsing Gold Mine

During the first quarter of fiscal 2018 the Company continued to advance the internal Definitive Feasibility Study ("DFS") for the Sulphide Project. Samples of flotation concentrate were prepared on-site by the Research and Development team and dispatched to SGS South Africa for analysis. BIOX process testwork was conducted under the supervision and guidance of the technology owners Outotec (Finland) Oy. Initial sulphide oxidation results were positive and the full report including gold dissolution of the BIOX residues is in progress. Preparation of the process design package is expected during the second quarter of fiscal 2018 and would be used to design the additional process plant required to treat the sulphide ore. Variability flotation concentrate samples were also prepared to test the optimized BIOX operating parameters on different ore sources from the Selinsing and Buffalo Reef pits.

The Front End Engineering Design ("FEED") study also progressed during the quarter with selection of specialist contractors for geotechnical studies on the proposed plant site, for an expansion to the existing tailings storage facility and to undertake a study on slope stability in the Selinsing and Buffalo Reef open pits. Consultants were engaged to determine the additional high voltage power requirement for the expanded plant and to determine an economically feasible solution for the increased power draw. Internal studies were initiated to address the additional clean water demand for the BIOX plant and to gauge the requirements for expanded site water storage facilities. The DFS and FEED studies are scheduled to be completed during the third quarter of fiscal 2018, to facilitate a construction decision for the Sulphide Project.

During the quarter, the Felda Block 7 transaction was closed and subsequent to the quarter, the Company commenced mining preparation and production. Block 7 contains the extension of the BRC oxide ore body which is now readily mined and processed through the existing gold processing plant. It also allows the pit shell to be fully developed across the boundary to access the entire sulphide ore beneath the BRC once the Sulphide Gold Project is in production.

Upgrade to the tailings storage facilities was also completed during quarter using waste removed from Buffalo Reef, for a total of 144,161t.

Burnakura Project

During the first quarter, the Company progressed mine optimization at Burnakura working towards a Preliminary Economic Assessment Study ("PEA") on the Burnakura life of mine areas with exploring underground potential. The PEA is planned for completion in the third quarter of fiscal 2018. Activities during the quarter included review of proposed scope of work and schedule and the compilation of data for geological sections. Ongoing work on the potential underground at NOA2 and 7_8 also continued with a revision of the NOA 7_8 underground model using the same software that was used for NOA2 by SRK Consulting. The work is continuing with geological model updates for an underground mining study also to be included in the PEA.

The Company's production decision is not based on a feasibility study of mineral reserves to demonstrate economic and technical viability. Therefore, there is some uncertainty with economic and technical risks associated with this project, including but not limited to the risk that mineral quantities and grades might be lower than expected, and construction or ongoing mining and milling operations different than expected; production and economic variables may vary considerably, due to the absence of detailed economic and technical analysis prepared in accordance with NI 43-101. There is no guarantee that production will begin as anticipated or that the production will be able to generate positive cash flow as anticipated in returning the Company's capital investment.

1.3.2 *Production*

The first quarter gold production generated income at Selinsing Gold Mine before non-cash items, and total gold produced net of gold doré in transit and refinery adjustment, was 3,384oz (defined as good delivery gold bullion according to the London Bullion Market Association), a 3% increase compared to 3,291oz in the corresponding period of the previous year.

Mining production primarily came from tailing operation for total 30,694 tonnes, including 0.003 million tonnes encountered during waste extraction at Buffalo Reef for development use to upgrade the tailing storage facilities ("TSF") in the quarter. The total 258,659t of waste mined during the quarter comprised of 144,161t for the TSF upgrade, 114,498t removed from tailing pond operations compared to waste mined of 495,199t in the same quarter last year that comprised of 225,543t for cutback at Buffalo Reef North and 269,656t for production. Mining production is expected to improve with the commencement of mining at Felda Block 7 in the second quarter of fiscal 2018.

Production included stockpiled super low grade oxide ore and old tailing materials during the quarter that contained higher head grade and oxidized ore resulting in an improved processing recovery rate compared to the same quarter last year. Further, total mill feed reduced by 4% to 0.22 million tonnes from 0.23 million tonnes in the same period last year. The reduced mill feed was mainly due to plant downtime caused blockages at belt feeder chutes from wet and sticky old tailings materials, resulting in lower crushed tonnes.

The production and financial results for the three months ended September 30, 2017 and 2016 are summarized in the following table:

Figure 1: Operating and Financial Results

Selinsing/Buffalo Reef		Three months ended	
		September 30, 2017	September 30, 2016
Operating results	Unit		
Ore mined	t	30,694	61,882
Waste removed (1)	t	258,659	495,199
Stripping ratio		8.43	8.00
Ore stockpiled	t	1,541,675	2,175,060
Ore processed	t	221,536	231,000
Average ore head grade	g/t Au	0.61	0.56
Process recovery rate	%	64.3	53.9
Gold recovery	oz	2,802	2,253
Gold production	oz	3,384	3,291
Gold sold	oz	3,500	2,350
Financial results			
Gold sales	US$'000	4,502	3,142
Gross margin	US$'000	1,184	836
Weighted average gold price			
London Fix PM	US$/oz	1,286	1,339
Monument realized	US$/oz	1,286	1,337
Cash costs per ounce (2)			
Mining	US$/oz	178	195
Processing	US$/oz	703	716
Royalties	US$/oz	64	66
Operations, net of silver recovery	US$/oz	2	4
Total cash cost per ounce	US$/oz	948	981

(1) Included in Waste Removed for the three months ended September 30, 2017 was 144,161t for the TSF construction material and for the three months ended September 30, 2016, 225,543t was for cutback at Buffalo Reef North. The cost of which were capitalized and not included in the mining operations.

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

During the first quarter, the Company sold a total of 3,500oz of gold at an average realized price of $1,286 per ounce for gross revenue of $4.50 million compared to total 2,350oz of gold at an average realized price of $1,337 per ounce for gross revenue of $3.14 million. The weighted average London Fix PM gold price for the first quarter was $1,286 per ounce (Q1 fiscal 2017: $1,339 per ounce). Mining operations at Selinsing generated a gross margin $1.18 million for the quarter compared to $0.84 million in the same period last year, before non-cash depreciation and accretion expenses of $1.43 million (Q1 fiscal 2017: $0.93 million).

Cash cost per ounce decreased by 3% to $948/oz in the first quarter from $981/oz in first quarter fiscal 2017. Mining costs per tonne were steady during the quarter compared to the same period last year. Processing cost per tonne increased by 7% primarily due to increased crushing costs from the re-handling of stockpiled super low grade oxide ore in the quarter compared to the previous year first quarter, offset by lower costs on power, grinding media and reagents from processing softer, highly oxidized ore from stockpile. Lower mill feed has also caused mill utilization inefficiency and contributed to the increased processing cost per tonne.

Figure 2: Gold production and cash costs per ounce

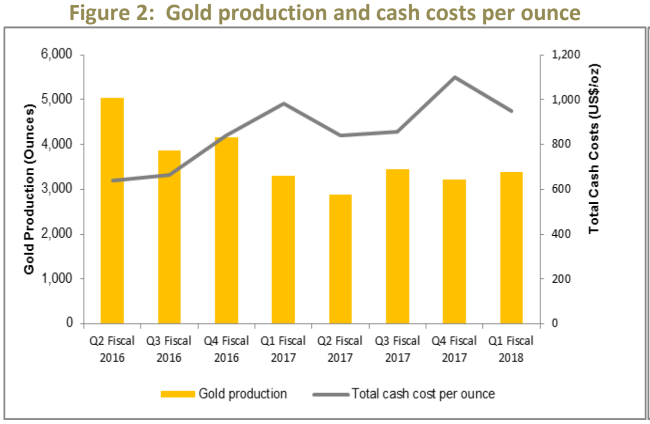
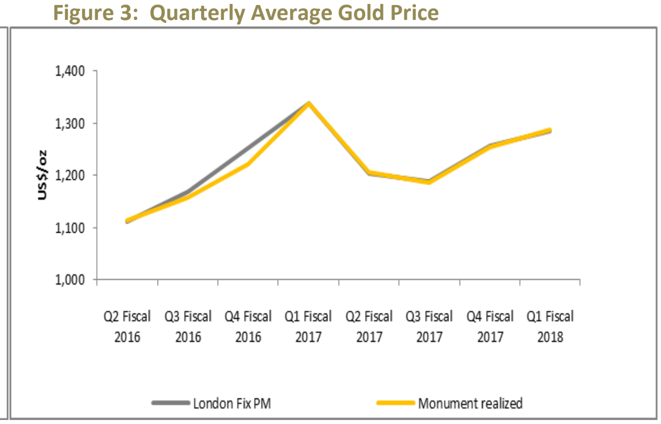


Figure 3: Quarterly Average Gold Price



1.3.3 *Exploration*

Malaysia

The Selinsing long-term exploration programs are to further discover sulphide resources to optimize the economic results of the Sulphide Project and increase the life of mine. In the short-term, it is focused on locating more oxide and leachable sulphide ore to increase mill feed. During the quarter, exploration targeted oxide potential at Peranggih and completed a grade control drilling program at Peranggih North.

