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News Release

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## Monument Reports Second Quarter Fiscal 2017 Results Gross Revenue of \$4.64 Million and Cash Cost of US\$840/Oz

Vancouver, B.C., March 01, 2017, Monument Mining Limited (TSX-V: MMY and FSE: D7Q1) “Monument” or the “Company” today announced its second quarter production and financial results for the three and six months ended December 31, 2016. All amounts are in United States dollars unless otherwise indicated (refer to [www.sedar.com](http://www.sedar.com) for full financial results).

President and CEO Robert Baldock commented on second quarter fiscal 2017 financial results: “The Company continued to focus on the near-term corporate objectives. At Selinsing, we completed the Prefeasibility Study, plan for construction of a Phase IV Sulphide circuit and exploration programs to increase sulphide gold inventory. At Murchison, we continue to implement the early stage production plan and have transported the crushing circuit equipment to the mine site in preparation for assembly.”

### Second Quarter Highlights:

- 3,841oz of gold sold for gross revenue of \$4.64 million (Q2 fiscal 2016: 5,100oz sold for \$5.68 million);
- 2,888oz of gold produced (Q2 fiscal 2016: 5,050oz);
- Cash generated from operating activities of \$1.55 million (Q2 fiscal 2016: \$0.81 million);
- Cash cost per ounce (“oz”) of \$840/oz (Q2 fiscal 2016: \$639/oz);
- Ore processed 206,597 tonnes (Q2 fiscal 2016: 254,413 million tonnes);
- Completed the NI 43-101 Technical Report on Prefeasibility Study at Selinsing/Buffalo Reef Project;
- Initiated a stock reclaim campaign to process higher grade leachable sulphide ore;
- Independent test review continued in parallel with in-house optimization for sulphide treatment at Selinsing; and
- The long lead equipment refurbished for Burnakura gold processing plant arrived at the site ready for installation.

### Second Quarter Production and Financial Highlights

	Three months ended December 31,		Six months ended December 31,	
	2016	2015	2016	2015
<u>Production</u>				
Ore mined (tonnes)	18,205	96,602	80,086	201,929
Ore processed (tonnes)	206,597	254,413	437,596	486,531
Average mill feed grade (g/t)	1.12	0.83	0.83	0.89
Processing recovery rate (%)	62.33%	63.50%	59.31%	70.42%
Gold recovery (oz)	4,634	4,320	6,887	9,852
Gold production <sup>(1)</sup> (oz)	2,888	5,050	6,179	10,113
Gold sold (oz)	3,841	5,100	6,191	15,100
<u>Financial (in thousands of US dollars)</u>	\$	\$	\$	\$
Revenue	4,637	5,681	7,779	14,010
Net income (Net loss) before other items	(890)	644	(1,714)	2,213
Net loss	(65)	(4,584)	(1,507)	(4,468)
Cash flows from/(used in) operations	1,553	814	(559)	81
Working capital	27,790	27,586	27,790	27,586
EPS (loss) before other items – basic (US\$/share)	(0.00)	0.00	(0.01)	0.01
EPS (loss) – basic (US\$/share)	(0.00)	(0.01)	(0.00)	(0.01)

	Three months ended December 31,		Six months ended December 31,	
	2016	2015	2016	2015
Other	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Average realized gold price per ounce sold <sup>(2)</sup>	1,207	1,114	1,256	1,130
<u>Cash cost per ounce</u> <sup>(3)</sup>				
Mining	145	94	164	92
Processing	625	483	660	392
Royalties	68	59	67	40
Operations, net of silver recovery	2	3	3	2
<b>Total cash cost per ounce</b>	<b>840</b>	<b>639</b>	<b>894</b>	<b>526</b>

(1) Defined as good delivery gold bullion according to London Bullion Market Association ("LBMA"), net of gold doré in transit and refinery adjustment

(2) Monument realized US\$/oz for the six months ended December 31, 2015 excludes gold forward sales.

(3) Total cash cost 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, capital costs, exploration costs and corporate administration costs.

