CONSOLIDATED FINANCIAL STATEMENTS OF

MONUMENT MINING LIMITED

(Expressed in thousands of United States dollars)

For the years ended June 30, 2014 and 2013

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Monument Mining Limited have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The financial information contained in the Management Discussion and Analysis has been reviewed to ensure consistency with the consolidated financial statements.

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

The Audit Committee of the Board of Directors has approved the consolidated financial statements.

The external auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits, the adequacy of the system of internal controls and review financial reporting issues. The consolidated financial statements have been audited by Grant Thornton LLP, the independent public accounting firm, in accordance with Canadian Auditing Standards.

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

Vancouver, British Columbia
September 29, 2014

Independent Auditor's Report

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To the Shareholders of
Monument Mining Limited

We have audited the accompanying consolidated financial statements of Monument Mining Limited, which comprise the consolidated statements of financial position as at June 30 2014 and 2013 and the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Monument Mining Limited as at June 30, 2014 and 2013 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Vancouver, Canada
September 29, 2014

Chartered Accountants

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MONUMENT MINING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the years ended June 30, 2014 and 2013
(in thousands of United States dollars)

	Notes	June 30, 2014	June 30, 2013
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	4	24,734	41,933
Trade and other receivables	5	1,287	464
Prepaid expenses and deposits		609	1,100
Inventories	6	16,541	24,259
Loan receivable	7	-	6,600
Total current assets		**43,171**	**74,356**
Non-current assets			
Inventories	6	5,304	3,390
Property, plant and equipment	8	40,644	37,618
Exploration and evaluation	9	161,346	127,189
Total non-current assets		**207,294**	**168,197**
Total assets		**250,465**	**242,553**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	12	5,864	11,975
Finance lease obligations	13	259	15
Share repurchase obligation	14	-	951
Total current liabilities		**6,123**	**12,941**
Non-current liabilities			
Finance lease obligations	13	452	-
Gold forward sale contract	15	2,593	2,593
Derivative liabilities	16	95	822
Asset retirement obligations	17	11,536	5,324
Deferred tax liabilities	18	2,047	1,279
Total non-current liabilities		**16,723**	**10,018**
Total liabilities		**22,846**	**22,959**
Equity			
Share capital	20	115,895	108,637
Capital reserves – warrants	21	2,612	2,612
Capital reserves – options	21	10,291	6,893
Retained earnings		98,821	101,452
Total equity		**227,619**	**219,594**
Total liabilities and equity		**250,465**	**242,553**
Subsequent events	31		

Approved on behalf of the Board:

"Robert Baldock"	"Gerald Ruth"
Robert Baldock, Director	Gerald Ruth, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended June 30, 2014 and 2013
(in thousands of United States dollars, except share and per share amounts)

	Notes	June 30, 2014	June 30, 2013
		$	$
Mining operations			
Revenue		48,583	91,276
Production costs	22	(32,302)	(33,778)
Income from mining operations		**16,281**	**57,498**
Corporate expenses	23	(9,400)	(9,206)
Income before other items		**6,881**	**48,292**
Other income/(loss)			
Interest income		892	775
Change in fair value of gold forward purchase agreement	7	-	497
Accretion expense on convertible notes	14	-	(662)
Loss on retirement of convertible notes	14	-	(6,964)
Gain/(loss) on share repurchase obligation	14	453	(279)
Gain due to changes in fair value of derivative liabilities	16	727	522
Settlement payments	24	(2,696)	(4,343)
Foreign currency exchange loss		(1,550)	(892)
(Loss)/gain on disposal of assets		(97)	257
Impairment loss	25	(6,460)	(3,838)
Loss from other items		**(8,731)**	**(14,927)**
(Loss)/income before income taxes		(1,850)	33,365
Income tax expense	18	(781)	(620)
Net (loss)/income		**(2,631)**	**32,745**
Net income/(loss)			
- Attributable to non-controlling interests	19	-	(93)
- Attributable to common shareholders		(2,631)	32,838
Total comprehensive (loss)/income		**(2,631)**	**32,745**
(Loss)/earnings per share			
- Basic	26	$ (0.01)	$ 0.14
- Diluted	26	$ (0.01)	$ 0.14
Weighted average number of common shares			
- Basic	26	285,003,619	232,459,605
- Diluted	26	285,003,619	246,245,339

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended June 30, 2014 and 2013
(in thousands of United States dollars)

	Notes	Common shares	Capital reserve - warrants	Capital reserve - options	Retained earnings	Total	Non-controlling interest	Total equity
		$	$	$	$	$	$	$
Opening Balance: June 30, 2012		**68,695**	**2,612**	**6,400**	**68,614**	**146,321**	**24,186**	**170,507**
Private placements		19,864	-	-	-	**19,864**	-	**19,864**
Exercise of convertible units		7,951	-	-	-	**7,951**	-	**7,951**
Share repurchase obligation		(709)	-	-	-	**(709)**	-	**(709)**
Warrants exercised	20	11,928	-	-	-	**11,928**	-	**11,928**
Stock options exercised	21	908	-	(323)	-	**585**	-	**585**
Share-based compensation	21	-	-	816	-	**816**	-	**816**
Net income for the year		-	-	-	32,838	**32,838**	(93)	**32,745**
Transferred during the year		-	-	-	-	**-**	(24,093)	**(24,093)**
Closing Balance: June 30, 2013		**108,637**	**2,612**	**6,893**	**101,452**	**219,594**	**-**	**219,594**
Opening Balance: June 30, 2013		**108,637**	**2,612**	**6,893**	**101,452**	**219,594**	**-**	**219,594**
Common shares issued	20	7,230				**7,230**		**7,230**
Share issue costs	20	(29)	-	-	-	**(29)**	-	**(29)**
Stock options exercised	21	57	-	(21)	-	**36**	-	**36**
Share-based compensation	21	-	-	3,419	-	**3,419**	-	**3,419**
Net loss for the year		-	-	-	(2,631)	**(2,631)**	-	**(2,631)**
Closing Balance: June 30, 2014		**115,895**	**2,612**	**10,291**	**98,821**	**227,619**	**-**	**227,619**

MONUMENT MINING LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2014 and 2013
(in thousands of United States dollars)

	Notes	June 30, 2014 $	June 30, 2013 $
Operating activities			
Net (loss)/income for the year		(2,631)	32,745
Adjustments to reconcile profit to net cash provided from operating activities:			
Depreciation, depletion and amortization		9,221	10,617
Loss/(gain) on disposal of assets		97	(257)
Accretion expense on asset retirement obligations		133	97
Share-based compensation		3,401	487
Accretion expense on convertible notes		-	662
Change in fair value of gold forward purchase agreement	7	-	(497)
Loss on retirement of convertible notes	14	-	6,964
(Gain)/loss on fair value of share repurchase obligation	14	(453)	279
Gain due to changes in fair value of derivative liabilities	17	(727)	(522)
Deferred income tax provision		779	618
Foreign exchange loss		341	301
Impairment loss	25	6,460	3,838
Cash provided from operating activities before change in working capital items		**16,621**	**55,332**
Change in non-cash working capital items:			
Trade and other receivables		(822)	2
Prepaid expenses and deposits		491	(441)
Inventories		2,064	(2,980)
Accounts payable and accrued liabilities		(1,851)	1,392
Restricted cash		-	1,449
Cash provided from operating activities		**16,503**	**54,754**
Financing activities			
Cash for issuance of shares	20	-	20,173
Share issue costs on acquisition	20	(29)	-
Proceeds from exercise of stock options and warrants	20	36	12,513
Early retirement of convertible notes	14	-	(6,454)
Buyout of gold inducement	14	-	(6,007)
Payment for share repurchase obligation	14	(3,203)	-
Payment of finance lease obligations	13	(107)	(16)
Cash (used in)/provided from financing activities		**(3,303)**	**20,209**
Investing activities			
Expenditures on mineral properties, net of recoveries		(21,619)	(49,008)
Expenditures on plant and equipment		(8,780)	(3,437)
Funds held in escrow		-	21
Reclamation of asset retirement obligations	17	-	(6)
Cash used in investing activities		**(30,399)**	**(52,430)**
(Decrease)/increase in cash and cash equivalents		(17,199)	22,533
Cash and cash equivalents at the beginning of the period	4	41,933	19,400
Cash and cash equivalents at the end of the period	**4**	**24,734**	**41,933**
Cash and cash equivalents consist of:			
Cash		24,526	40,346
Restricted cash		208	1,587
		24,734	**41,933**

Supplemental Cash Flow Information (Note 29)

1. Corporate Information and Nature of Operations

Monument Mining Limited ("Monument" or "the Company") is a natural resource company incorporated and domiciled under the Canada Business Corporations Act, engaged in the acquisition, exploration, development and operation of gold and Polymetallic mineral property interests. Its primary activities include open pit mining and operation of a gold treatment plant at the 100% owned Selinsing Gold project ("Selinsing") and exploration and development on the 100% owned Buffalo Reef, Famehub, Star Destiny and Mengapur projects in Malaysia and the 100% owned Murchison Gold project ("Murchison") in Western Australia.

The head office, principal address and registered and records office of the Company are located at 1100 Melville Street, Suite 1580, Vancouver, British Columbia, Canada V6E 4A6. Its gold project operations, exploration and development activities are carried out in Malaysia and Australia through its wholly owned subsidiaries.

The consolidated financial statements of the Company for the financial year ended June 30, 2014 comprising the Company and its subsidiaries were authorized for issue in accordance with a resolution of the directors on September 29, 2014. These consolidated financial statements are presented in thousands of United States (US) dollars and all values are rounded to the nearest thousand dollar except per share amounts or where otherwise indicated. The Company is listed on the TSX Venture Exchange ("TSX-V: MMY").

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain derivatives, which are measured at fair value. A summary of significant accounting policies are presented in Note 3 and have been consistently applied in each of the periods presented. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these consolidated financial statements are presented in Note 3 (r).