Sulphide: At both Selinsing and Buffalo Reef deposits the sulphide mineralization is still open down dip and also along strike. Monument plans to follow-up with diamond drilling programs at the Selinsing and Buffalo Reef deposits focused on defining preferentially sulphide mineralization at depth below and around the existing pits within gap zones in between the known resources that contain little drillhole information, and to convert Inferred Resources into Indicated and/or Measured Resources (proposed "Deep Sulphide Holes"). The main programs include: infill/resource definition and down dip extension sulphide drilling program for BRC and Felda; Selinsing Deeps sulphide gold high grade confirmation/extension drilling. The drilling program at Felda will also enable the Buffalo Reef Central and Buffalo Reef South open pits to be extended at depth.

Oxide: Oxide Drilling will focus on **Peranggih** for infill and resource definition drilling covering the already identified target areas. The highly prospective Peranggih deposit hosted to the North of Buffalo Reef in the same regional shearing structure where Selinsing and Buffalo Reef gold deposits are also hosted.

The most significant geological aspect of the location of the Selinsing and Buffalo Reef mineralization is their proximity to a regional crustal suture – an unconformity between Devonian and Permian age sequences named the Raub-Bentong Suture, within which a significant number of economic gold deposits is associated. Gold mineralization is thought to be structurally controlled and associated with Permian sediments and volcaniclastics proximal to granitic intrusives. The mineralization of Peranggih is likely to be similar to the Selinsing and Buffalo Reef mineralization in terms of both geological and structural setting. There is evidence of quartz-sulphide veining in weathered outcrops along the access tracks and roads in the area, also exposures in historical illegal mining developments. A grid soil analysis conducted in the past showed that the high anomalies are trending same direction with faults which is controlling by the major fault and strike to NNW-SSE.

A preliminary, internal resource model for Peranggih has been generated from recent drilling and trenching programs, providing a realistic approximation of the tonnage and grade distribution, constrained to existing information. The model indicates a potential system containing oxide materials, which once established, can be potentially considered as: easy to develop, good gold recovery, low stripping ratio and initially free digging. An extensive geological and initial economic study commenced in fiscal 2017 to fiscal 2018 and a grade control drilling program was completed during the quarter for an area of future trial mining at Peranggih North, an area where historical mining activity was also carried out.

At the Felda and BRC deposits, oxide drilling will also follow aiming to provide feed material for the current plant, adding total Resource and promoting current Inferred oxide and transition Resources into Indicated Resources from shallower intercepts at the "Deep Sulphide Holes" drilling at both these deposits.

Western Australia

Based on the fiscal 2017's economic study the first quarter commenced further update to the geological model and optimization of the mine plan including testing underground mining opportunity, aimed to deliver a Preliminary Economic Assessment Study ("PEA") at the Burnakura Gold Project to further demonstrate the economic viability of early stage production.

The study of the available information and a completed resource modeling update has positive indications for an increase of mineralized volume and gold grade/ounces for a good part of NOA7_8, in particular coming from the significant intercepts observed. It has also enhanced the strong potential for continuity of deep mineralization in the central and north portions of the NOA7_8 deposit.

Looking forward, a deep drilling program has been planned at the NOA7_8 deposit includes 5,237m RC and diamond drilling was previously announced aiming to test the underground potential to 500m in order to increase the life of mine, in conjunction with the early stage production plan. A preliminary review of underground potential was conducted based on extrapolation of existing ounce per vertical metres and confirmation of underground mining costs, benchmarked comparably against existing Western Australia cost rates, supporting the exploration strategy for designing a deeper drill program south of NOA7_8. This infill and extensional drilling will be used to update a resource statement that may potentially increase the life of mine at Burnakura for longer term production. The program is scheduled to start upon commencement of the early stage of production or external funding. .

1.3.4 *The Mengapur Polymetallic Project*

Since acquisition of the Mengapur Project, the Company has carried out extensive exploration programs to confirm historical resources and metallurgical testwork in studying downstream products. The results when completed will be included in a preliminary economic assessment study ("PEA" study). The resource confirmation was largely completed in 2014 while metallurgical work is pending completion. The Mengapur site has been placed into care and maintenance since fiscal 2015 due to a decrease in metal prices.

The Mengapur Polymetallic Project is a long term potential project in the Company's pipeline of projects. The Company intends to apply Intec Technology in testing sulphide copper recovery and produce copper metal in-country at the Mengapur Project as Malaysia is a net importer of copper metal to feed its copper metal products manufacturing and fabrication industries.

On August 26, 2017, the Company announced that a Deed of Variation Agreement was signed with Intec International Projects Pty Ltd to the Heads of Agreement dated in January 2015 to exploit the Intec Technology for the sulphide copper process. The testwork going forward with Intec will be focused on production of copper metal at the Mengapur Project. Pursuant to the Deed, the term of the interim Intec license granted to Monument has been extended to January 16, 2022.

The major mining license for the Mengapur Project tenement was renewed in June 2016; exploration and mining license applications 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 advance this process.

1.3.5 Acquisitions

The Company's primary strategy remains to build on its current mineral portfolio, and to obtain and build high quality gold portfolios through acquisitions and development. It has continued looking for new acquisition opportunities based on risk profiles. It has also continued to reinvest free cash in exploration and development to increase value of its owned assets. These efforts would form a foundation to support sustainable production and future growth.

During the quarter, the Company closed acquisition for Block 7 by paying consideration in aggregate of $1.39 million in cash to the owners pursuant to the Contract to Mine Agreement. The acquisition has given to the Company the exclusive mining right for all PMLs at Block 7, covering a total 39.12 acres adjacent and east of the Buffalo Reef property. In September 2017, the Proprietary Mining Leases (the "PML") were issued to the Block 7 owners.

1.4 2018 Activity Highlights

- On June 14 and July 31, 2017, the Company announced that it has filed an appeal against the Kuantan High Court's decision who struck out the Company's Kuantan suit which essentially, among other things, relates to the Company's claim of 100% SMSB issued shares against Kesit Pty. Ltd. ("Kesit") and Peter Steven Kestel ("Kestel"). If the Appeals are allowed, the Kuantan Suit will be heard on merits by the Kuantan High Court as originally filed to determine the true ownership of SMSB.
- On July 31, 2017, the Company announced that a Motion for Leave to Appeal to the Federal Court filed by Defendants regarding Mersing Case was dismissed with costs on July 17, 2017. The Federal Court is the highest court and the final appellate court in

(in United States dollars, except where noted)

Malaysia. The Judgment awarded to the Company is therefore final as there is no further avenue for the Defendants to appeal. The Mersing suit is now closed.

- On August 26, 2017, the Company announced the Deed of Variation to the "Heads of Agreement" dated January 2015 with Intec International Projects Pty Ltd to exploit the Intec Technology for the sulphide copper process at the Mengapur Project and as a result, 7 million shares were released from escrow.
- On October 9, 2017, the Company announced that it closed the Felda Block 7 transaction that allows mining and processing of oxide material through the existing processing plant. Mining preparation has commenced and mining is expected to start in the second quarter of fiscal 2018.
- On November 27, 2017, the Company announced significant results from its recently completed drilling program at the Peranggih Prospect. Highlights included 6.6m @ 3.14g/t, 6.7m @ 2.94g/t and 4.3m @ 3.07g/t.

2. PROJECT UPDATE

2.1 Selinsing Gold Portfolio

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

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

The Federal Land Development Authority ("FELDA") Land is gazetted as a group settlement area covering 3,920 acres owned by local individual "Settlers". Monument signed agreements with Settlers with consent from FELDA allowing exploration to be carried out at the FELDA Land where exploration rights have been acquired from Settlers. Of which 39.12 acres has been converted to mining land. During the quarter, the Proprietary Mining Leases (the "PML") were issued to the land owners. Pursuant to Contract to Mine Agreement with the Block 7 owners, the Company has exclusive right to mine under Block 7 PMLs, and mining is expected to start in the second quarter of fiscal 2018.

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

2.1.1 Resources and Reserves

On December 14, 2016, the Company filed a report titled "NI 43-101 Technical Report -- Selinsing Gold Mine and Buffalo Reef Project" (the 2016 PFS") at www.sedar.com.

The 2016 PFS has reported Proven and Probable Mineral Reserves at Selinsing, including the adjacent Buffalo Reef deposit in Pahang State, Malaysia. All Mineral Reserves and Mineral Resources were estimated by Snowden as Independent qualified person defined under NI 43-101 standards.

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

Selinsing-Buffalo Reef/Felda Reserves as of June 30, 2016 (Snowden)												
Category	OXIDE (above approx. 0.3 g/t Au cut-off)			TRANSITION (above approx. 0.7 g/t Au cut-off)			SULPHIDE (above approx. 0.7 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$1,255/oz gold price)												
Proven*	2,171	0.52	36	-	-	-	165	1.45	8	**2,335**	**0.59**	**44**
Probable	565	1.31	24	698	1.8	40	2,619	2.03	171	**3,882**	**1.88**	**235**
P+P	2,736	0.68	60	698	1.8	40	2,784	2	179	**6,217**	**1.4**	**279**

*Proven Reserve is entirely stockpile material; Probable Reserve comprises in situ material occurring in Selinsing and Buffalo Reef/Felda deposits

The updated Mineral Reserve was estimated using an average gold price of $1,255 per ounce. To identify the Selinsing and Buffalo Reef Ore Reserve a process of: ore dilution application, Whittle pit optimization, staged pit design, production scheduling and mine cost analysis was undertaken. Significant sulphide Mineral Reserves were identified following a metallurgical engineering investigation by Lycopodium Minerals Pty Ltd. The mining method is conventional open pit drill and blast, load and haul on a 2.5 m mining flitch with a 10 m high blasting bench, reflective of semi-selective mining. The excavator bucket size of 2.3 m^3 is matched to this selectivity. A waste ore stripping ratio of approximately 6 was identified for mining. Overall, block dilution has reduced the recovered ounces by approximately 10% and marginally increased the ore tonnage processed.