## Production Results

Part of the sulphide material at Buffalo Reef was shown to be leachable by a metallurgical testwork program, which together with the leach tank alteration and recovery of gold locked in circuit, has increased gold recovery. During the second quarter, gold recovery increased by 7% to 4,634oz from 4,320oz in the corresponding period last year and average ore head grade increased by 35% to 1.12g/t Au from 0.83g/t Au in the corresponding period last year.

Gold production for the second quarter, net of gold doré in transit and refinery adjustment, was 2,888oz (defined as good delivery gold bullion according to the London Bullion Market Association), a 43% decrease compared to 5,050oz in the corresponding period of the previous year.

## Financial Results and Discussion

For the three months ended December 31, 2016, gold sales generated \$4.64 million compared to \$5.68 million in the corresponding period last year. The revenue comprised of 3,841oz of gold sold (Q2 fiscal 2016: 5,100oz) from production at an average realized gold price of \$1,207 per ounce (Q2 fiscal 2016: \$1,114 per ounce) for the quarter. The average London Fix PM gold price was \$1,200 per ounce for the quarter compared to \$1,106 per ounce for the corresponding period last year.

For the six months ended December 31, 2016, gold sales generated \$7.78 million compared to \$14.01 million, of which \$11.42 million from production and \$2.59 million from the settlement of a gold forward sale, in the corresponding period last year. The revenue comprised of 6,191oz of gold sold from production at an average realized gold price of \$1,256 per ounce (Six months ended December 31, 2015: 10,100oz at an average realized gold price of \$1,130 per ounce). The average London Fix PM gold price was \$1,252 per ounce for the six months ended December 31, 2016 compared to \$1,129 per ounce for the corresponding period last year.

For the three months ended December 31, 2016, total production costs increased by 11% to \$4.60 million, compared to \$4.15 million in the same period last year. The increase in cost was mainly attributed to depreciation that increased to \$1.33 million for the second quarter from \$0.85 million in the same period last year, offset by the lower amount of gold sold of 3,841oz compared to 5,100oz in the same period last year. For the six months ended December 31, 2016 total production costs decreased by 23% to \$7.84 million, compared to \$10.14 million in the same period last year. The decrease in cost was mainly attributed to the lower amount of gold sold of 6,191oz compared to 15,100oz in the same period last year.

For the three months ended December 31, 2016, income from mining operations was \$0.04 million compared to \$1.54 million in the same period last year and corporate expenditure for the quarter of \$0.93 million (Q2 fiscal 2016: \$0.89 million) was 4% higher compared to the same period last year. Net loss for the quarter was \$0.07 million, or \$(0.00) per share (basic) compared to \$4.58 million or \$(0.01) per share (basic) in the same period last year. For the six months ended December 31, 2016, loss from mining operations was \$0.06 million compared to income of \$3.87 million in the same period last year and corporate expenditure of \$1.66 million was unchanged compared to the same period last year. Net loss for the six months ended December 31, 2016 was \$1.51 million, or \$(0.00) per share (basic) compared to \$4.47 million or \$(0.01) per share (basic) in the same period last year.

As at December 31, 2016, the Company had positive working capital of \$27.79 million compared to \$28.34 million as at June 30, 2016, a decrease of \$0.55 million. The Company's cash and cash equivalents, including the restricted cash balance as at

December 31, 2016 was \$15.35 million compared to the balance held at June 30, 2016 of \$20.91 million, a decrease of \$5.56 million. The decrease was partially due to development that increased the value in the Company's two gold portfolios, Selinsing in Malaysia and Murchison in Western Australia.

The Company's development focused on improvement of the Selinsing gold processing plant to lift gold production, completion of the prefeasibility study to increase life of mine of the Selinsing Gold Mine, and development of early stage production for additional cash generation at Murchison. For the six months ended December 31, 2016, a total of \$4.89 million (Six months ended December 31, 2015: \$5.59 million) was spent on these programs, comprised of \$2.34 million (Six months ended December 31, 2015: \$2.37 million) at Selinsing, \$2.36 million (Six months ended December 31, 2015: \$2.80 million) at Murchison, and \$0.18 million (Six months ended December 31, 2015: \$0.41 million) was spent on care and maintenance at Mengapur.