3. Significant Accounting Policies

a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) as of June 30, 2014 from their respective date of acquisition. Control exists over an investee when the Company is exposed, or has rights, to variable returns from its investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

All intra-group balances and transactions are eliminated on consolidation, including unrealised gains and losses on transactions. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Company. The Company attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business combinations are accounted for using the acquisition method. The consideration transferred to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities assumed are recognized in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount is recognized in profit or loss immediately.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

The consolidated financial statements include the financial statements of Monument and the subsidiaries. The subsidiaries and percentage of ownership are listed in the following table:

		Interests holding as at	
Entity	Location	June 30, 2014	June 30, 2013
Polar Potential Sdn. Bhd.	Malaysia	100%	100%
Able Return Sdn. Bhd.	Malaysia	100%	100%
Selinsing Gold Mine Manager Sdn. Bhd.	Malaysia	100%	100%
Damar Consolidated Exploration Sdn. Bhd.	Malaysia	100%	100%
Famehub Venture Sdn. Bhd.	Malaysia	100%	100%
Monument Mengapur Sdn. Bhd.	Malaysia	100%	100%
Cermat Aman Sdn. Bhd.	Malaysia	100%	100%
Star Destiny Sdn. Bhd.	Malaysia	100%	100%
Primary Mining Sdn. Bhd.	Malaysia	100%	100%
Monument Mining BC Ltd.	Canada	100%	-
Monument Australia Pty Ltd.	Australia	100%	-
Monument Murchison Pty Ltd.	Australia	100%	-
Monument Gold Operations Pty Ltd.	Australia	100%	-

b) Foreign currencies

The Company's consolidated financial statements are presented in US dollars which is also the functional currency of the parent company and all of its subsidiaries.

Foreign currency transactions for the Company's subsidiaries are translated into the functional currency using the exchange rate at the dates of the transactions or the prevailing average rates during the transaction periods. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated at the historical rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The exchange differences on translation of these foreign operations are recognized in profit or loss as foreign exchange gains or losses.

c) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and the initial estimation of asset retirement obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The amortization begins when the asset is available for use. Maintenance costs are expensed as incurred.

Mineral properties in production are amortized on a unit-of-production ("UOP") basis over the economically recoverable reserves of the estimated life of mine. Gold processing plant is amortized on a UOP basis over the total tonnages of mill feed over the estimated life of mine. Amortization of various components of the gold processing plant and other capital assets are calculated on a straight-line basis over the assets' estimated useful lives over the following periods:

Buildings	10 years
Machinery, heavy equipment and components of plant	2 – 20 years
Administrative furniture and equipment	10 years
Computers	2-5 years
Vehicles (including vehicles under finance lease)	5 years

Amortization expenses from production property and plant are inventoried; amortization from equipment used for exploration is capitalized under associated exploration and evaluation mineral properties; amortization from administrative capital assets is charged against operations.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property, plant and equipment items and any changes arising from the assessment are applied by the Company prospectively.

d) Mineral properties

Mineral property and development costs represent capitalized expenditures related to the acquisition, exploration and development of mineral properties and related equipment. Mineral property interest acquisition costs include the cash consideration, option payment under an earn-in arrangement, the fair value of common shares issued for mineral property interests and the fair value of warrants issued determined using the Black-Scholes option pricing model.

Exploration and evaluation expenditures

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred unless management concludes that a future economic benefit is more likely than not to be realized.

Exploration and evaluation expenditure relates to the initial acquisition costs of mineral properties and costs incurred for investigation and evaluation of potential mineral reserves and resources, including trenching, exploratory drilling, sampling, mapping and other activities in searching for ore bodies under the properties, and to evaluate the technical and commercial viability of developing mineral properties identified through exploration. Exploration and evaluation expenditures, net of any recoveries, are recorded on a property-by-property basis and deferred until the property is placed into production, sold or abandoned or determined to be impaired. These capitalized expenditures are reclassified to Property, Plant and Equipment once commercial viability of the project is established and amortized on a UOP basis over the estimated useful life of the property based on proven and probable reserves. The carrying values of capitalized amounts are reviewed annually, or when indicators of impairment are present.

Mine development expenditures

A mineral property is under the development stage once the development of the property becomes commercially and technically viable as a result of establishing proven and probable reserves. The costs incurred to design and engineer an open pit, to build access roads, camps and other infrastructure for mining, and to remove overburden and other mine waste materials in order to access the ore body at open pit operations ("stripping costs") prior to the commencement of mining operations are categorized as mine development expenditures. Development expenditures, net of proceeds from incidental sale of ore extracted during the development stage, are capitalized to the related property. The mine development expenditures are reclassified to Property, Plant and Equipment following commencement of commercial production, and are amortized on a UOP basis over the productive life of the mine based on proven and probable reserves and measured and indicated under circumstances.

Mine development costs incurred during production

During the production stage of a mine, the Company incurs some new infrastructure costs for future probable economic benefit, and stripping costs that provide access to sources of reserves that will be produced in future periods and would not otherwise have been accessible, which are capitalized to the cost of mineral property interests and amortized on a UOP basis over the reserves that directly benefit from the stripping activity.

e) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified at their inception as either operating or finance lease based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognized as an expense in profit or loss on a straight-line basis over the lease term. Contingent rentals are recognized as an expense when they are incurred.

Finance Leases

Leases which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded in profit or loss.

f) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash generating unit ("CGU") to which the asset belongs is determined. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal and its value in use. An impairment loss exists if the asset's or CGU's carrying amount exceeds the recoverable amount and is recorded as an expense immediately.

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or CGU in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimates of future cash flows have not been adjusted. Fair value less costs of disposal is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. For mining assets, when a binding sale agreement is not readily available, fair value less costs of disposal is estimated using a discounted cash flow approach. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources, operating and capital costs. All assumptions used are those that an independent market participant would consider appropriate.

Indicators of impairment and impairment of exploration and evaluation assets are assessed on a project-by-project basis or as part of the existing operation they relate to whenever facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized into profit immediately.

g) Asset retirement obligation (ARO)

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the corresponding assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The capitalized rehabilitation cost is depreciated on the same basis as the related asset of plant or mining property.

The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. The discounted liability is increased for the passage of time and adjusted for changes to the current discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. The periodic unwinding of the discount is recognized in profit or loss as a finance cost.

Additional disturbances or changes in rehabilitation cost will be recognized as additions or charges to the corresponding assets and asset retirement obligation when they occur.

h) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less.

i) Inventories

Inventories include supplies, stockpiled ore, work in progress and finished goods. Gold bullion and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling final product. Cost is determined by the weighted average method and comprises direct purchase costs and appropriate portion of fixed and variable overhead costs, including depreciation and amortization, incurred in converting materials into finished goods. Separately identifiable costs of conversion are specifically allocated.

Supplies inventory consists of consumables used in mining and processing operations and are valued at the lower of cost and net realizable value using the first-in-first-out method. Supplies used in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision.

Stockpiled ore represents ore that has been extracted from the mine that is ready for further processing. Stockpiled ore is measured by estimating the number of tonnes added and removed from the stockpile and is verified based on period surveys. Stockpiled ore is valued based on the current mining costs incurred up to the point of stockpiling the ore using the average cost method. Costs include mining, mine-site overhead and associated depreciation and depletion. Costs are removed from stockpiled ore and added to work in process inventory when stockpiled ore is crushed based on the average cost per tonne stockpiled.

Work in progress represents gold in the process of being converted to a salable product from crushed ore to gold dorè. Work in progress is recorded at average cost. Costs comprise mining and processing to produce gold dorè including costs of stockpiled ore crushed, crushing, leaching, smelting and associated depreciation and depletion. Costs are removed from work in process inventory as gold dorè is produced based on the average cost per contained recoverable ounce of gold.

Finished goods represent metal available for sale and are valued at the lower of average production cost and net realizable value. The cost of finished goods inventory includes the average cost of work in process inventories incurred prior to refining plus applicable refining costs.

Restricted inventory represents the gold bullion in escrowed metal account and is valued at the lower of average production cost and net realizable value.

j) Financial instruments

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents and trade and other receivables), financial assets at fair value through profit or loss (FVTPL) (derivative financial instruments), other financial liabilities (trade and other payable, share repurchase obligation) and the financial liabilities at fair value through profit or loss (FVTPL) (gold forward sale contract and derivative financial instruments).

Fair value of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Derivative Instruments - Foreign currency share purchase warrants

The share purchase warrants with an exercise price in Canadian dollars, which is different to the Company's functional currency (US dollars), are considered derivative instruments. The Company re-measures the fair value of foreign currency denominated share purchase warrants at each reporting date using the Black-Scholes option pricing model over the remaining life of the warrants and translates it into US dollars using the exchange rates at the reporting date. Adjustments to the fair value of the foreign currency share purchase warrants as at the reporting date are recorded in profit or loss.

Derivative Instruments - Gold inducement

The gold inducement contractual arrangement (the "gold inducement") with third parties to sell a fixed amount of gold ounces at the fixed price in US dollar or Canadian dollars during the contractual period at the discretion of the third parties is classified as a derivative instrument. The gold inducement derivative instrument includes the gold price derivative component and a foreign exchange derivative component. During the vesting period of the gold inducement, the gold price derivative component is measured at fair value based on a valuation model, under which the fair value is calculated based on the aggregated future cash flow derived by the forward price of gold, the foreign currency forward exchange rate and discounted at a risk free rate of return. Subsequent to the vesting period, the inducement is measured at fair value based on the spot gold market price (London Fix PM) at each reporting date as well as the foreign exchange rate at the reporting period.

Derivative Instruments – Hybrid instruments (Multiple conversion features)

On initial recognition, the Company allocates the proceeds between the debt and non-debt components based on their fair value. Transaction costs are allocated between the various components on a pro-rata basis.

Subsequent to initial recognition, the Company classifies the debt component as other financial liabilities measured at amortized cost using the effective interest method such that upon maturity, the debt balance recorded will equal the maturity value of the remaining outstanding debt. The corresponding transaction costs are recorded against the debt and are amortized over the term to maturity. The increase in the debt balance and amortization of related financing costs are reflected as interest and accretion expense in profit or loss.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that occurred since the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, the estimated recoverable amount of the financial asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

k) Taxes

Current tax

Current tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax

Deferred tax is recognized, using the balance sheet method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities or deferred tax assets that are probable of being realized are recognized for all taxable temporary differences, except:

- On initial recognition of goodwill;
- Where the deferred tax liability or asset arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is utilized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The Company recognizes neither the deferred tax asset regarding the temporary differences on the rehabilitation liability, nor the corresponding deferred tax liability regarding the temporary difference on the rehabilitation asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Royalties and revenue based taxes

Royalties and revenue based taxes are accounted for under IAS 12 when they have the characteristics of income tax. This is considered the case when they are imposed under government authority and the amount payable is based on taxable income – rather than based on quantity produced or as a percentage of revenue – after adjustment for temporary differences. Obligations arising from royalty arrangement that do not satisfy these criteria are recognized as current provision and included in production costs. The royalties payable by the Company are not considered meeting the criteria to be treated as part of income tax.

l) Share-based payments

The Company uses the fair value method for accounting for stock-based awards to employees (including directors). Under the fair value method, compensation expenses attributed to the direct award of stock options to employees are measured at the fair value at the grant date for each tranche using an option pricing model and are usually recognized over the vesting period of the award. When the stock options are exercised, the cash proceeds received and the applicable amounts previously recorded in capital reserve - options are credited to share capital.

m) Share capital

Common shares are classified as equity. Incremental cost directly attributable to the issuance of common shares is recognized as a deduction from equity.