Selinsing-Buffalo Reef/Felda Resources as of June 30, 2016 (Snowden)												
Category	OXIDE (above 0.3 g/t Au cut-off)			TRANSITION (above 0.7 g/t Au cut-off)			SULPHIDE (above 0.7 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 US$1,776/oz gold price)												
Measured*	2,171	0.52	36	-	-	-	165	1.45	8	**2,336**	**0.59**	**44**
Indicated	790	1.17	30	950	1.66	51	5,830	1.93	361	**7,570**	**1.81**	**441**
M+I	2,961	0.69	66	950	1.66	51	5,995	1.91	369	**9,906**	**1.52**	**485**
Inferred	380	1.03	13	353	1.46	17	3,640	2.13	249	**4,373**	**1.98**	**279**

*Measured Resource is entirely stockpile material; Indicated and Inferred Resource comprises in situ material occurring in Selinsing and Buffalo Reef/Felda deposits

The updated mineral resource estimate incorporates a new property-wide resource block model, which includes a total of 126 new surface diamond and RC drilling results for 18,639.8m at Selinsing since the last resource estimate completed in 2012. In the same period, a total of 522 drill holes were completed for 47,673.4m at the Buffalo Reef deposit, including the Felda area. Drill hole assays received as of February 24, 2016 were used in this Resource and Reserve update along with the June 30, 2016 mine face positions as surveyed by Monument.

Exploration has continued at Selinsing and Buffalo Reef after June 2016, focused on defining mineralization at depth below the existing pits, within gap zones in between the known resources that contain little drill hole information, and to convert inferred materials to indicated and/or measured materials. Also metallurgical drilling has been completed, aiming to obtain sulphide material to be used in metallurgical testwork.

The 2016 Selinsing and Buffalo Reef/Felda Mineral Resources were estimated by John Graindorge, an employee of Snowden, who is the independent Qualified Person for the June 30, 2016 Mineral Resources as defined by NI 43-101. The 2016 Selinsing and Buffalo Reef Mineral Reserves were estimated by Frank Blanchfield, an employee of Snowden, who is the independent Qualified Person for the June 30, 2016 Mineral Reserves as defined by NI 43-101.

2.1.2 Production

The decline in mining has been primarily caused by low level of oxide ore materials available to mine. This is expected to improve with Felda Block 7 mining that commenced in the second quarter of fiscal 2018.Total materials mine during the quarter was 289,353t comprised of 2,624t ore that was encountered during waste extraction for a TSF upgrade, 144,161t of waste removed from Buffalo Reef pits for the TSF upgrade, and 142,568t of waste from dry mined old tailings and the related pond embankment removal, compared the same period last year total 557,081t materials mined comprised of 61,882t ore, 269,656t production waste and 225,543t waste cutback at Buffalo Reef.

For the quarter ended September 30, 2017 the Selinsing gold plant processed a total of 221,536t (Q1 fiscal 2017: 231,000t) and gold recovery was 2,802oz (Q1 fiscal 2017: 2,253oz). The process recovery increased to 64.3% for the quarter from 53.9% compared to the same period last year, due to higher oxidized SLG ore and old tailings processed in quarter. For the first quarter, mill feed comprised of 89% SLG oxide and 11% old tailings compared to the prior year first quarter of 81% SLG oxide, 12% oxide, 5% old tailings and 2% leachable sulphide ore. The production team at the Selinsing Mine has continued improvements to boost productivity, including the addition of tailings material to mill feed by dry mining to increase gold recovery.

The figures below illustrate production results on a consolidated basis including both the Selinsing and Buffalo Reef operations.

Figure 7: Selinsing Gold Mine: Revenue

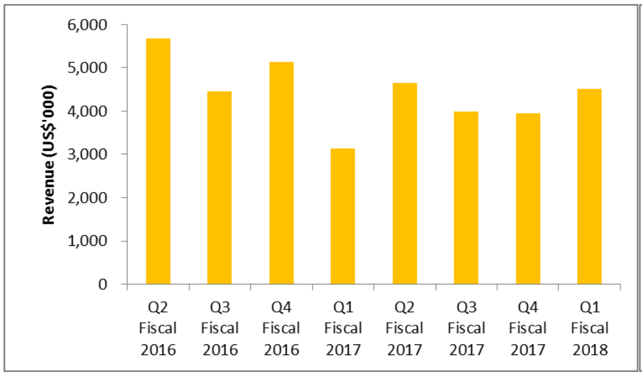
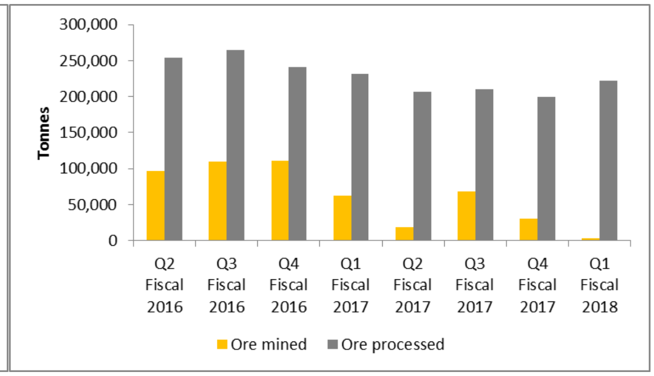


Figure 8: Selinsing Gold Mine: Operating Metrics



The Company commenced mining at the southern area of the Buffalo Reef project in January 2013, the northern area in July 2014 and planned for the central area in the second quarter of fiscal 2018. The oxide ore mined is sold under commercial terms to Able, the owner of the Selinsing processing plant. Production output is consolidated with the Selinsing gold mine. During the quarter total ore mined from Buffalo Reef was 2,624t (Q1 fiscal 2017: 7,238t).

2.1.3 Development

For the three months ended September 30, 2017 the Company incurred expenditure of $0.19 million related to the Sulphide Project development that is capitalized to Construction in Progress under Plant, Property and Equipment and project to date, the Company has incurred expenditure of $1.98 million. The Internal Definitive Feasibility Study ("DFS") for the Sulphide Project was commenced in the fourth quarter of fiscal 201 and continued during the quarter. This will include the overall plant process design to set up the Front End Engineering Design ("FEED") study requirements including plant engineering design criteria, FEED for add-in flotation plant and BIOX® Process plant, other alteration to the existing gold processing plant and internal DFS with an execution plan to move forward to detailed FEED engineering and construction stage.

During the first quarter of fiscal 2018 the Company continued to advance the DFS. Samples of flotation concentrate were prepared on-site by the Research and Development team and dispatched to SGS South Africa for analysis. BIOX process testwork was conducted under the supervision and guidance of the technology owners Outotec (Finland) Oy. Initial sulphide oxidation results were positive and the full report including gold dissolution of the BIOX residues is in progress. Preparation of the process design package is expected during the second quarter of fiscal 2018 and would be used to design the additional process plant required to treat the sulphide ore. Variability flotation concentrate samples were also prepared to test the optimized BIOX operating parameters on different ore sources from the Selinsing and Buffalo Reef pits.

The FEED study also progressed during the quarter with selection of specialist contractors for geotechnical studies on the proposed plant site, for an expansion to the existing tailings storage facility and to undertake a study on slope stability in the Selinsing and Buffalo Reef open pits. Consultants were engaged to determine the additional high voltage power requirement for the expanded plant and to determine an economically feasible solution for the increased power draw. Internal studies were initiated to address the additional clean water demand for the BIOX plant and to gauge the requirements for expanded site water storage facilities. The DFS and FEED studies are scheduled to be completed during the third quarter of fiscal 2018, to facilitate a construction decision for the Sulphide Project.

Most of the work is being carried out internally by Monument's experienced technical team. The pilot plant built for Intec testwork will be used for continuous testwork on BIOX® Process over the life of sulphide production when ore characteristics change while mining along depth. The Company has also selected experienced experts in the BIOX® Process to assist in FEED/DFS work.

The biological testwork has been arranged through a biological/bacterial leaching specialized laboratory in South Africa. The remaining feedstock from the Buffalo Reef ore body used for the second Intec pilot campaign are representative and sufficient for the testwork carried out under the control of independent specialists. In parallel with the additional biological testwork program, Monument's in-house R&D team is also considering innovative methods to further reduce capital and operating costs and thus enhance the economics of the project by all other avenues.