## **Development**

### *Selinsing Gold Mine*

During the second quarter a prefeasibility study was completed resulting in the "NI 43-101 Technical Report-Selinsing Gold Mine and Buffalo Reef Project" (the "2016 PFS") (Snowden), filed December 14, 2016 on Sedar ([www.sedar.com](http://www.sedar.com)). The 2016 PFS describes Proven and Probable Mineral Reserves at the Selinsing gold mine, including the adjacent Buffalo Reef and Felda deposit in Pahang State, Malaysia. A total Mineral Reserve of 279 koz of gold from 6,217 kt of ore at a grade of 1.40 g/t Au is reported, including 60 koz of gold from 2,736 kt of oxide ore at a grade of 0.68 g/t Au, which will support the Company's next 18 to 24 months production in transition period. Sulphide ore will be processed primarily through an additional biological pre-treatment circuit planned to be added to the existing plant. Once successfully designed, constructed and commissioned the planned upgraded plant will enable the Company to continue gold production at Selinsing for an additional estimated five years through to 2023 without any further ore discovery, as demonstrated by the 2016 PFS.

According to the 2016 PFS, a Phase IV plant expansion is required to process refractory sulfide material through a flotation-bioleach sulphide treatment process for a capital cost of \$39.50 million based on Monument's estimated EPCM (Engineering, Procurement, Construction and Management) expenditure and "Selinsing Phase IV PFS Capex and Opex Revision" recently prepared by Lycopodium. The plant expansion investment expects to provide a \$23.10 million NPV, and 34.8% rate of return.

Additional testwork to further optimize bioleach sulphide treatment recoveries has been commenced in parallel with completing Intec and acid leaching alternatives at its wholly owned Selinsing Gold Mine in Malaysia. Further exploration work is planned down the road in parallel with sulphide project development to increase sulphide resources since the mineralization structure is open in all directions.

### *Burnakura Project*

The Company made the decision to put the Burnakura Project into early stage production based on its internal economic study of the project and a "Proposal for Front End Engineering Design" for the planned Burnakura heap leach/CIL production with capital expenditures and operating expenditures prepared by Como Engineers Pty Ltd. During the quarter, the internal economic study including the mine plan, engineering works and economic analysis has been sent to independent consultants for due diligence review for funding purpose; and additional metallurgical testwork and detailed mine delivery schedules for certain deposits were completed to mitigate the construction and operation risks, aiming to lift a level of confidence to achieve targeted economic viability. The internal economic assessment shows that the life of mine of the early stage production could be potentially extended.

The off-site engineering design, refurbishment and procurement work has been completed on long lead items including the purchase of a new TRIO CT2436 jaw crusher to replace the existing crusher on site, new and refurbished feed /discharge conveyors together with supporting steel works, self-cleaning magnet, triple deck screen and refurbished secondary Symons 51 cone crusher and a fully integrated MCC for plant control. The first delivery to the Burnakura mine site from Como Engineers was transported in December 2016. This crushing circuit was unloaded at Burnakura and ready for assembly and installation at the mine site subject to completion of funding arrangements. The Heap Leach plant equipment including stackers and agglomerator are now stored adjacent to the proposed heap pad subsequent to the second quarter. A site inspection was completed with Como Engineers and a detailed proposal for primary secondary and tertiary crushing circuit, together with CIL feed plan and CIL recommissioning plan was proposed and a construction schedule was developed for implementation.

Other mine development activities include completion of a power strategy assessment, building the site power model and pit dewatering has been assessed for early stage production. Since August 2016, ongoing pre-construction site development activities have taken place at the Burnakura mine site including, preparing the light vehicle and processing workshop ready for construction activities in 2017. Preparing the store area for cataloguing and receipt of first fill inventory for the project and preparing the gensets for mobilizing off-site together with preparing the 3KVa transformer for repair were completed in the quarter.