Share purchase warrants that are issued for goods and services are initially accounted for under IFRS 2 as equity instruments (their initial fair value would be recognized as share issuance costs). Subsequent to their issuance, share purchase warrants issued for goods and services are considered as equity for their entire life. The fair value of such share purchase warrants is not re-measured unless there is a change to the terms of the warrants which cause an increase in value. When these share purchase warrants are exercised, the cash proceeds received and the applicable amounts of share purchase warrants are credited to share capital.

n) Earnings/(loss) per share

Earnings/(loss) per share are calculated based on the weighted average number of common shares issued and outstanding during the year. Diluted earnings/(loss) per common share are calculated using the treasury stock method for outstanding stock options, warrants and convertible notes. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and similar instruments that are "in the money" would be used to repurchase common shares of the Company at the average market price during the year. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

The incremental common shares issuable upon the exercise of stock options and warrants are excluded from the computation if their effect is anti-dilutive.

o) Revenue recognition

The Company's operations produce gold in dorè form, which is refined to pure gold bullion as final product prior to sale primarily in the London spot market or under gold sale contracts. Revenue from the sale of metals is recognized in the financial statements when the following conditions have been satisfied:

- the significant risks and rewards of ownership have been transferred;
- neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Insignificant amount of revenue generated from by-product such as silver is credited to the cost of goods sold when its percentage of revenue is less than 5% of total revenue.

p) Gold forward sales transactions

The gold forward sale contracts are held for the purpose of delivery of gold in accordance with the Company's expected sale requirements. The consideration received is deferred until such time as gold is delivered and revenue recognition conditions are satisfied.

q) Segmented reporting

In identifying its operating segments, management generally follows the Company's activities. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The activities are undertaken by the mine operating segment and the exploration & evaluation segment and are supported by the corporate segment, each segment is managed separately. The operating results of the segments are reviewed regularly by the Company's Chief Executive Officer (who is considered the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

r) Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS as issued by the IASB requires management to make estimates and judgments that affect the amount reported in the financial statements. 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, and subject to measurement uncertainty. The effect on the financial statements of changes in such estimates in future reporting periods could be significant.

Significant estimates and areas where judgment is applied that have significant effect on the amount recognized in the financial statements are described below. Changes in these estimates and judgments may materially affect the financial position or financial results reported in future periods.

Estimates

Purchase price allocation and valuation of deferred consideration assets

Measuring asset acquisition transactions requires each identifiable asset and liability to be measured at its acquisition-date relative fair value. The determination of the acquisition-date relative fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of mineral properties and plant and equipment acquired generally require a high degree of judgment and include estimates of mineral reserves acquired, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the relative fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and non-controlling interests in the purchase price allocation.

Ore Reserves and Mineral Resource estimates

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable reserves, measured, indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the proven and probable reserves or measured, indicated and inferred mineral resource estimates may impact the carrying value of property, plant and equipment, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation and amortization.

Depreciation and amortization and determining useful lives

Mineral properties in production are amortized on a unit-of-production basis over the economically recoverable reserves. Mobile and other equipment is depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment but does not exceed the related estimated life of the mine based on proven and probable reserves. The calculation of the UOP rate, and therefore the annual depreciation and amortization expense could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves. Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment of non-current assets

The Company assesses each asset or CGU each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. Management has assessed its CGUs as being an individual mine site, which is the lowest level for which cash inflows are largely independent of those of other assets/CGUs.

Inventory valuation

Expenditures incurred including depreciation and amortization of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, work in process, metal in circuit and finished metal inventories. These deferred amounts are carried at the lower of average cost and net realizable value ("NRV"). Write-downs of ore in stockpiles, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels. The allocation of costs to ore in stockpiles, ore on leach tanks and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, proven and probable reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach tanks. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

Provision for reclamation and remediation obligations

The Company assesses its provision for asset retirement obligations on an annual basis or when new material information becomes available. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation.

Deferred taxes

The Company recognizes the deferred tax asset to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Derivative assets and liabilities

Management is required to determine assumptions used in financial fair value models to estimate derivatives liabilities raised from share purchase warrants, foreign currency forward exchange contracts, gold forward contracts and gold inducement where contractually applicable. The assumptions may be adjusted at each reporting period and the actual value of the derivative liability may differ from the amount currently provided.

Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a compliant resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred).

Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of such expenditures are unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Judgments

Determination of commencement of commercial production

The Company assesses the stage of each mine under construction to determine when the mine is substantially complete and ready for its intended use. The Company considers various relevant criteria to assess when the commercial production phase is considered to commence. Some of the criteria used will include, but are not limited to, the following:

- Level of capital expenditure incurred compared to the original construction costs estimates;
- Completion of a reasonable period of testing of the mine plant and equipment;
- Ability to produce gold in saleable form;
- Ability to sustain ongoing production.

Own use contracts

Certain commodity purchase and sale contracts will meet the definition of a derivative and their values will vary in accordance with the value of the underlying commodity. A commodity contract within the scope of IAS 39 Financial Instruments: Recognition and Measurement (IAS 39) that is also a derivative is accounted for at fair value through profit and loss (FVTPL). Contracts, such as the gold forward sale agreement (Note 15), that are capable of being net cash settled because the contract terms permit net cash settlement; or when the non-financial item is readily convertible into cash are outside the scope of IAS 39 if they were entered into and continue to be held for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements and are not written option contracts. Contracts that are exempt from IAS 39 on these grounds are commonly referred to as "own use contracts" and are accounted for as executory contracts.

s) New and amended standards and interpretations

There were a number of new standards and interpretations, effective for annual periods commencing from January 1, 2013, that the Company has applied for the first time in the current financial year. These include IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurement. While none of these standards required a restatement of previous financial statements, they did result in disclosures being updated. The nature and the impact of each new standard and/or amendment is described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

IFRS 10 - Consolidated Financial Statements ("IFRS 10")

IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" (IAS 27) and SIC 12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control and provides guidance on which entities are consolidated in an entity's consolidated financial statements. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The application of IFRS 10 and IAS 27 did not impact the Company's accounting for its interests in subsidiaries.

IFRS 11 – Joint Arrangements ("IFRS 11")

IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" (IAS 31) and SIC 13 "Jointly Controlled Entities – Non-Monetary-Contributions by Venturers". IFRS 11 requires a venture to classify its interest in joint arrangement as either a joint operation or a joint venture. For a joint operation, the joint operator will recognize its portion of the assets, liabilities, revenues and expenses. For a joint venture, the joint venture will account for its interest in the venture's net assets using the equity method of accounting. The choice to proportionally consolidate joint ventures is eliminated. The Company currently does not have any arrangements that fall under the scope of this standard.

IFRS 12 – Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interests in other entities including subsidiaries, joint arrangements, associates and structured entities. This standard outlines the disclosure requirements that address the nature of, and risks associated with an entity's interests in other entities. The application of IFRS 12 did not impact the Company's accounting for interests in other entities.

IFRS 13 – Fair Value Measurement ("IFRS 13")

IFRS 13 provides the framework of a market based measurement for fair value or disclosure about fair value measurements. It aims to address fair value estimation by providing a single, more comprehensive source of guidance that will apply to almost all fair value estimates including disclosed fair values where fair value measurements are required or permitted. However, IFRS 13 does not apply to the following:

(a) Share-based payment transactions within the scope of IFRS 2 Share-Based Payment

(b) Leasing transactions within the scope of IAS 17 Leases; and

(c) Measurements that have some similarities to fair value but not fair value, such as net realizable value in IAS 2 Inventory or value in use in IAS 36 Impairment of Assets.

Application of IFRS 13 has not materially impacted the fair value measurements of the Company.

IFRIC 20 – Stripping Costs in Production Phase of a Surface Mine ("IFRIC 20")

IFRIC 20 applies to waste removal costs that are incurred in surface mining activities during the production phase of the mine. It recognizes the costs from waste removal activities or stripping activities which provide improved access to ore as stripping activity asset, a non-current asset, when certain criteria are met. Depreciation should be over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Previously, the Company capitalised production stripping costs for those operations where this was considered to be the most appropriate basis for matching the cost against the related economic benefits and the effect was material. The amount of stripping costs capitalised was based on the life-of-mine average strip ratio that was obtained by dividing the total tonnage of waste expected to be mined over the life of the mine, by the quantity of economically recoverable reserves expected to be mined across the life of the mine.

Production stripping costs incurred in the period were previously deferred to the extent that the current period actual strip ratio exceeded the life-of-mine average strip ratio. Such deferred costs were then charged to profit or loss based on the Units of Production method. No stripping liabilities were recognised. The life-of-mine ratio was based on economically recoverable reserves and resources of the Selinsing mine.

IFRIC 20 now provides specific guidance on how to account for production stripping costs. It requires such costs to be capitalised where certain recognition criteria are met. IFRIC 20 differs from the life of mine average strip ratio approach in a number of ways, including the level at which production stripping costs are assessed, i.e., at a component level rather than a life-of-mine level.

Identification of stripping activity assets

The first difference is the requirement to identify the components of each ore body. This will determine whether any stripping activity assets should be recognised and, if so, the levels at which such assets are initially recognised. IFRIC 20 defines a component as a specific volume of the ore body that is made more accessible by the stripping activity. An identified component of the ore body is considered to typically be a subset of the total ore body of the mine. This effectively requires that a lower unit of account than the entire life of mine (which is used in the current life of mine average strip ratio approach) is to be used. A mine may have several components, which are identified based on the mine plan. As well as providing a basis for measuring the costs reliably at recognition stage, the identification of components is necessary for the subsequent depreciation or amortisation of the stripping activity asset, which will take place as each identified component is mined.

Depreciation of the stripping activity asset(s)

IFRIC 20 requires that any stripping activity asset(s) is to be amortised over the expected useful life of the identified component of the ore body that has been made more accessible by the activity. The method used should be the one that best reflects the consumption of economic benefits. IFRIC 20 requires the use of the units of production method unless another method is more appropriate.

Impact on the Financial Statements

IFRIC 20 has been applied prospectively to production stripping costs incurred on or after the beginning of the earliest period presented, which is July 1, 2012 for the Company. No reclassification is required due to the application. Stripping costs undertaken and capitalised during the production phase of the initial Selinsing pit are not required to be reclassified as the identifiable component of the ore body aligned with the life of mine model. Since the adoption of IFRIC 20, stripping activity commenced for the newly identified Selinsing Deep component of the ore body and have been capitalised in accordance with IFRIC 20.