2.1.4 Exploration

Total exploration expenditure at the Selinsing Gold Portfolio of $1.68 million (Fiscal 2017: $1.78 million) was incurred for the three months ended September 30, 2017, comprised of $0.16 million (Fiscal 2017: $0.25 million) at Peranggih, $0.04 million (Fiscal 2017: $0.87 million) at Buffalo Reef and $nil million (Fiscal 2017: $0.27 million) at Selinsing Deeps and $1.47 million (Fiscal 2017: $0.39 million) at Felda Land, comprised of acquisition costs (Fiscal 2017: $0.31).

Felda: The Felda exploration program at Block 7 is to define oxide and sulphide resources promoting Inferred to Indicated Resources, discover new resources and enable the Buffalo Reef Central and Buffalo Reef South open pits to be extended at depth, as an extension to the Resource/Reserve portfolio reported at the NI43-101 PFS Technical Report issued in December 2016. During the quarter, preparation for mining was completed, including the completion of geo-metallurgical testwork and starting of the modelling aiming to identify potential leachable gold for oxide and transition zones.

Peranggih: During the quarter, a grade control drilling campaign was completed at Peranggih North, in the area planned for trial mining in fiscal 2018 aiming to get a representative bulk sample for metallurgical testing in the current oxide plant. A total of 298 drill holes were completed, corresponding to 2,780m drilled, and 2,725 samples collected. The holes were designed following East-West staggered lines, configuring a 5m x 5m drilling pattern, infilling previous holes and trenches. Maximum depth was 10m. Samples were collected every metre, allowing a better resolution to the resulting model, with 1m sample lengths. The holes are vertically oriented as standard; at the slopes in the northwest of the area (old pit walls) angle holes have been drilled in different orientations to allow drilling in safe areas while still intercepting the mineralization. The grade control exploratory drilling has delineated a zone of higher grade material, and can be used as a cost effective tool to define shallow and broad gold mineralization within the breccia matrix that occurs at this site.

The preliminary grade control program was carried out at the North zone to test 150m strike length x 80m width of the mineralization. This program has successfully delineated a broad 15m-20m wide high grade zone and multiple isolated high grade zones, surrounded by a halo of lower grade gold mineralisation. It proved the presence of disseminated gold in the breccia matrix. The high and low grade gold mineralization zones were open ended along strike and down-dip. Separate composite samples were fully defined, sorted by ore blocks with delineation based on 2m composites, for further metallurgical testwork. Collection of samples was still ongoing by the closing of the quarter. Geological mapping at old pit in Peranggih North was conducted, with collection of 6 hand specimen samples for petrographic studies with thin sections.

Selinsing: During the quarter, 27 limestone samples were collected from the Selinsing Pits IV and V hanging walls, to test Acid Neutralisation Capacity for potential use in the Sulphide Project. Dry bulk density tests were done to determine the in-situ density for the outcropping limestone.

Sulphide Project: During the quarter, 245 core and coarse reject samples of fresh and transition material, representatively covering life of mine pits, were collected and sent to the on-site laboratory for BIOX® Process variability metallurgical testwork. Preference was given to consistent, continuously mineralized intersections, including some internal waste.

2.1.5 Environment, Safety and Health

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

- The Department of Minerals and Geosciences ("JMG") with 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 the storage and handling of hazardous chemicals.

During the quarter, Selinsing operations recorded one Lost Time Accident when a plant operator suffered lower back pain during cleaning operations. All reported accidents and incidents were shared among supervisors and staff at safety toolbox meetings; new safety topics were raised at each of these meetings. Hazard Identification, Risk Assessment and Risk Control (HIRARC) training and Accident Investigation & Reporting training were conducted. Third party environmental compliance audits were conducted by accredited independent consultants and laboratories on drinking water quality, environmental audits, scheduled waste, and chemical storage, in addition to borehole water quality, ambient air quality and environmental noise monitoring.

The DOSH visited the site to inspect the tower crane, laboratory compressor and the elution column to ensure regulatory compliance. The Company's Health, Safety and Environment compliance committee met during the quarter to discuss the status and ensure the requirements of JMG, DOE and DOSH are adhered to in a timely manner.

2.1.6 Litigation

SMSB vs Monument for purported "Joint Venture Interest" ("The 5% JV Suit")

On October 10, 2012, Selinsing Mining Sdn. Bhd. ("SMSB") filed a Writ and Statement of Claim against Monument and two of its wholly-owned subsidiaries, Selinsing Gold Mine Manager Sdn. Bhd. ("SGMM") and Able Return Sdn. Bhd. ("Able") (collectively referred to "Defendants") (the "5% JV suit"). Initially SMSB is claiming for, among others, a 5% "Joint Venture interest" from the profit of the gold production from Monument's Selinsing Gold Mine. SMSB through an amendment of its Statement of Claim now also purportedly claim of an oral agreement collateral to the JVA 2007 (the "Collateral Agreement") that Monument will compensate the Plaintiff by paying it a 5% profit share of all mining profits derived from the Defendants' mining activities through the mechanism of the JVA 2007. SMSB was the previous sub-lease holder of the Selinsing Gold Mine and had sold the Selinsing Gold Mine to Monument free and clear of any encumbrances. The transaction was closed on June 25, 2007 and SMSB was paid in full. SMSB did not make its claim in relation to the purported "Joint Venture Interest" until October, 2012. Monument denies that SMSB has any joint venture interest in the Selinsing Gold Mine and has continued to vigorously defend this claim.

On February 26, 2013, the High Court in Shah Alam, Selangor, granted SMSB's application for a summary judgment against Monument, but was dismissed on appeal at the Court of Appeal. On July 14, 2014 the same High Court ordered the Defendants to deposit a sum of approximately $9.4 million into a bank account jointly maintained by legal counsel of the respective parties. On April 20, 2015, Monument deposited $9.4 million into the said joint account pending disposal of the full trial (refer to Note 4).

A five (5) day trial was scheduled to proceed on July 24, 2017 to July 28, 2017, but was stayed pursuant to the Court of Appeal Interim Order obtained by Monument on July 21, 2017, after the dismissal of an initial application to stay the trial at the Shah Alam High Court. The Defendants are now proceeding with the appeal which is now fixed on January 16 2018 against that dismissal y at the Court of Appeal. The basis of the said application for stay of the 5% JV suit trial should be stayed pending disposal of Monument’s appeals against the striking out of the Kuantan High Court (”Kuantan Suit” as described below). The Shah Alam High Court Judge have fixed the full trial of the JV 5% suit which is set to proceed on 4th and 5th December, 2017, however, the same is subject to the outcome of the Court of Appeal’s decision on the recent Notice of Motion filed by the Defendants to stay the same, which hearing date is fixed on November 30, 2017.

The 5% JV suit was filed by SMSB, a company owned by Kesit Pty. Ltd. ("Kesit"), against Monument and two of its subsidiaries (the "Defendants") in October 10, 2012, more than 5 years after Kesit and other vendors sold 100% of the Selinsing Gold Project to Monument for valuable consideration.

The 5% JV Suit has no merit and the Company will continue to vigorously defend against all claims by the Plaintiff in the 5% JV Suit.

Monument VS Summer and Kesit for 100% of SMSB shares (“Kuantan Suit”)

On February 16, 2015, Monument and its wholly owned subsidiary Able Return Sdn Bhd. filed a writ at the Kuantan High Court against Summer Empire Sdn. Bhd. ("Summer") and Kesit Pty Ltd ("Kesit") claiming for the return of the entire 100% of the issued shares of Selinsing Mine Sdn. Bhd.

Summer was the trustee appointed by SMSB to hold the entire 100% of the issued shares of SMSB in trust for Able, a wholly owned subsidiary of Monument through which Monument holds a 100% interest of the Selinsing Gold Mine. In the course of proceeding, it was found that Summer had been dissolved. The Kuantan High Court granted Monument’s application on September 10, 2015 to add Peter Steven Kestel as a co-Defendant in the existing suit. The decision of the Kuantan High Court had been affirmed by the Court of Appeal.

The claim by Monument and Able was Struck Out by the Kuantan High Court based on Kesit and Kestel's separate applications in June 2017. Monument and Able appealed against the striking out decisions. If the Appeals are allowed, the Kuantan Suit will be heard on merits by the Kuantan High Court as originally filed to determine among others the true ownership of SMSB. The hearing of the appeals against the striking out of the Kuantan suit is now fixed on January 16, 2018.

The Arci Suit

On July 30, 2015, the Company announced that Hong Teck, Yee Fook Choy, Yee Choong Khoon and Yong Choong Yim (as the administrator of the estate of Yong Kat Keong), in their capacities as former partners of Arci, have filed a suit against TRA Mining (Malaysia) Sdn. Bhd. ("TRA"), SMSB (the Plaintiff in the 5% JV Suit), Monument and its subsidiaries ARSB and SGMM in the Shah Alam High Court, Malaysia via Writ of Summons No.: 22NCvC-291-05/2015 (the "ARCI Suit"). Peter Steven Kestel is the director in both TRA and SMSB.

The Plaintiffs in Arci Suit alleges, among other things, that Arci continued to hold title to MC 1/113, one of the mining leases that Monument acquired from SMSB (the holder of the sublease of MC 1/113) in June 2007 and the ownership of such lease gives Arci the rights to the profits generated under the claimed mining lease. The mining lease claimed by Arci was forfeited by Pahang State Government in 2008; subsequently a new mining lease was directly granted to ARSB, long before commencement of the gold production.