The Amended Environmental Protection License for Crushing, Heap Leach and Dewatering was received during the quarter with approval from the Department of Environmental Regulation (“DER”) for the operation of the proposed 0.50 million tonne per annum Heap Leach Facility. The Mining Proposal was submitted in December 2016 and the Mine Closure Plan was submitted subsequent to second quarter, this will complete all DER licensing requirements for operational readiness.

## **Exploration**

### Malaysia

The second quarter exploration program focused on confirmation and infill drilling at Selinsing Pit IV, metallurgical drilling at Buffalo Reef South (“BRS”), designing an oxide trenching and drilling program at Peranggih deposit, and the geo-metallurgical program aimed to define leachable mining blocks to improve mining and plant production by selecting drill hole samples within the life of mine oxide pits, starting with Buffalo Reef North (“BRN”) and progressing south.

During the quarter, analysis results were received for 19 geo-metallurgical samples from the Buffalo Reef Central (“BRC”) area and are being used for modelling. Composited geo-metallurgical sample analysis results were received for 28 geo-metallurgical samples from Peranggih drill core, which will be used to define leachable (oxide) zone levels and design a drilling and trenching program for the third quarter. An additional 43 geo-metallurgical samples from BRS were submitted to the Selinsing in-house laboratory for analysis. The geo-metallurgical modelling for BRN was completed along with a methodology report. The delineation of seven blocks with an estimated 1,660oz of leachable gold encourages confirmation work with the mining grade control and plant departments.

Resource definition drilling at Selinsing Pit IV produced 442 core samples that were submitted for assays and analysis. Metallurgical drilling at BRS produced 68 samples which were submitted for assays and testwork analysis.

### Western Australia

The second quarter exploration concluded the 2016 infill and extension drilling programs, consolidating sampling and assay work information, collar and down-hole survey, rehabilitation and completion of NOA North Resource modeling. NOA2 Resource modelling has been completed subsequent to the quarter. These drill programs were aimed to increase the ounces for additional ore to be included in the early stage of the Burnakura Operation production.

The study of the available information and completed resource modeling update has shown positive indications for the increase of mineralized volume and gold grade/ounces for a good part of NOA7\_8. It has also enhanced the strong potential for the continuity of deep mineralization in the central and north portions of NOA7\_8 deposit. A deep drilling program at the NOA7\_8 deposit 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 supporting the exploration strategy for a deeper drill program south of NOA7\_8. The program was scheduled to start in the second quarter of fiscal 2017, however is postponed subject to funding.

## **Acquisitions**

The Company has secured some acquisition opportunities in Democratic Republic of Congo (“DRC”) subsequent to the second quarter, including entering into an “*Exclusive Option Agreement*” with Panex Resources Inc. (“Panex”) to acquire, at its discretion, Panex's 51% controlling interest in the Matala Gold Project; and signing a Memorandum of Understanding (the “MOU”) with Klaus Eckhof and Mines D'OR SARL to acquire a 60% interest in Bisie North Tin and Gold Prospect (“Bisie North”), subject to certain conditions including completion of due diligence and a definitive agreement, and obtaining the Board and TSX-V approvals. The Company continues to evaluate those opportunities.

## About Monument

Monument Mining Limited (TSX-V:MMY, FSE:D7Q1) is an established Canadian gold producer that owns and operates the Selinsing Gold Mine in Malaysia. Its experienced management team is committed to growth and is advancing several exploration and development projects including the Mengapur Polymetallic Project, in Pahang State of Malaysia, and the Murchison Gold Projects comprising Burnakura, Gabanintha and Tuckanarra in the Murchison area of Western Australia. The Company employs approximately 190 people in both regions and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities. The Company has also been looking in other countries seeking potential opportunities for larger resources, including the Democratic Republic of the Congo ("DRC").

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