The Company will continue to amortise stripping activity assets over the remaining expected useful life of the identified component of the ore body as previously accounted for and in accordance with IFRIC 20.

Effective for future annual periods

IFRS 9 – Financial Instruments ("IFRS 9")

IFRS 9 will replace IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 requires that all financial assets be classified as measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified at fair value through profit and loss, financial guarantees and certain other exceptions. In response to delays to the completion of the remaining phases of the project, on December 16, 2011, the IASB issued amendments to IFRS 9 which deferred the mandatory effective date of IFRS 9 from January 1, 2013 to annual periods beginning on or after January 1, 2018. The amendments also provided relief from the requirement to restate comparative financial statements for the effects of applying IFRS 9. The Company is evaluating any potential impact of this standard.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

IFRIC 21 – Levies ("IFRIC 21")

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the Interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, with early application permitted. The adoption of IFRIC 21 may have an impact on the Company's accounting for production and similar taxes, which do not meet the definition of an income tax in IAS 12. The Company is evaluating any potential impact of this standard.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 establishes the principles to report the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2017, with early application permitted. The Company is evaluating any potential impact of this standard.

4. Cash and Cash Equivalents

	June 30, 2014	June 30, 2013
	$	$
Cash and cash equivalents	24,526	40,346
Restricted cash	208	1,587
	24,734	41,933

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Company has restricted cash of $0.21 million (June 30, 2013: $1.59 million), which represents issued letters of credit for payment guarantees for equipment.

5. Trade and Other Receivables

	June 30, 2014	June 30, 2013
	$	$
Trade receivable	1,075	152
Interest receivable	14	8
Goods and services tax receivable	109	29
Other receivable	89	275
	1,287	464

Trade and other receivables are non-interest bearing.

6. Inventories

	June 30, 2014	June 30, 2013
	$	$
Current Assets		
Mine operating supplies	3,595	2,792
Stockpiled ore	9,178	15,477
Material discharged from gravity plant for CIL process	1,082	1,309
Work in progress	2,653	3,513
Finished goods	33	1,168
	16,541	24,259
Non-current Assets		
Restricted finished goods (a)	4,604	3,390
Stockpiled ore (b)	700	-
	5,304	3,390
	21,845	27,649

The cost of inventory expensed during the year ended June 30, 2014 was $29.60 million (2013 - $28.96 million).

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

(a) The balance of restricted inventory at June 30, 2014 was 5,000 ounces of gold to secure the Gold Forward Sale contract (Note 15) (June 30, 2013: 5,000 ounces).

(b) The portion of the ore stockpile that is to be processed more than 12 months from the reporting date is classified as non-current inventory. As at June 30, 2014, stockpiled ore represents 40,188 tonnes of refractory sulfide ore with 1,200 ounces of contained gold.

7. Loan Receivable

	June 30, 2014	June 30, 2013
	$	$
Current Assets		
Gold forward purchase agreement	-	6,600
Veris loan	7,062	-
Accounts payable due to Veris	(602)	-
Net Veris loan	6,460	-
Impairment provision (Note 25)	(6,460)	-
	-	6,600

	June 30, 2014	June 30, 2013
	$	$
Change in fair value		
Gold forward purchase agreement	-	497
	-	497

On January 12, 2012, the Company entered into an “Agreement for Sale of Gold” (the “Second Gold Forward Purchase Agreement”) with Queenstake Resources USA Ltd (the “Seller”) whereby $5.00 million was paid in advance to purchase 3,665 troy ounces of gold to be delivered on the settlement date of June 12, 2012, or alternatively receive (at the Company’s option) an amount of $6.00 million. The Seller is a subsidiary of Veris Gold Corporation (“Veris”), which is a related party to the Company. Subsequent to the initial agreement, the following amendments have been agreed:

- On June 15, 2012, the Company signed an “Extension for Sale of Gold” with the Seller to extend the settlement date from June 12, 2012 to October 31, 2012 with monthly penalty interest at the rate of 2.25%.
- The settlement date of the Second Gold Forward Purchase Agreement was further extended to June 30, 2013, and the gold to be delivered on the settlement date was increased from 3,665 troy ounces to 3,839 troy ounces of gold, or alternatively receiving an amount of $6.60 million in cash at the Company’s discretion.
- On June 30, 2013, the Company signed the third extension with the Seller to receive the aggregate amount of $6.60 million in cash from the Seller by September 30, 2013. The extension was subject to a fixed installment payment schedule and interest bearing at 10% per annum on the remaining balance.
- On September 30, 2013, Veris paid $0.45 million of the accrued interest and penalty amounts on the outstanding $6.60 million loan. In addition, Veris agreed to sign and lodge a Promissory Note against its Ketza Property located in Yukon, Canada before October 15, 2013, for the unpaid amount, net of the accounts payable due from Monument to Veris (Note 27(a)). Veris further undertook to pay all remaining balances on or before December 31, 2013.
- On October 20, 2013, Monument was advised by Veris’ legal counsel that the Ketza River Holding shares were already pledged to Deutsche Bank, although there is no specific pledge of the actual property. A second charge on the property or holding property is not permitted under the term of Veris’ agreement with Deutsche Bank AG, London Branch ("DB").
- On March 31, 2014, a formal demand notice was issued to Veris as notification that Monument reserves the right to pursue legal action in collecting the total amount owed of $6.36 million debt, net of the accounts payable due from Monument to Veris of $0.54 million and interest receivable due from Veris to Monument of $0.30 million.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

- During May and June 2014, the Company sent several demand notices for repayment of the Veris loan through its appointed litigation counsel, and initiated the negotiation process with Veris management. It stated, among others, that Veris must treat Monument equally with other unsecured creditors regarding to loan settlement.
- On June 9, 2014, Veris filed for and obtained protection from their creditors under the Companies' Creditors Arrangement Act ("CCAA"). The Company has reviewed the CCAA proceeding, the preliminary list of creditors as prepared by the Veris Group, and notified Ernst & Young Inc., the Monitor of the Veris Group, that Monument will advance a claim for the full indebtedness and reserve all of its right in this regards.

As a result, the Company will recognise an impairment charge for the full amount of the receivable ($7.06 million), as at June 30, 2014 and establish a provision for impairment against the loan receivable. The impairment provision will be offset by the total amount of the outstanding accounts payables ($0.60 million) owed to Veris as of June 30, 2014. The net impairment loss ($6.46 million) was recorded in the income statement as of June 30, 2014. The Company has not conceded the loan receivable as a bad debt, however an impairment charge and provision for impairment against the loan receivable are necessary due to the uncertainty of collectability.

8. Property, Plant and Equipment

	Mineral Properties	Buildings	Property, Plant & Machinery	Vehicles, furniture & equipment	Construction in Progress	Total
	$	$	$	$	$	$
Cost						
As at June 30, 2012	**24,967**	**1,096**	**24,759**	**2,334**	**8,717**	**61,873**
Transfer	279	-	8,438	-	(8,717)	-
Addition	100	325	207	807	2,364	3,803
Disposal	-	-	(525)	-	-	(525)
Reclassification	2,633	-	-	-	-	2,633
Impairment on long-lived assets	-	-	(2,450)	-	-	(2,450)
As at June 30, 2013	**27,979**	**1,421**	**30,429**	**3,141**	**2,364**	**65,334**
Transfer	-	820	(157)	-	(732)	(69)
Addition	2,864	726	5,542	421	1,038	10,591
Disposal	-	-	-	-	(99)	(99)
Reclassification	(416)	(23)	(257)	(2)	-	(698)
As at June 30, 2014	**30,427**	**2,944**	**35,558**	**3,560**	**2,571**	**75,059**
Accumulated depreciation						
As at June 30, 2012	**(13,425)**	**(155)**	**(4,162)**	**(702)**	**-**	**(18,444)**
Charge for the period	(5,337)	(144)	(3,564)	(295)	-	(9,340)
Disposal	-	-	68	-	-	68
As at June 30, 2013	**(18,762)**	**(299)**	**(7,658)**	**(997)**	**-**	**(27,716)**
Charge for the period	(3,278)	(322)	(2,834)	(332)	-	(6,766)
Transfer	-	-	67	-	-	67
As at June 30, 2014	**(22,040)**	**(621)**	**(10,425)**	**(1,329)**	**-**	**(34,415)**
Net book value						
As at June 30, 2013	9,217	1,122	22,771	2,144	2,364	37,618
As at June 30, 2014	8,387	2,323	25,133	2,231	2,571	40,644

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

9. Exploration and Evaluation

	Selinsing Gold Property	Buffalo Reef	Famehub	Mersing Gold Project	Star Destiny	Mengapur Project	Murchison Project	Total
	$	$	$	$	$	$	$	$
	Note 9 (a)	Note 9 (b)	Note 9 (c)	Note 9 (d)	Note 9 (e)	Note 9 (f)	Note 9 (g)	
Balance, June 30, 2012	**3,403**	**15,398**	**5,063**	**2,421**	**6,585**	**82,355**	**-**	**115,225**
Acquisition of mineral properties	44	(35)	-	5	-	477	-	491
Assay and analysis	265	144	-	-	580	92	-	1,081
Drilling	1,943	897	-	-	2,035	3,982	-	8,857
Geological	444	379	-	-	702	494	-	2,019
Metallurgical	175	134	-	-	149	127	-	585
Site activities	581	628	-	-	607	878	-	2,694
Mine development	-	518	-	-	-	-	-	518
Asset retirement obligations	-	764	-	-	-	-	-	764
Property fees	-	2	-	-	-	-	-	2
Stock-based compensation	-	-	-	-	12	-	-	12
Reclassification to PP&E	-	(2,633)	-	-	-	-	-	(2,633)
Impairment on long-lived assets	-	-	-	(2,426)	-	-	-	(2,426)
Balance, June 30, 2013	**6,855**	**16,196**	**5,063**	**-**	**10,670**	**88,405**	**-**	**127,189**
Acquisition of mineral properties	93	-	-	-	-	7,349	11,395	18,837
Assay and analysis	377	328	-	-	147	1,642	30	2,524
Drilling	579	459	-	-	-	739	431	2,208
Geological	445	272	27	-	137	793	259	1,933
Metallurgical	180	(5)	-	-	51	790	18	1,034
Site activities	656	460	-	-	1	619	496	2,232
Asset retirement obligations	-	(95)	-	-	-	4,745	600	5,250
Property fees	-	85	-	-	-	-	36	121
Stock-based compensation	-	-	-	-	5	13	-	18
Balance, June 30, 2014	**9,185**	**17,700**	**5,090**	**-**	**11,011**	**105,095**	**13,265**	**161,346**

Title to mineral properties

Although the Company has taken steps to verify the title to its mineral properties, 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. To the best of the Company's knowledge, titles to its properties are in good standing.