Monument denies that it or Able has any liability with respect to the Arci Claim. The Arci Suit had been struck out by the Shah Alam High Court on August 24, 2016. Arci filed an appeal on September 21, 2016 against the striking out order at the Court of Appeal, Putra Jaya and now pending a hearing date from the Court of Appeal.

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.

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.

(in United States dollars, except where noted)

2.2.1 Resources

The Murchison Gold Project consists of a historical resource as at October 2013 of 6.41 million tonnes at an average grade of 2.7g/t containing 546,000 ounces of gold within a number of previously operated open pits and an underground mine, which was determined by BM Geological Services in the report Murchison Gold Project: Burnakura and Gabanintha resource inventory (December 2013). The Company believes that the quality of the data supporting the resources meets industry standards. The historical resources have been reported in line with the JORC guidelines, and resource confidence categories and the reliability of the estimate are consistent with this standard. Monument considers this historical resource estimate to be relevant to its ongoing review of the Murchison Gold Project.

A qualified person has not done sufficient work to classify the historical estimate on the property as current mineral resources under NI 43-101 and Monument is not treating the historical resource estimate on the property as current mineral resources except Alliance and New Alliance which is described below.

The technical report titled "NI 43-101 Technical Report on the Alliance and New Alliance Gold Deposits, Burnakura, Western Australia" was filed on SEDAR describing the mineral resource estimate for the Alliance and New Alliance gold deposit on its Murchison Property in Western Australia, dated April 2, 2015 and amended August 7, 2015, indicating that the total contained gold ounces have been increased compared to the historical inventory estimate. The NI 43-101 report has been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and is authored by Darryl Mapleson (MAIG, FAusIMM) of BM Geological Services, the primary Qualified Person and other independent Qualified Persons.

An Indicated Mineral Resource of 1.88mt@1.6g/t Au for 98,400oz and an Inferred Mineral Resource of 0.10mt@1.5g/t Au for 4,400oz was reported at a 0.5g/t Au grade cut-off. This represents a very positive initial outcome toward the preparation of a preliminary economic assessment in respect of the Alliance/New Alliance deposits. The company is now undertaking a program of ongoing exploration over the remainder of the historical resources that were acquired in February 2014.

Figure 9: Mineral Resource for Alliance and New Alliance at a 0.5g/t Au cut-off

Deposit	Indicated				Inferred			
	Density (g/cm^3)	Tonnes (Mt)	Au (g/t)	Contained Au (Koz)	Density (g/cm^3)	Tonnes (Mt)	Au (g/t)	Contained Au (Koz)
Alliance	2.3	0.64	2.5	50.8	2.5	0.02	1.4	0.7
New Alliance	2.3	1.24	1.2	47.6	2.7	0.08	1.5	3.7
Total	**2.3**	**1.88**	**1.6**	**98.4**	**2.6**	**0.10**	**1.5**	**4.4**

Notes:
(1) Mineral Resources that are not mineral Reserves do not have demonstrated economic viability; and
(2) Mineral Resources determined by Adrian Shepherd, B.App.Sc., MAusIMM CP(Geo), Cube Consulting Pty. Ltd.

Significant work has been done since the NI 43-101 report was released, as summarized in this MD&A. The Company continued to improve its internal economic study to optimize the economic viability for an early stage production. The further deep drilling program was proposed to pursue a Preliminary Economic Assessment on the Burnakura Gold Project under NI 43-101 standards.

2.2.2 Exploration

Geological study in this quarter had the following activities:

- Reviewed on existing NOA 2 , NOA 1 and NOA North (NOA 7_8, NOA 6 and NOA 4) internal Resource model and updates;
- Extended the study on additional oxide open pit target opportunities for the Burnakura Project for early stage production;
- Investigated NOA 2 and NOA 7_8 underground potential;
- Followed-up on the review of exploration potential on the Burnakura project area and delineated two prospective untested shear zones which have the potential for new discovery;
- Signed the agreement with Yamatiji Marlpa Aboriginal Corporation ("YMAC") for Heritage Survey
- Continued the resource development planning integrated to mining studies for the development of open pit and underground resources on all three project areas. Mineralization at all deposits is open in depth.

A plan for exploration drilling is in progress, with the aim of taking Burnakura Mineral Resources to a Pre-Feasibility Study ("PFS") level including Life of Mine ("LOM") open pit and underground resource, while adding total resource by testing regional exploration targets. The program includes resource definition and regional exploration drilling programs. Deep drilling infill and reconnaissance/extension programs with underground investigation are included at NOA 7_8 and NOA 1_2 deposit areas. Resource definition infill and extension programs are planned in oxide targets and Authaal deposits at Burnakura, and Tuckanarra project areas. Reconnaissance programs are being planned for NOA Repeat and Granite Contacts regional target areas within Burnakura.

Burnakura: Ongoing work includes the review of significant underground potential at the NOA line of deposits. NOA 7_8 was internally re-modelled with implicit geological modelling techniques, allowing underground assessment works to continue. The updated model will now provide the correct resolution and detail needed progress underground mining studies. A compilation of the historical resource model plus ANA NI43-101 resources and internal resource model updates are ongoing for a preparation of a Preliminary Economic Assessment Study.

Tuckanarra: a review on the Resource model evaluation is ongoing, with focus on the life of mine proposed mining pits. An in-depth review of the Cable deposit was completed resulting in a re-modelling exercise.

Gabanintha: a review on the Resource model evaluation is ongoing, with focus on the life of mine proposed mining pits.

For the quarter ended September 30, 2017, exploration incurred expenditure of $0.42 million at Murchison that included $0.05 million on geological work and $0.15 million on property fees.

2.2.3 Development

The Company has prioritized and focused on the commencement of gold processing at the Burnakura Gold Mine. The current mine plan for recommissioning the existing CIL plant and constructing a new heap leach facility in the second year of the life of mine were further reviewed with potential optimization. The Company has also taken a proactive approach in analyzing its critical risk path in order to eliminate possible bottle necks that would cause delay of initiating the CIL plant operations.

The Company has commenced a Preliminary Economic Assessment Study on the Burnakura life of mine areas. During the quarter, the proposed scope and schedule were reviewed and geological data compiled.

Mine development

Site preparation and development for early stage production is on-going. During the quarter, all the bench frames were installed in the wet lab ready for the bench tops, a road works program was undertaken to improve access to the camp area from the process plant and fabrication work was undertaken in the workshop to repair screen frames. The Company has ensured that the plant and other facilities are being kept in good care and maintenance order with a view to future commissioning, and the site accommodation and catering are fully functional for engineers and mining contractors to arrive on site.

During the three months ended September 30, 2017, the Company incurred $0.18 million on site activities and $0.03 million on plant maintenance at Murchison.

2.3 Mengapur Polymetallic Portfolio

Mengapur was previously owned by Malaysian Mining Corporation in the 1980's and early 1990's which defined the historical Polymetallic resources in a full bankable feasibility study. The title of Mengapur was subsequently divided and distributed to different owners.

Monument acquired 100% of Mengapur from those owners, in fiscal 2012 and 2013 through strategic steps aimed to maximize economic value of the project, except for the oxide magnetite materials in the top soil at Cermat Aman Sdn Bhd ("CASB") that were not included in the historical resources in the full bankable feasibility study.

2.3.1 Resources

The Mengapur Polymetallic deposit contains a historical Copper ("Cu"), Sulphur ("S"), Gold ("Au"), Silver ("Ag") oxide and sulphide Resource from a drilling campaign conducted in the 1980's as previously reported in the Snowden report (January, 2012). The historical resource consisted of 224 million tonnes ("mt") averaging 0.597% Cu equivalent ("eqv") (6.54% S, 0.25% Cu, 0.16g/t Au, and 8.86g/t Ag) at a cut-off grade of 0.336% Cu eqv from geologic Zones A, B, and C. A historical sulphide reserve from Zone A consists of 64.8mt averaging 0.737% Cu eqv (8.63% S, 0.27% Cu, 0.21g/t Au, and 2.59g/t Ag) at the same 0.336% Cu eqv cut-off grade (Snowden, 2012). As outlined above, the Company completed 64,000 meters of exploration drilling verifying these historic resources and is now in the process of advancing them to NI 43-101 compliance and is awaiting issue of an ML title over the Star Destiny ML application.

2.3.2 Development

Since acquisition of the Mengapur Project, the Company has carried out extensive exploration programs to confirm historical resources and metallurgical testwork in studying downstream products. The results when completed will be included in a preliminary economic assessment study ("PEA" study). The resource confirmation was largely completed in 2014 while metallurgical work is pending completion. The Mengapur site was placed into care and maintenance since fiscal 2015 due to decrease in metal prices.

The Mengapur Polymetallic Project is a long term potential project in the Company's pipeline of projects. The Company intends to apply Intec Technology in testing sulphide copper recovery and produce copper metal in-country at the Mengapur Project as Malaysia is a net importer of copper metal to feed its copper metal products manufacturing and fabrication industries.

According to the Mining Enactment 2001 of Malaysia, until receipt of official notification with the Company's consent, the exploration rights remain intact. During fiscal 2016, the Company renewed the mining lease ("ML") through its 100% owned subsidiary CASB. 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; it also submitted two applications for mining licenses in 2009 and 2010 over sections of the same area. Another application for a mining lease over the prospecting land was also submitted in August 2012. The Company has yet to receive an official notification from the Pahang State authority in response to its applications.

The Company has evaluated the production alternatives for the Mengapur Project including copper and made progress in refurbishing and upgrading its 1,000tpd beneficiation copper flotation and iron magnetite recovery pilot plant. The plant is considered to be a 1,000tpd pilot plant to demonstrate economics of in-house copper metal production with potential iron and other metal by-products. Due to the decline in iron ore price and volatility in copper and iron prices, the pilot plant development and early stage production has been placed on hold since 2015.

The Company intends to apply Intec Technology to carry out testwork on copper metal recovery. This will entail confirmation testwork programs using copper ore feed from the Mengapur site and pilot plant programs using Intec. The technology has successfully produced copper and other base metals for more than seven years in Tasmania, Australia treating waste dumps and producing base metal products, including copper, as a commercial project.

On August 26, 2017, the Company announced that a Deed of Variation Agreement was signed with Intec International Projects Pty Ltd to the Heads of Agreement dated in January 2015 to exploit the Intec Technology for the sulphide copper process. The testwork going forward with Intec will be focused on production of copper metal at the Mengapur Project. Pursuant to the Deed, the term of the interim Intec license granted to Monument has been extended to January 16, 2022.

During the three months ended September 30, 2017, the Company incurred expenditure of $0.14 million (Fiscal 2017: $0.72 million) on site activities and infrastructure at Mengapur, which includes $0.08 million of amortization. Site activities at Mengapur included environmental compliance, erosion and sediment control. Care and maintenance activities were carried out to ensure the facility and assets are kept in good condition.

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

3. FINANCIAL RESULTS

3.1 Summary

During the quarter ended September 30, 2017, operations continued to process mainly 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 10: Financial highlights

	Fiscal 2016			Fiscal 2017				Fiscal 2018
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	$	$	$	$	$	$	$	$
Revenues (000's)	5,681	4,457	5,128	3,142	4,637	3,986	3,954	4,502
Weighted average gold price								
London Fix PM (per ounce)	1,112	1,169	1,252	1,339	1,203	1,188	1,257	1,286
Monument realized (per ounce)	1,114	1,158	1,221	1,337	1,207	1,187	1,255	1,286
Net earnings (loss) before other items Attributable to common shareholders (000's)	644	371	(965)	(824)	(890)	(1,133)	(2,442)	(1,060)
Earnings (loss) per share before other items:								
- Basic	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
- Diluted	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Net earnings (loss) after other items and tax Attributable to common shareholders (000's)	(4,584)	2,500	288	(1,442)	(65)	(1,789)	(3,909)	(1,504)
Earnings (loss) per share:								
- Basic	(0.01)	0.01	0.00	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
- Diluted	(0.01)	0.01	0.00	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)

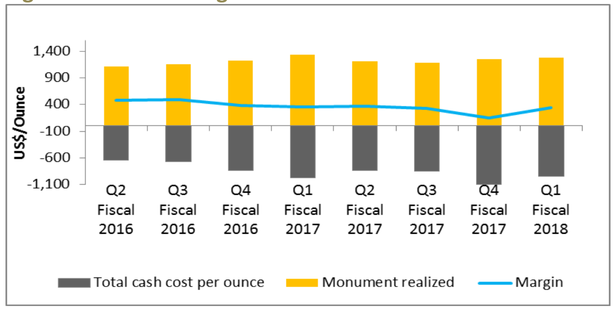
The quarterly operating results of the Company are outlined for the past eight quarters in Figure 10 above. The overall operating results of the Company reflect its income from gold mining operations, on-going corporate business development, administrative costs and other income or expenses such as foreign currency exchange gains or losses.

For the quarter ended September 30, 2017 net loss was $1.50 million, or $0.00 per share (basic) compared to $1.44 million or $0.00 per share (basic) in the prior year. The decrease in earnings was mainly due to lower income from mining operations and increased corporate expenses, offset by lower income tax expense of $0.01 million (Q1 fiscal 2017: $0.21 million). Mining operations generated a loss of $0.24 million compared to $0.10 million in the same period last year, and corporate expenses were $0.82 million which increased by 20% or $0.14 million from $0.73 million in the same period last year. Loss from other items was $0.43 million comprised of foreign currency exchange loss of $0.44 million (Q1 fiscal 2017: $0.42 million) offset by $0.01 million (Q1 fiscal 2017: $0.01 million) of interest income compared to the same period last year loss of $0.41 million.

3.2 Operating Results: Sales and Production Costs

For the quarter ended September 30, 2017, mining operations before none cash amortization and depreciation generated a gross margin of $1.18 million, increased by 42% or $0.35 million from $0.84 million in the same quarter last year. However, net loss from mining operations was $0.24 million compared to $0.10 million in Q1 of the last year primarily due to higher depreciation and amortization expense. During the quarter, processed ore was from the Selinsing ore stockpiles which carry a higher depreciation cost in inventory than Buffalo Reef ore stockpiles leading to higher depreciation charged through cost of gold sold.

Figure 11: Gross margin



Gold recovery increased 24% during the quarter to 2,802oz (Q1 fiscal 2017: 2,253oz) compared to the prior year first quarter on higher ore head grade and recovery rate, while ore processed had decreased by 4% to 0.22 million tonnes (Q1 fiscal 2016: 0.23 million tonnes). Mill feed was adversely affected by plant downtime as wet and sticky ore caused blockages at belt feeders. The lower throughput also adversely impacted mill efficiency. Total cash cost per ounce sold decreased to $948/oz in the first quarter from $981/oz in the same quarter last year, together with increased ounces sold has raised the profit margin before non-cash items to $1.18 million in the quarter from $0.84 million in the same quarter last year.

Sales

The price of gold is a significant factor affecting the Company's profitability and operating cash flows, revenue for the quarter has increased on increased gold production and gold sold, offset by a lower realized gold price compared to the same quarter last year. Gold sales generated $4.50 million for quarter ended September 30, 2017 compared to $3.14 million in the same period last year. The revenue resulted from 3,500oz of gold sold (Q1 fiscal 2017: 2,350oz) at an average realized gold price of $1,286 per ounce (Q1 fiscal 2017: $1,337 per ounce) for the first quarter. The weighted average London Fix PM gold price was $1,286 per ounce for the quarter compared to $1,339 per ounce for the previous year first quarter.

(in United States dollars, except where noted)

Production Costs

Total production costs increased by 44% in the first quarter to \$3.32 million, compared to \$2.31 million in the same period last year, reflected higher amount of gold produced and sold in the prior year first quarter, while fixed costs of production remained at the same level. Cash cost per ounce decreased by 3% to \$948/oz in the quarter from \$981/oz in the same period last year resulted in increase in feed grade and gold recoveries by 9% and 19% respectively compared to the previous year first quarter, primarily due to highly oxidized mill feed from the Selinsing ore stockpiles; however, partially offset by 7% increase in processing cost per tonne.

A breakdown and further analysis of the cash cost components is provided below and Figure 12 shows a historical graphical summary demonstrating the breakdown by quarter.

Figure 12: Cash production costs by quarter

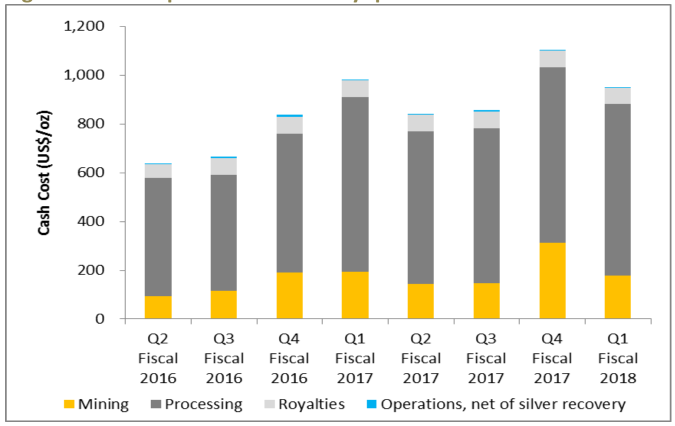


Figure 13: Production costs

	Three months ended	
	September 30, 2017	September 30, 2016
Production cost breakdown		
Mining	624	458
Processing	2,461	1,682
Royalties	225	156
Operations, net of silver recovery	8	10
Total production costs	**3,318**	**2,306**

<u>Mining</u>

Total operation mining cash cost increased due to an increase in gold production and sales in the quarter, partially offset by a decrease in cash cost per ounce of mining operations by 9% or \$17/oz to \$178/oz from \$195/oz in the same period last year and a decrease in production cost per tonne. Mining production of 30,694 tonnes of ore for the quarter included 2,624 tonnes encountered during the extraction of waste for TSF development upgrades compared to 279,846 tonnes of ore mined in the same period last year and 28,070 tonnes of ore reclaimed from tailings. 114,498 tonnes of waste removed from tailing operations compared to 269,657 tonnes removed from open pit mining operations in the same period last year. As a result, cost per tonne mined decreased by 22% from \$1.91/t to \$1.49/t.