Realization of assets

The investment in and expenditures on mineral properties 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, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental

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 or former properties that may result in material liability to the Company.

a) Selinsing Gold Property

This property is located in Pahang State, Malaysia. The Company acquired a 100% interest in the Selinsing Gold Property in 2007 and since then has developed a producing mine including the first open pit and a gold treatment plant with an initial capacity of 400,000 tonnes per annum. Commercial production commenced on September 1, 2010 and the mill capacity increased to 1,000,000 tonnes per annum in fiscal 2013. Resource exploration and metrological work continued during fiscal 2014; total expenditure incurred was $0.89 million (2013: $3.32 million).

<u>Federal Land Development Authority (“FELDA”) Land</u>

The Company extended its Selinsing property by acquiring exclusive irrevocable exploration licenses over 896 acres of FELDA Land through a subsidiary Able Return Sdn Bhd. The FELDA land is located east and south adjacent to Selinsing and Buffalo Reef, gazetted as a group settlement area covering 3,920 acres of land. The tenements of the FELDA land are owned by local individuals called “Settlers”.

b) Buffalo Reef Prospect

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a company incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef Tenement property interests, which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located. The Company carried out ore production at the southern area of the Buffalo Reef project from January 2013 to September 2013. Exploration activities remain active at the Buffalo Reef prospect and exploration expenditures incurred during fiscal 2014 was $1.60 million (2013: $2.70).

c) Famehub Acquisition

On August 13, 2010, the Company acquired a 100% interest in Famehub Venture Sdn. Bhd. (“Famehub”), a company incorporated in Malaysia to purchase a land package consisting of approximately 32,000 acres of prospective exploration land as well as the associated data base. This land is located to the east of the Selinsing Gold Project and the Buffalo Reef prospect. For the year ended June 30, 2014, the Company assessed the carrying value of the Famehub property and there was no indicator of impairment.

d) Mersing Gold Project

On September 26, 2011 the Company entered into an Earn-In Agreement with a Malaysian company, Emas Kehidupan Sdn. Bhd. (“EK”) and acquired 49% of the Mersing Project. The acquisition was conditional upon completion of a $2.00 million exploration program on the Mersing Gold Project within two-years. The Mersing Gold Project was held through mining certificate #1221 (“MC 1221”) and included 256 hectares of prospective land, located approximately 30 kilometers north-west of Mersing Town in Jahore State, Malaysia.

On March 18, 2013, the Company announced that due to the uncertainties regarding the registration and renewal of the mining certificate for the 256 hectares of prospective land that comprised the Mersing Project, it had decided to abandon its interest in the Mersing Project and would not be completing any exploration activities on the project or pursue an earn-in of an interest in the project.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

The continuity schedule of the Mersing Gold Project is as follows:

	June 30, 2014	June 30, 2013
	$	$
Balance, beginning of the period	-	2,421
Acquisition of mineral properties	-	5
Net liabilities of EK group abandoned	-	(471)
Elimination of non-controlling interests (Note 19)	-	(589)
Impairment loss on Mersing project (Note 25)	-	(1,387)
Foreign exchange gain	-	21
Balance, end of the period	-	-

e) Star Destiny Sdn Bhd

On November 21, 2011, the Company acquired a 100% interest in Star Destiny Sdn. Bhd. ("Star Destiny") through Monument Mengapur Sdn. Bhd ("MMSB"), its wholly owned Malaysian subsidiary. Star Destiny holds an exploration permit covering a 750 hectare property in Pahang State, Malaysia, adjacent to the Mengapur Polymetallic Project. The Company carried out a significant drill program in fiscal 2013 and has continued the sample preparation and assay work incurring $0.34 million during fiscal 2014.

f) Mengapur project

The carrying values of $105.10 million as of June 30, 2014 was comprised of aggregate acquisition costs of $93.23 million and development costs since of $11.87 million, of which $9.34 million was incurred during fiscal 2014 with $4.75 million related to non-cash ARO expenditures.

Mengapur Project acquisition and Harmonization Agreement

In February 2012 the Company acquired a 100% interest in Cermat Aman Sdn. Bhd. ("CASB"), a Malaysian company, through MMSB. CASB owns the 100% of the Mengapur Project. The consideration consisted of a cash payment of $60.00 million and 300 shares of MMSB. As a result, the Company acquired a 70% indirect interest in the Mengapur Project located in Pahang State, Malaysia. In December 2012, the Company acquired the remaining 30% interest in the Mengapur Project by purchasing 300 shares of MMSB from Malaco Mining Sdn Bhd, the original vendor of the Mengapur Project. As a result, the Company now holds a 100% interest in the Mengapur Project.

The previous owner of the Mengapur Project, Malaco Mining Sdn. Bhd. and its group of companies and shareholders (collectively, "Malaco") held the rights to oxide magnetite material contained in top soil overburden at the Mengapur Project, including Areas A, B and C of the Mengapur Project.

Phoenix Lake Sdn. Bhd. ("PLSB"), ZCM Minerals Sdn. Bhd. ("ZCM") (together the "Third Party") and MMSB, the exclusive operator of the lot 10210, entered into a Harmonization Agreement to allow the Third Party to mine near-surface oxide iron ores contained in top soil overburden at Area A and Area B while allowing Monument to protect its other mineral assets in the same top soil and continue developing access to sulfide and transitional resources. The Company carries out grade control and supervision over the mining operation with all costs recovered in full.

Area C stockpile acquisition and profit sharing arrangement

On February 6, 2014, the Company acquired certain overburden in top soils of approximately 1.2 million tonnes that were previously stockpiled at Area C in conjunction with a profit sharing arrangement for production of magnetite from top soils at Area C for an aggregated value of $7.35 million (CAD$8.00 million) (Note 20 (b)(i)).

g) Murchison project

On February 21, 2014, Monument acquired the Murchison Gold Project from KGL Resources Limited and its subsidiaries (the "Vendors"), including a number of mining and exploration tenements and lease applications covering approximately 98 square kilometers of mining land prospective for resource extension, and a fully operational gold processing plant, a newly developed camp site and all necessary infrastructure. The Murchison Project is in the Murchison Mineral Field approximately 765 kilometers North and East of Perth, a highly prospective historical gold province within the Murchison District of Western Australia.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

The Murchison Project acquisition has been accounted for as an asset acquisition. The net identifiable assets acquired are as follows:

	Total $
Mineral properties	11,995
Plant and equipment	4,243
Asset retirement obligation (Note 17)	(1,345)
	14,893

In consideration for the Murchison Project net assets, the Company paid $13.71 million to the Vendors and incurred $1.18 million in due diligence and transaction costs for total consideration of $14.89 million. On acquisition, the mineral properties and plant and equipment values included asset retirement obligations of $0.60 million and $0.75 million, respectively.

During fiscal 2014, the Company incurred $1.27 million of expenditures on resource confirmation and exploration activities.

10. Capital Management

The Company manages its capital to ensure that it will be able to continue to meet its financial and operational strategies and obligations, while maximizing the return to shareholders through the optimization of equity financing. Management continuously monitors its capital position and periodically reports to the Board of Directors.

The Company is sensitive to changes in commodity prices and foreign exchange. The Company's policy is to not hedge gold sales. The Company's capital management policy has not changed in the 2014 fiscal year.

The Company's objectives when managing capital are to:

- Ensure the Company has sufficient cash available to support the mining, exploration, and other areas of the business in any gold price environment;
- Ensure the Company has the capital and capacity to support a long-term growth strategy; and
- Minimize counterparty credit risk.

Monument has the ability to adjust its capital structure by issuing new equity, issuing new debt, and by selling or acquiring assets. The Company can also control how much capital is returned to shareholders through dividends and share buybacks.

The Company is not subject to any externally imposed capital restrictions.

The capital of the Company consists of items included in equity and debt, net of cash and cash equivalents.

	June 30, 2014 $	June 30, 2013 $
Total equity attributable to shareholders	227,619	219,594
Total borrowings	-	-
	227,619	219,594
Less: cash and cash equivalents	(24,734)	(41,933)
Total capital	202,885	177,661

11. Financial Instruments and Financial Risk

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents and trade and other receivables), financial assets at fair value through profit or loss (FVTPL) (derivative financial instruments), other financial liabilities (trade and other payables, share repurchase obligation) and the financial liabilities at fair value through profit or loss (FVTPL) (gold forward contract and derivative financial instruments).

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

a) Fair value measurement

The carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables and other financial liabilities – accounts payable and accrued liabilities are considered reasonable approximations of their fair values due to the short-term nature of these instruments. The fair values of the Company's financial assets and liabilities measured on a recurring basis include the following:

	Derivative instruments at FVTPL	June 30, 2014 $	June 30, 2013 $
Financial instrument – assets			
Gold forward purchase agreement	Level 2	-	6,600
Financial instrument – liabilities			
Derivative warrant liabilities	Level 2	95	822

b) Risk exposures and responses

The Company's financial instruments are exposed to market risk, credit risk, and liquidity risk.

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.

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.

At reporting date, the Company is exposed to foreign currency risk through the following assets and liabilities denominated in Malaysian ringgit (RM), Australian dollar (AUD) and Canadian dollar (CAD):

	June 30, 2014			June 30, 2013		
	$	$	$	$	$	$
(in 000's, US dollar equivalent)	AUD	RM	CAD	AUD	RM	CAD
Financial instrument – assets						
Cash and cash equivalents	528	1,771	7,264	-	2,283	7,300
Restricted cash	-	208	-	-	1,587	-
Trade and other receivable	97	148	34	-	9	131
Financial instruments – liabilities						
Accounts payable and accrued liabilities	(1,278)	(4,236)	(350)	-	(9,165)	(3,143)
Share repurchase obligation	-	-	-	-	-	(951)
Derivative warrant liabilities	-	-	(95)	-	-	(822)

The Company has not hedged any of its foreign currency risks. The derivative components associated with foreign currency fluctuation are fair valued at each reporting date and gains or losses are recorded in profit or loss.

Based on the above net exposures as at June 30, 2014 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 $0.11 million (June 30, 2013 – $0.22 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 $0.34 million (June 30, 2013 – increase/decrease $0.12 million) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately $0.03 million (June 30, 2013 – nil) in net income.

Price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or foreign currency risk. The Company has not hedged any of its commodity risks.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

The Company values the derivative warrant liabilities at fair value using the Black-Scholes option pricing model and record gains and losses to other income. As at June 30, 2014 and assuming that all other variables remain constant, a 5% increase/decrease in the market price of the Company's shares would result in unrealized fair value loss/income of approximately $0.04 million (June 30, 2013: $0.14 million) in the Company's net income.