Stripping ratio presented in Figure 1 increased from 8.00 to 8.43 in the quarter that was accounted for waste mined from both operations and development. 144,161t removed for the TSF construction in this quarter compared to 225,543t for cutback at Buffalo Reef North in the same period last year, the cost of which were capitalized, not included in the mining operations.

<u>Processing</u>

Total processing cash costs for the quarter were \$2.46 million compared to \$1.68 million in the same quarter last year with more gold produced and sold in the current period and higher gold recovery.

Processing cost per tonne increased by 7% in the current quarter primarily due to an increase in crushing costs from more stockpile reclaim re-handling compared to the prior first quarter. Total ore processed decreased by 4% to 0.22 million tonnes from 0.23 million tonnes in the prior year first quarter. Mill feed comprised of 197,150t from Selinsing stockpiled super low grade oxide ore and 24,164t from old tailings compared to the same period last year of 190,223t super low grade oxide ore, 27,689t oxide ore, 4,160t leachable sulphide ore and 9,945t old tailings. Lower mill feed also contributed mill utilization inefficiency and increased cost per tonne while total power, reagents and grinding media consumption decreased compared to the prior fiscal year first quarter from processing softer and highly oxidized ore. The Company continues improving mill feed and utilization efficiency, closely controlling reagent consumption, adequately blending old tailings and other types of ore to minimize cost per tonne and maximize future gold production.

<u>Royalties</u>

The Company pays royalties to the Malaysian Government based upon 5% of the market value of gold produced and an additional 2% to the PKNP (Pahang State Development Corporation) for gold produced from the Buffalo Reef ore. Total royalties cost increased by 44% to \$0.23 million in the quarter compared to \$0.16 million in the same quarter last year. Royalties paid are affected by average gold spot prices and the amount of gold produced and sold in the period.

(in United States dollars, except where noted)

Non-cash Costs

For the first quarter fiscal 2018, non-cash production expenses included depreciation and amortization of $1.38 million and accretion of asset retirement obligations in the amount of $0.05 million, compared to $0.89 million and $0.05 million in the same period last year, respectively. The increase in total non-cash production expenses is mainly due to the increase gold ounces sold. During fiscal 2017, the Selinsing mineral property balance was mainly depleted as a result the depreciation in inventory has increased.

3.3 Corporate General and Administrative

Figure 14: Corporate Costs

	Three months ended	
	September 30, 2017	September 30, 2016
	$	$
General and administration	431	457
Stock-based compensation	34	-
Legal, accounting and audit	272	198
Shareholder communications	28	30
Travel	42	11
Regulatory compliance and filing	7	8
Project investigation and financing	-	21
Amortization	3	3
Total Corporate Costs	**817**	**728**

Corporate expenditure for the first quarter of $0.82 million (Q1 fiscal 2017: $0.73 million) increased by $0.09 million or 12% compared to the prior year first quarter. General and administration costs were $0.43 million (Q1 fiscal 2017: $0.46 million), or 6% lower for the year, primarily due to $0.04 million, or an 11% decrease in salaries and wages expenses to $0.35 million (Q1 fiscal 2017: $0.39 million) primarily due to a reduction in staff. Legal, accounting and audit expenses increased by $0.07 million, or 37%, to $0.33 million in the quarter compared to $0.20 million in the same period last year due to increased litigation costs. Travel expenses increased by $0.03 million to $0.04 million compared to $0.01 million in the prior year first quarter. The increase in corporate expenses was also attributed to $0.03 million (Q1 fiscal 2017: $nil) in shared based compensation that was a result of restricted share units.

3.4 Other Income (Loss)

Loss from other items for the quarter was $0.43 million compared to $0.41 million in the same period last year. The change for the quarter was mainly due to $0.02 million increase in foreign currency exchange loss to $0.44 million (Q1 fiscal 2017: $0.42 million).

3.5 Income Taxes

Income tax expense for the quarter was $0.01 million (Q1 fiscal 2017: $0.21 million) consisting of current tax expense of $0.10 million (Q1 fiscal 2017: $0.11 million) and deferred tax recovery of $0.09 million (Q1 fiscal 2017: $0.10 million expense). The Company's taxable income from gold production in Malaysia is offset by available tax allowances and carryforwards. The Company successfully reviewed its mining allowance with the Malaysia tax authority and a favourable ruling was obtained in fiscal 2016 to utilize the allowance earlier. As a result, the Company has income tax receivable of $2.16 million at September 30, 2017, the refundable amounts comprised of $1.80 million from fiscal 2015 and fiscal 2016 tax paid and $0.36 million from fiscal 2017 instalments.

4. LIQUIDITY AND FINANCIAL CONDITION

The Company's principal cash requirements are working capital used for business development, general administration, property maintenance and development, construction of the gold treatment plant expansions, production operations at Selinsing and exploration.

The Company's cash and cash equivalents, including the restricted cash balance as at September 30, 2017 was $16.31 million, an increase of $2.61 million from the balance held at June 30, 2017 of $13.70 million. For the quarter, cash in the amount of $1.97 million was provided from operations (Q1 fiscal 2017: $2.12 million spent on operations); $3.00 million of cash was provided from financing activities (Q1 fiscal 2017: $0.06 million spent on financing activities); and $2.37 million of cash was spent on investing activities for exploration and development costs, property, plant and equipment acquisitions and construction (Q1 fiscal 2017: $2.76 million).

The cash received from financing activities for the quarter consisted of deferred revenue.

During the quarter, cash investment in exploration and evaluation activities totalled $0.42 million compared to $1.48 million in the corresponding period last year, cash of $0.15 million (Q1 fiscal 2017: $0.39 million) cash was used for the Selinsing Gold Portfolio in Malaysia, $0.24 million (Q1 fiscal 2017: $0.99 million) was used for the Murchison Gold Portfolio in Australia and $0.03 million (Q1 fiscal

2017: $0.10 million) was used for care and maintenance for the Mengapur Polymetallic Portfolio. At Selinsing, exploration and evaluation work focused on a grade control drilling program at Peranggih North in an area planned for fiscal 2018 trial mining. At Murchison, work towards a PEA continued with review of the existing NOA 2, NOA 1 and NOA North (NOA 7_8, NOA 6 and NOA 4) internal Resource model, extension on the study on additional oxide open pit target opportunities for the Burnakura Project for early stage production and continued investigating NOA 2 and NOA 7_8 underground potential.

During the quarter, cash expenditure on property, plant and equipment ("PPE") was $1.95 million, compared to $1.28 million in the same period last year. The main PPE expenditures in the quarter were $1.47 million for the acquisition of mining leases at Felda Block 7, $0.38 million on tailings storage facility upgrades and $0.19 million on the Sulphide Project for Selinsing in Malaysia and $0.05 million (Q1 fiscal 2017: $0.58 million) on the Burnakura early stage production development in Australia.

As at September 30, 2017, the Company had positive working capital of $25.03 million compared to $24.45 million as at June 30, 2017. The increase of $0.59 million was the result of cash received from deferred revenue and generated from operations, offset by investing activities carried out by the Company to expand its mineral base and pipeline of mineral property projects. Working capital at September 30, 2017 includes restricted cash of $9.64 million (June 30, 2017: $9.64 million) comprised of $9.44 million (June 30, 2017: $9.44 million) set aside in a custodian bank account pursuant to a Shah Alam High Court Order, issued in relation to the litigation "SMSB vs Monument", and $0.20 million ((June 30, 2017: $0.20 million) issued in letter of credits for duties, power and certain equipment at Selinsing. Positive working capital at September 30, 2017, net of restricted cash was $15.39 million (June 30, 2017: $14.81 million).

5. CAPITAL RESOURCES

The Company's capital resources as at September 30, 2017 included cash and cash equivalents. The Company's primary sources of funding are cash flow generated from the sale of gold, debt, equity financing through the issuance of stock, and other financial arrangements that can be reasonably considered and available to provide financial resources to the Company. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital asset upgrades and working capital.

Figure 15: Commitment and Contingencies (000's)

	2018	2019	2020	2021	2022	Total
	$	$	$	$	$	$
Operating leases	93	114	118	123	119	567
Mineral property obligations	834	1,047	782	1,246	802	4,711
Purchase commitments	979	-	-	-	-	979
Total	**1,906**	**1,161**	**900**	**1,369**	**921**	**6,257**

Operating leases relate to premises leases. Purchase commitments are mainly for Selinsing mine operations in Malaysia and mineral property obligations are mainly for the Murchison Gold Portfolio in Western Australia.

Commitments relating to mineral property obligations are included in exploration and evaluation expenditure. This expenditure is required to keep tenements in good standing with relevant government authorities.

6. OFF BALANCE SHEET ARRANGEMENTS

None.

7. TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include key management, who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly: five directors (executive and non-executive), the Chief Executive Officer ("CEO"), the Chief Financial Officer and the Vice President of Business Development who directly reports to the CEO.
The remuneration of the key management of the Company as defined above including salaries, director fees and stock-based compensation is as follows:

Figure 16: Key management compensation (000's)

	Three months ended	
	September 30, 2017	September 30, 2016
Salaries	262	252
Directors' fees	36	56
Share-based payments	61	-
Total compensation	**359**	**308**

Amounts due to related parties were $0.04 million as at September 30, 2017 (September 30, 2016: $0.06 million) relating to director fees. The directors' fees are paid on a quarterly basis. The unpaid amounts due to directors are recorded against accrued liabilities, unsecured and bear no interest.

8. SUBSEQUENT EVENTS

None.

9. CRITICAL ACCOUNTING ESTIMATES

Refer to note 3 of the consolidated financial statements as at June 30, 2017. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions that affect the amounts reported. Significant estimates and areas where judgment is applied include: purchase price allocation and valuation of deferred consideration assets, ore reserves and mineral resource estimates, depreciation and amortization and determination of useful lives, inventory valuation, exploration and evaluation expenditures, impairment of non-current assets, provision for reclamation and remediation obligations, deferred taxes, share-based payments, derivative assets and liabilities, determination of commencement of commercial production, title to mineral properties, realization of assets, functional currency, business combinations and own use contracts. Actual results could differ from the Company's use of estimates and judgements.

10. CHANGES IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

Refer to note 3 of the unaudited condensed consolidated interim financial statements as at September 30, 2017.

11. FINANCIAL INSTRUMENTS – RISK EXPOSURE AND OTHER INSTRUMENTS

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents, restricted cash and trade and other receivables, and other financial liabilities (accounts payable and accrued liabilities). Refer to the consolidated financial statements as at September 30, 2017 for the details of the financial statement classification and amounts of income, expenses, gains and losses associated with the relevant instruments. Details provided include a discussion of the significant assumptions made in determining the fair value of financial instruments. The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk, and liquidity risk as outlined below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: foreign currency risk, price risk and interest rate risk. The Company mitigates market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Foreign Currency risk

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

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

Based on the above net exposures as at September 30, 2017 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 $0.20 million (June 30, 2017: $0.15 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 $0.10 (June 30, 2017: $nil) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately $0.02 (June 30, 2017: $nil) in net income.

Figure 17: Monthly USD to CAD Exchange Rates

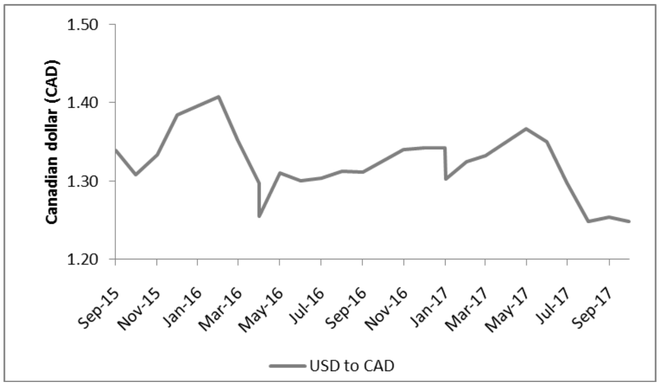
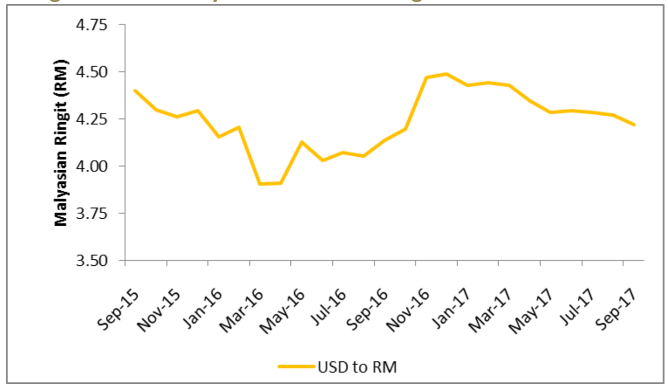


Figure 18: Monthly USD to RM Exchange Rates



Commodity price risk

For the quarter, the Company's revenues and cash flows were impacted by gold prices in the range of $1,211 to $1,346 per ounce (Q1 fiscal 2017: $1,308 to $1,366 per ounce) based on London Fix PM prices. The Company has not hedged its exposure to commodity price fluctuations.

Interest rate risk

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

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

Credit risk

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents. As at September 30, 2017, the maximum exposure to credit risk is the carrying amounts with $9.82 million (June 30, 2017: $10.06 million) held with a Malaysian financial institution, $0.26 million with an Australian financial institution (June 30, 2017: $0.11 million) and $6.22 million (June 30, 2017: $3.52 million) held with a Canadian financial institution. 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.

(in United States dollars, except where noted)

12. OUTSTANDING SHARE DATA

The following details the share capital structure as at November 29, 2017, the date of this MD&A (Figure 19).

Figure 19: Share capital structure

Common shares (1)	Quantity
Issued and outstanding	322,718,030

Restricted share units	Quantity
	21,043,666

Stock options	Exercise Price	Expiry date	Quantity
	CAD$0.33	04-Sep-18	200,000

(1) 7,000,000 common shares are held in escrow in relation to the Intec Transaction. The terms of escrow period has been extended to January 18, 2022.

13. RISKS AND UNCERTAINTIES

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

Whether a mineral deposit, if ever discovered, will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure together with the impact on mine-ability and recoverability, as well as metal prices which are highly cyclical. Government regulations are also a significant factor including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company has gold production at its Selinsing gold mine. The profitability of the production is dependent on various factors that may not be controllable by the Company.

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

Litigation

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

Title to mineral property interests

Although the Company has taken steps to verify the title to its mineral property interests, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to administrative delays common in Malaysia, unregistered prior agreements or transfers and title may be affected by undetected defect or litigation.

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

Realization of assets

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

Reserves and resource estimates

There is a degree of uncertainty attributable to the estimation of Reserves and Resources and the corresponding grades. Reserve and Resource estimates are dependent partially on statistical information drawn from drilling, sampling and other data. Reserve and Resource figures set forth by the Company are estimates, and there is no certainty that the mineral deposits would yield the production of metals indicated by Reserve and Resource estimates. Declines in the market price for metals may adversely affect the economics of a deposit and may require the Company to reduce its estimates. Changes in gold recovery rates during milling and especially the impact of the Intec Technology on treatment of gold sulphides may also adversely affect the viability of reserves and resources.

Profitability from production

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

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

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

Environmental

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

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

Additional funding for mineral property pipelines

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

Foreign operations

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

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

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

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

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

14. NON-GAAP PERFORMANCE MEASURES

Cash cost per ounce sold

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

15. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

CAUTION ON FORWARD LOOKING STATMENTS

All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion and Analysis, but not limited to, any information as to the future financial or operating performance of Monument, constitute ''forward-looking information'' within the meaning of Canadian securities legislation and ''forward-looking statements'' within the meaning of the United States Private Securities Litigation Reform Act of 1995 (referred to herein as "forward-looking statements"). These statements are based on expectations, estimates and projections as of the date of this Management's Discussion and Analysis. Forward-looking statements include, without limitation, statements with respect to: possible events; estimates of construction, commissioning and production of the gold treatment plant at Selinsing Gold Mine Project; exploration results and budgets; mineral reserve and resource estimates; capital expenditures; strategic plans; proposed financing transactions; the timing and amount of estimated future production; costs of production; mine life; success of exploration, development and mining activities; permitting timelines; estimates of fair value of financial instruments; currency fluctuations; requirements for additional capital; government regulation and permitting of mining operations and development projects; environmental risks; unanticipated reclamation expenses; litigation, title disputes or other claims; and limitations on insurance coverage. The words ''plans'', ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''guidance'', ''targets'', ''models'', ''intends'', ''anticipates'', or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', ''should'', ''might'', or ''will be taken'', ''occur'' or ''be achieved'' and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Monument as of the date of such statements, are inherently subject to significant business, political, economic and competitive uncertainties and contingencies. The estimates and assumptions of Monument contained or incorporated by reference in this Management's Discussion and Analysis, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Malaysia (including, without limitation, land acquisitions for and permitting and construction of new tailings facilities) being consistent with our current expectations; (3) development of the Phase IV plant expansion on a basis consistent with Monument' current expectations; (4) the viability, permitting and exploration of Mengapur project being consistent with Monument' current expectations; (5) political developments in Malaysian jurisdiction in which the Company operates being consistent with its current expectations;(6) the exchange rate between the Canadian dollar, Malaysian ringgit, Australian dollar and the U.S. dollar being approximately consistent with current levels; (7) certain price assumptions for gold;(8) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels;(9) production and cost of sales forecasts for Selinsing operations meeting expectations; (10) the accuracy of current mineral reserve and mineral resource estimates for the Company and any entity in which it now or hereafter directly or indirectly holds an interest; (11) labour and materials costs increasing on a basis consistent with Monument's current expectations; (12) outcomes and costs of ongoing litigation. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates that could impact the mark-to-market value of outstanding derivative instruments; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-

to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Malaysia, Australia or other countries in which the Company conducts business or may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and expected costs, developments and outcomes of ongoing litigation and other contests over title to properties,. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect, and could cause, Monument's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Monument. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this Management's Discussion and Analysis are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ''Risk Factors'' section. These factors are not intended to represent a complete list of the factors that could affect Monument. Monument disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Other information

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