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

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

Credit risk
The Company's credit risk on the trade receivable is negligible and the balances were collected subsequent to end of reporting period.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents (Note 4). The amount of $2.41 million (June 30, 2013: $16.56 million) is held with a Malaysian financial institution, $0.50 million (June 30, 2013: nil) with an Australian financial institution and $21.79 million (June 30, 2013: $25.38 million) is held with a Canadian financial institution.

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 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. The table below summarizes the maturity profile of the Company's non-derivative and derivative financial liabilities as at June 30, 2014.

	June 30, 2014		June 30, 2013	
	$	$	$	$
	Current	Non-Current	Current	Non-Current
	<1 year	1-3 years	<1 year	1-3 years
Non derivative liabilities				
Accounts payable and accrued liabilities	5,864	-	11,975	-
Finance lease obligations	259	452	15	-
Share repurchase obligation	-	-	951	-
	6,123	452	12,941	-
Derivative liabilities				
Warrants	-	95	-	822
	-	95	-	822

12. Accounts Payable and Accrued Liabilities

	June 30, 2014	June 30, 2013
	$	$
Trade payables	5,371	7,404
Salaries and benefits payable	155	2,689
Other payable	338	1,882
	5,864	11,975

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest-bearing and are normally settled on 30-day terms
- Salaries and benefits payables are non-interest-bearing and are normally settled on 30-day terms
- Other payables are non-interest-bearing and have an average term of 30-days

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

13. Finance Lease Obligations

	June 30, 2014	June 30, 2013
	$	$
Current Liabilities		
Finance Lease	259	15
	259	15
Non-current Liabilities		
Finance Lease	452	-
	711	15

The Group has a finance lease for equipment related to the on-site laboratory at Mengapur. The related equipment has been capitalized and is being amortized using the straight-line method over the three year lease term starting February 2014 and ending January 2017.

14. Share Repurchase Obligation

On August 11, 2010, the Company closed a $7.65 million (CAD$8.00 million) financing by way of convertible notes (the Notes"). The Notes had a term of five years and one day from the date of issuance.

On February 15, 2013, the Notes were fully converted to 20,000,000 common shares and 20,000,000 common share purchase warrants under an early retirement arrangement. Included in the early retirement agreement was a put option which provided rights to the Noteholders that cause the Company to repurchase common shares converted from the Notes when the share price below is CAD$0.40. These rights were to expire on August 12, 2015. The Company recognized a liability of $0.95 million as a result of the share repurchase obligation for 2,500,000 shares as at June 30, 2013. During fiscal 2014, the share repurchase right was settled in consideration for a payment of $0.50 million and therefore, derecognized the related share repurchase obligation.

In light of an alleged fundamental breach of the early retirement agreement by one of the former note holders who held 17,500,000 converted Monument shares, management obtained legal advice that it had a supportable position that the Company did not have a liability related to this repurchase clause. During fiscal 2014, the Company settled this dispute (Note 24 (a)).

15. Gold Forward Sale contract

In conjunction with the issuance of the Notes that were converted in fiscal 2013, the Company entered into a gold forward sale contract resulting in the advance of $4.78 million (CAD$5.00 million) to the Company on August 11, 2010. Net proceeds amounted to $4.25 million after subtracting transaction costs in the amount of $0.54 million, of which $0.48 million was for commission and $0.06 million for legal and regulatory fees. The advance will be settled for 5,000 ounces of gold subject to adjustment for fluctuations in the CAD/USD foreign exchange rate (the “Gold Forward Sale”). The Gold Forward Sale has a term of five years plus one day.

In addition, 5,000,000 common share purchase warrants were issued to the Lender on closing of the Gold Forward Sale. Each share purchase warrant is exercisable at CAD$0.50 per share, expiring five years from the date of issuance of the Notes. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

Upon initial recognition, the Company first allocated the proceeds to the liability component based on the estimated fair value with the residual value being allocated to deferred revenue. Transaction costs were allocated to the various components pro-rata as follows:

	Proceeds	Transaction costs	Net proceeds
	$	$	$
Allocation			
Deferred revenue	2,919	326	2,593
Warrants (Note 16 (a))	1,865	210	1,655
	4,784	536	4,248

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

16. Derivative Liabilities

	June 30, 2014	June 30, 2013
	$	$
Non-current Liabilities		
Derivative warrant liability – gold forward sale contract (a)	19	164
Derivative warrant liability - convertible units (b)	76	658
	95	822

	June 30, 2014	June 30, 2013
	$	$
Gain/(Loss) in fair value of derivative financial instruments		
Derivative warrant liability - gold forward sale contract (a)	145	444
Derivative warrant liability - convertible units (b)	582	1,328
Derivative warrant liability - private placement (c)	-	4
Derivative unit liability - convertible notes (d)	-	164
Derivative liability - gold inducement (e)	-	(1,418)
	727	522

a) Derivative warrant liability – Gold Forward Sale Contract

A summary of the changes in derivative warrant liability in conjunction with Gold Forward Sale Contract (Note 15) for the years ended June 30, 2014 and 2013 are set out below:

	June 30, 2014		June 30, 2013	
		$		$
	Units	Fair Value	Units	Fair Value
Opening balance	5,000,000	164	5,000,000	608
Fair value re-measured during the year	-	(145)	-	(444)
Closing balance	5,000,000	19	5,000,000	164

Terms		
Exercise price	CAD$0.50	CAD$0.50
Expiry date	Aug 11, 2015	Aug 11, 2015
Fair value assumptions		
Risk free rate	1.71%	1.25%
Expected dividends	Nil	Nil
Expected life (years)	1.36	2.12
Volatility	45.32%	44.22%

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

b) Derivative warrant liability – Convertible Units

A summary of the changes in derivative warrant liability in conjunction with Convertible units for the years ended June 30, 2014 and 2013 are set out below:

	June 30, 2014		June 30, 2013	
		$		$
	Units	Fair Value	Units	Fair Value
Opening balance	20,000,000	658	-	-
Issued from exercise of convertible units (Note 14)	-	-	20,000,000	1,986
Fair value re-measured during the year	-	(582)	-	(1,328)
Closing balance	20,000,000	76	20,000,000	658

	June 30, 2014	June 30, 2013
Terms		
Exercise price	CAD$0.50	CAD$0.50
Expiry date	Aug 11, 2015	Aug 11, 2015
Fair value assumptions		
Risk free rate	1.71%	1.25%
Expected dividends	Nil	Nil
Expected life (years)	1.36	2.12
Volatility	45.32%	44.22%

c) Derivative warrant liability – Private Placement

The Company closed a $26.35 million (CAD$28.05 million) private placement on July 21, 2008 by issuing of 70,120,000 units at a price of $0.38 (CAD$0.40) per unit, which is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitled the holder to purchase one additional common share of the Company for a price of CAD$0.50 until July 21, 2011.

On February 3, 2011, the TSX Venture Exchange consented for the Company to extend the term of 68,055,000 common share purchase warrants for another 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012. During fiscal 2013, all remaining warrants were expired.

On July 12, 2012, 24,112,500 share purchase warrants were exercised at a price of CAD$0.50 per share, resulting in cash proceeds of $11.93 million (CAD$12.06 million). The remaining 43,212,500 share purchase warrants expired on July 21, 2012. The Company recognized a four thousand dollar loss in fair value of the related exercised and expired warrants in fiscal 2013.

d) Derivative warrant liability – Convertible Notes

A summary of the changes in derivative unit liability in conjunction with Note 14 for the years ended June 30, 2014 and 2013 is set out below:

	June 30, 2014		June 30, 2013	
		$		$
	Units	Fair Value	Units	Fair Value
Opening balance	-	-	20,000,000	2,944
Exercise of convertible units	-	-	(20,000,000)	(2,780)
Fair value re-measured during the year	-	-	-	(164)
Closing balance	-	-	-	-

	June 30, 2014	June 30, 2013
Fair value assumptions		
Risk free rate	-	1.47%
Expected dividends	-	Nil
Expected life (years)	-	2.48
Volatility	-	45.23%

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

e) Derivative warrant liability – Gold Inducement

The Company re-measured the fair value of the gold inducement at each reporting date. The loss of $1,418 due to change in fair value and the loss on buyout of Gold Inducement on February 15, 2013 are recognized against earnings.

	June 30, 2014	June 30, 2013
	$	$
Opening balance	-	4,589
Cash buyout of Gold Inducement	-	(6,007)
Fair value re-measured during the year	-	1,418
Closing balance	-	-

Fair value assumptions		February 15, 2013
Forward gold price, $/oz.	-	n/a
Spot gold price, $/oz.	-	1,612
Forward CAD/$ foreign exchange rate	-	n/a
Spot CAD/$ foreign exchange rate	-	1.0070
Risk free rate	-	n/a

17. Asset Retirement Obligations

The Company's asset retirement obligations consist of reclamation and closure costs for mine development and exploration activities. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total undiscounted cash flows required to settle the Company's obligations is estimated to be $13.0 million (June 30, 2013: $6.87 million) and is expected to be settled over the next four to twelve years.

As at June 30, 2014 the Malaysian projects total undiscounted cash flows are estimated to be $11.56 million (June 30, 2013: $6.87 million) and have been discounted using a pre-tax rate of 4.04% (June 30, 2013: 2.50%) and an inflation rate of 3.30% (June 30, 2013: 1.80%). As at June 30, 2014 the newly acquired Murchison project total undiscounted cash flows are estimated to be $1.44 million (June 30, 2013: $nil) and have been discounted using a pre-tax rate of 2.50% (June 30, 2013: nil%) and an inflation rate of 3.00% (June 30, 2013: nil%). Significant reclamation and closure activities include land rehabilitation, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities.

The following is an analysis of the asset retirement obligations:

	June 30, 2014	June 30, 2013
	$	$
Opening Balance	5,324	5,042
Additions	6,914	1,214
Accretion expense	133	97
Reclamation performed	-	(6)
Reassessment of liabilities	(750)	(1,007)
Foreign exchange	(85)	(16)
Closing Balance	11,536	5,324

The increase of the asset retirement obligations of $6.21 million mainly resulted from additions of $6.91 million (June 30, 2013: $1.21 million increase). The remaining increase to the ARO balance was offset by foreign exchange of $0.09 million (June 30, 2013: $0.02 million) and a reassessment of the liability of $0.75 million (June 30, 2013: $1.01 million).

The additions of $6.91 million during fiscal 2014 relate to Mengapur ($5.57 million) which has arisen due to existing and estimated future disturbance activity to the top soils of Areas A, B and C and Murchison ($1.34 million) due to pre-existing disturbances prior to its acquisition. The additions of $1.21 million during fiscal 2013 relate to the Buffalo Reef property ($0.75 million) which had arisen due to the commencement of disturbance activity and Selinsing Gold mine ($0.46 million) due to the creation of an additional waste dump. The changes in the estimated cash outflows and the change in the discount rate are capitalized and added to the costs of the corresponding assets in accordance with Company's accounting policy.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

18. Income Tax

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

	June 30, 2014	June 30, 2013
	$	$
Income tax expense computed at statutory rates	607	(8,127)
Lower effective rate attributable to Malaysian income	1,745	13,097
Non-deductible expenses	(4,072)	(6,484)
Change in unrecognized deferred tax assets	2,384	2,465
Unutilized tax losses	(1,511)	(1,736)
Non-taxable income	68	193
Non-business income	(2)	(2)
Increase in deferred tax liability due to statutory rate increase	-	(26)
Income tax expense	(781)	(620)
Income tax expense consists of the following:		
Current income tax provision	(2)	(2)
Deferred income tax provision	(779)	(618)
Income tax expense	(781)	(620)

Deferred tax assets and liabilities have been calculated using the following enacted corporate income tax rates: Canada at 26% (2013: 26%), Malaysia at 25% (2013: 25%) and Australia at 28.5% (2013: nil). Significant components of recognized deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	June 30, 2014	June 30, 2013
	$	$
Deferred tax liabilities:		
Mineral property interests	(3,475)	(1,305)
Property, plant & equipment	(213)	(779)
	(3,688)	(2,084)
Deferred tax assets:		
Mineral property interests	-	640
Property, plant and equipment	1,641	165
	1,641	805
Net deferred tax liabilities	(2,047)	(1,279)

Unrecognized deferred tax assets are as follows:

	June 30, 2014	June 30, 2013
	$	$
Unrecognized deferred tax assets:		
Loss carry forwards	9,246	7,309
Other deductible temporary differences	3,226	1,320
	12,472	8,629

Deferred tax assets and liabilities, which are probable to be utilized, are offset if they relate to the same taxable entity and the same taxation authority. No deferred tax liabilities have been recognized on temporary differences when the timing of their reversal can be controlled. Other deductible temporary differences primarily comprise of cumulative eligible capital expenditures that are tax deductible according to relevant tax law in Malaysia. No deferred tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable and not probable.

At June 30, 2014, the Company has loss carryforwards for Malaysian tax purposes of approximately $1.26 million (2013: $1.44 million) (Malaysian ringgit $4.05 million (2013: 4.55 million), that may be applied against future income for Malaysian tax purposes. These losses do not expire.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

At June 30, 2014, the Company has non-capital loss carryforwards for tax purposes that are available to reduce future taxable income in Canada of $33.82 million (2013: $26.49 million). The losses expire as follows:

	Total
	$
2015	18
2025	48
2026	169
2027	1,112
2028	807
2029	2,348
2030	2,016
2031	3,744
2032	3,929
2033	11,890
2034	7,736
	33,817

19. Non-controlling Interests

	June 30, 2014	June 30, 2013
	$	$
Opening Balance	-	24,186
Loss attributable to Mengapur Project	-	(93)
Acquisition of Mengapur Project (Note 9 (f))	-	(23,504)
Impairment on Mersing Gold Project	-	(589)
Closing Balance	-	-

20. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Common shares

Issued and outstanding:

	Number of Shares	Value assigned
		$
Balance, June 30, 2012	**184,545,530**	**68,695**
Issued for private placements	44,500,000	19,864
Issued for exercise of convertible units (Note 14)	20,000,000	7,951
Share repurchase obligation (Note 14)	-	(709)
Issued for exercised warrants	24,112,500	11,928
Issued for exercised stock options	1,900,000	908
Balance, June 30, 2013	**275,058,030**	**108,637**
Issued for exercised stock options	160,000	57
Issued for Mengapur magnetite transaction (i)	25,000,000	7,230
Share issue costs	-	(29)
Balance, June 30, 2014	**300,218,030**	**115,895**

i. The Company acquired a Stockpile of approximately 1.2 million tonnes of material at Area C of the Mengapur Project for consideration of RM24.00 (approximately CAD$8.33) per tonne or CAD$10,000,000 (the "Aggregate Purchase Price") by way of issuing 20,000,000 fully paid Monument common shares at a deemed price of CAD$0.50 per share. It also entered into the Profit-Sharing Agreement (Note 9 (f)) by issuing an additional 5,000,000 fully paid Monument common shares at CAD$0.50 per share, under which, Monument will pay Malaco net profits after return of capital up to $5 per tonne of iron product.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

The transaction was completed on February 6, 2014 while the Company's share price closed at CAD$0.32 per share, as a result $7.35 million was recognized under Exploration and Evaluation Properties (Note 9 (f)) comprised of $5.86 million (CAD$6.40 million) for the stockpile, $1.46 million (CAD$1.60 million) for the profit-sharing arrangement and $0.03 million for transaction costs; and $7.23 million was credited to share capital with $0.09 million foreign exchange loss charged against earnings.

The common shares issued to Malaco were subject to a statutory four month hold period expired on June 6, 2014.

21. Capital Reserves

	June 30, 2014	June 30, 2013
	$	$
Warrants (a)	2,612	2,612
Options (b)(c)	10,291	6,893
	12,903	**9,505**

a) Share purchase warrants

Due to the Company's functional currency being the US dollar, the issued and outstanding warrants that have an exercise price denominated in Canadian dollars are derivative instruments. The warrants have been recognized as a liability in the statement of financial position with changes in fair value recorded in profit or loss.

As at June 30, 2014 the following warrants were outstanding:

Derivative liability warrants issued in conjunction with:	Private placement	Gold forward contract	Exercise of convertible notes	Total	Derivative warrant liabilities
	Qty	Qty	Qty	Qty	$
Balance, June 30, 2012	67,325,000	5,000,000	-	72,325,000	612
Issued	-	-	20,000,000	20,000,000	1,986
Exercised	(24,112,500)	-	-	(24,112,500)	(1)
Expired	(43,212,500)	-	-	(43,212,500)	(3)
Change in fair value	-	-	-	-	(1,772)
Balance, June 30, 2013	**-**	**5,000,000**	**20,000,000**	**25,000,000**	**822**
Change in fair value	-	-	-	-	(727)
Balance, June 30, 2014	**-**	**5,000,000**	**20,000,000**	**25,000,000**	**95**

b) Stock options

On December 30, 2012, the Company's shareholders approved a "rolling" stock option plan (the "2012 Plan") pursuant to which the maximum number of common shares that could be reserved for issuance under outstanding stock options was 10% of the Company's issued and outstanding common shares as constituted on the date of any grant of options. On February 7, 2014 the Company's shareholders approved a new 15% Fixed Stock Option Plan (the "New Plan") to replace the 2012 Plan. The maximum number of shares reserved for issuance under the New Plan is 41,258,705, representing 15% of the number of issued and outstanding shares of the Company on the date it was implemented. At June 30, 2014, a total of 17,972,705 common shares are available for future grant under the New Plan:

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Number of common shares under option plan	Weighted average exercise price CAD$	Total $
Balance, June 30, 2012	25,675,501	0.41	6,400
Granted	1,500,000	0.46	827
Exercised	(1,900,000)	0.31	(323)
Forfeited/expired	(4,100,000)	0.46	(11)
Balance, June 30, 2013	**21,175,501**	**0.41**	**6,893**
Granted	13,865,501	0.33	3,543
Exercised	(160,000)	0.25	(21)
Forfeited/expired	(15,665,501)	0.41	(124)
Balance, June 30, 2014	**19,215,501**	**0.35**	**10,291**

An additional 5,600,000 new stock options were granted in September 2013 under the New Plan subject to shareholder approval. At the February 2014 AGM, the granting of these 5.6 million stock options was not approved by shareholders and as such is not reflected in the above table.

The general terms of stock options granted under the New Plan include an exercise period of up to ten years and a vesting period of up to two years. The exercise prices of all stock options granted during the period were equal to the closing market prices at the grant date. Using the Black-Scholes option pricing model the following assumptions were used to estimate fair value of all stock options during the year:

	June 30, 2014	June 30, 2013
Fair value assumptions		
Risk free rate	1.86 - 2.54%	1.37 - 1.46%
Expected dividends	Nil	Nil
Expected life (years)	5 - 10	5
Volatility	66 - 74%	72 - 73%

The following table summarizes the stock options outstanding at June 30, 2014:

	Options outstanding			Options exercisable	
Exercise price CAD$	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price CAD$
0.30	500,000	10-Jun-15	0.95	500,000	0.30
0.42	3,000,000	29-Sep-15	1.25	3,000,000	0.42
0.68	20,000	27-Jan-16	1.58	20,000	0.68
0.61	150,000	29-Aug-16	2.17	150,000	0.61
0.42	1,000,000	11-Jan-17	2.54	1,000,000	0.42
0.45	180,000	07-Mar-17	2.69	180,000	0.45
0.455	500,000	09-Oct-17	3.28	250,000	0.455
0.33	420,000	04-Sep-18	4.18	-	-
0.33	13,445,501	04-Sep-23	9.19	13,445,501	0.33
	19,215,501		**7.00**	**18,545,501**	**0.35**

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

The following table summarizes the stock options outstanding at June 30, 2013:

	Options outstanding			Options exercisable	
Exercise price CAD$	**Number of common shares**	**Expiry date**	**Weighted average life (years)**	**Number of common shares**	**Weighted average exercise price CAD$**
0.40	12,300,000	15-Aug-13	0.13	12,300,000	0.40
0.25	915,501	05-Dec-13	0.43	915,501	0.25
0.40	230,000	05-Dec-13	0.43	230,000	0.40
0.50	400,000	05-Dec-13	0.43	400,000	0.50
0.25	300,000	09-Feb-14	0.61	300,000	0.25
0.30	500,000	10-Jun-15	1.95	500,000	0.30
0.42	3,000,000	29-Sep-15	2.25	3,000,000	0.42
0.60	600,000	30-Nov-15	2.42	600,000	0.60
0.68	20,000	27-Jan-16	2.58	20,000	0.68
0.62	150,000	28-Jul-16	3.08	75,000	0.62
0.61	150,000	29-Aug-16	3.17	75,000	0.61
0.42	1,000,000	11-Jan-17	3.54	500,000	0.42
0.45	180,000	07-Mar-17	3.69	90,000	0.45
0.46	930,000	17-Sep-17	4.22	-	-
0.46	500,000	09-Oct-17	4.28	-	-
	21,175,501		**1.08**	**19,005,501**	**0.40**

c) Agent options

In the third quarter ended March 31, 2013, the Company closed brokered private placements in two tranches by issuing 44,500,000 common shares for gross proceeds of $21.99 million (CAD$22.25 million) at CAD$0.50 per common share. The Company issued 3,115,000 Agents Options in connection with the private placements. The fair value of these Agent Options ($0.31 million) was recognized and debited to share issuance costs as incurred. Agent option activity is as follows:

	Number of common shares per agent option	Weighted average exercise price CAD$
Balance, June 30, 2012	-	-
Granted	3,115,000	0.50
Balance, June 30, 2013 and 2014	**3,115,000**	**0.50**

The following table summarizes the agent options outstanding at June 30, 2014:

	Agent Options outstanding			Agent Options exercisable	
Exercise price CAD$	**Number of common shares**	**Expiry date**	**Weighted average life (years)**	**Number of common shares**	**Weighted average exercise price CAD$**
0.50	2,100,000	12-Feb-15	0.62	2,100,000	0.50
0.50	1,015,000	06-Mar-15	0.68	1,015,000	0.50
	3,115,000		**0.64**	**3,115,000**	**0.50**

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

The following table summarizes the agent options outstanding at June 30, 2013:

	Agent Options outstanding			Agent Options exercisable	
Exercise price CAD$	**Number of common shares**	**Expiry date**	**Weighted average life (years)**	**Number of common shares**	**Weighted average exercise price CAD$**
0.50	2,100,000	12-Feb-15	1.62	2,100,000	0.50
0.50	1,015,000	06-Mar-15	1.68	1,015,000	0.50
	3,115,000		**1.64**	**3,115,000**	**0.50**

22. Production Costs

	June 30, 2014	**June 30, 2013**
	$	**$**
Accretion of asset retirement obligation	133	97
Depreciation and amortization	9,096	10,495
	9,229	10,592
Mining	8,229	6,497
Processing	12,274	11,968
Royalties	2,494	4,522
Operations, net of silver recovery	76	199
	32,302	33,778

23. Corporate Expenses

	June 30, 2014	**June 30, 2013**
	$	**$**
Office and general expenses	394	755
Rent & utilities	148	190
Salaries & wages	2,046	4,373
Share-based compensation	3,401	487
Legal, accounting and audit	2,051	2,122
Shareholders communication	510	371
Travel	481	596
Regulatory compliance and filing	95	69
Project investigation	149	121
Amortization	125	122
	9,400	9,206

24. Settlement Payments

	June 30, 2014	**June 30, 2013**
	$	**$**
Put option settlement payment (a)	2,696	-
Allocated to Mengapur Project (b)	-	11,972
Tulum settlement payment (b)	-	(7,629)
Net settlement payments	2,696	4,343

(a) In January 2014, the Company settled the put option in dispute (Note 14) with the former Noteholder who allegedly held the right to cause the Company to repurchase common shares converted from the Notes when the share price was below CAD$0.40. The former Noteholder has agreed to waive their claim to the put option in consideration for a payment of $2.70 million. These rights were previously disputed due to an alleged breach of the early retirement agreement.

(b) In February 2013, the Company settled an outstanding legal disagreement with Tulum Corporation ("Tulum") and its sole-shareholder, Mr. Francois Marland. Tulum and Mr. Marland had claimed damages against the Company in connection with various matters, including the Company's cancellation of the proposed private placements to Tulum, which the Company had originally announced in 2011 and 2012. Under the terms of the settlement agreement, the Company made two cash dispersals to Tulum of CAD$6.00 million each by March 1, 2013. In turn, Mr. Marland agreed to invest CAD$6.00 million for the purchase of 12 million shares in the Company's brokered private placement, fully support the Company's management and the present Board of Directors for a period of 12 months from the date of the agreement and to release the Company and its directors and officers from any claims related to these matters. A total of $11.97 million was paid to settle this legal disagreement during fiscal 2013, of which $7.63 million was allocated to the Mengapur property as settlement cost for acquiring 30% of the Mengapur Project.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

25. Impairment Loss

The Company assessed the impairment on assets as at the period end and determined the following impairment loss for the years ended June 30, 2014 and 2013.

	June 30, 2014	June 30, 2013
	$	$
Impairment loss on loan receivable (Note 7)	6,460	-
Mersing Gold Project (Note 9 (d))	-	1,387
Spare ball mill (a)	-	2,450
Impairment loss on investment in subsidiary	-	1
	6,460	3,838

a) The Company determined that the spare ball mill was subject to an impairment loss due to underutilization.

26. Earnings Per Share

The calculation of basic and diluted earnings per share for the relevant periods is based on the following:

		June 30, 2014		June 30, 2013
Net (loss)/income for the period attributable to common shareholders	**$**	**(2,631)**	**$**	**32,745**
Basic weighted average number of common shares outstanding		285,003,619		232,459,605
Effect of dilutive securities:				
Warrants		-		-
Options		-		1,182,995
Convertible notes warrants		-		-
Convertible notes shares		-		12,602,739
Diluted weighted average number of common share outstanding		285,003,619		246,245,339
Basic (loss)/earnings per share	$	(0.01)	$	0.14
Diluted (loss)/earnings per share	$	(0.01)	$	0.14

All warrants and options are potentially dilutive in the years ended June 30, 2014 and 2013, but excluded from the calculation of diluted earnings per share are those for which the average market prices below the exercise price.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

27. Related Party Transactions

a) Entities with directors in common

The transactions which have been entered into with related parties during the years ended June 30, 2014 and 2013 as well as balances with related parties as at June 30, 2014 and 2013:

	June 30, 2014	June 30, 2013
	$	$
Veris Gold Corp. (formerly Yukon Nevada Gold Corp.), a company with directors in common		
Reimbursement of expenses to related party	361	587
Queenstake Resources USA, Ltd, a company with directors in common		
Penalty income (Note 7)	-	545

Veris provides certain technical services to Monument, the payable to such services are used to offset the outstanding loan to Monument as agreed by both parties. Loan net of accounts payable due to monument is presented as follows:

	June 30, 2014	June 30,2013
	$	$
Veris Gold Corp. (formerly Yukon Nevada Gold Corp.)		
Payable balance	(602)	(375)
Queenstake Resources USA, Ltd		
Gold forward purchase (Note 7)	-	6,600
Loan receivable (Note 7)	7,062	-
Penalty income receivable balance (Note 7)	-	273
Net balance	6,460	6,498

b) Key management personnel

Key management includes directors – executive and non-executive. The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel:

	June 30, 2014	June 30, 2013
	$	$
Salaries and directors' fees	1,401	3,043
Share-based payments	3,450	285
	4,851	3,328

c) Transaction with a director

For the year ended June 30, 2014, a director of the Company earned two thousand dollars (2013: $0.04 million) for general consulting services to the Company, of which $nil million was outstanding and included in accounts payable at June 30, 2014 (2013: Three thousand dollars).

28. Commitments and Contingencies

	2015	2016	2017	2018	2019	Total
	$	$	$	$	$	$
Operating leases	81	76	76	4	-	237
Purchase commitments	2,212	-	-	-	-	2,212
Mineral property fees	198	185	185	180	173	921
	2,491	**261**	**261**	**184**	**173**	**3,370**

Operating leases are for premises and vehicle leases. Purchase commitments are primarily for mining operations.

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

29. Supplemental Cash Flow Information

	June 30, 2014	June 30, 2013
	$	$
Interest received	878	577
Income taxes paid	(30)	(3)
Non-cash working capital, financing and investing activities:		
Share-based compensation charged to mineral properties	18	20
Amortization charged to mineral properties	745	517
Amortization inherent in inventory	6,205	9,946
Expenditures on mineral properties in accounts payable	2,409	3,179
Plant and equipment costs included in accounts payable	543	559

30. Segment Disclosures

The Company operates primarily in the gold mining industry and its major product is gold. Its activities include gold production, acquisition, exploration and development of gold and Polymetallic properties. The Company are carrying its operations in Malaysia and Western Australia.

The Company's reportable operating segments reflect the Company's individual mining interests and are reported in a manner consistent with the internal reporting used by the Company's management to assess the Company's performance.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Non-mining, corporate and other operations are reported in "Corporate".

a) Operating segments

June 30, 2014	Mine Operations	Exploration and Evaluation	Corporate	Total
	$	$	$	$
Balance Sheet				
Current assets	19,298	1,965	21,908	**43,171**
Property, plant and equipment	26,317	14,250	77	**40,644**
Exploration and evaluation	-	161,346	-	**161,346**
Total assets	50,919	177,561	21,985	**250,465**
Total liabilities	9,903	9,226	3,717	**22,846**
Income Statement				
Revenue	48,583	-	-	**48,583**
Depreciation and amortization	(9,096)	(364)	(125)	**(9,585)**
Profit/(loss) from operations	16,281	(4,668)	(14,244)	**(2,631)**

(in thousands of United States dollars, except share and per share amounts or otherwise stated)

June 30, 2013	Mine Operations	Exploration and Evaluation	Corporate	Total
	$	$	$	$
Balance Sheet				
Current assets	37,183	4,571	32,602	**74,356**
Property, plant and equipment	29,713	7,871	34	**37,618**
Exploration and evaluation	-	127,189	-	**127,189**
Total assets	70,286	139,630	32,637	**242,553**
Total liabilities	10,644	3,857	8,458	**22,959**
Income Statement				
Revenue	91,276	-	-	**91,276**
Depreciation and amortization	(10,495)	-	(122)	**(10,617)**
Profit/(loss) from operations	55,762	(1,630)	(21,387)	**32,745**

b) Geographic segments

The Company's reportable segments operate within three geographic segments – Australia, Malaysia and Canada.

June 30, 2014	Australia	Malaysia	Canada	Total
	$	$	$	$
Balance Sheet				
Current assets	687	20,576	21,908	**43,171**
Property, plant and equipment	4,313	36,254	77	**40,644**
Exploration and evaluation	13,265	148,081	-	**161,346**
Total assets	18,266	210,214	21,985	**250,465**
Total liabilities	2,593	16,444	3,809	**22,846**

June 30, 2013	Australia	Malaysia	Canada	Total
	$	$	$	$
Balance Sheet				
Current assets	-	41,754	32,602	**74,356**
Property, plant and equipment	-	37,584	34	**37,618**
Exploration and evaluation	-	127,189	-	**127,189**
Total assets	-	209,916	32,637	**242,553**
Total liabilities	-	14,501	8,458	**22,959**

	June 30, 2014	June 30, 2013
	$	$
Income Statement		
Revenue		
- Australia	-	-
- Malaysia	48,583	91,276
- Canada	-	-
	48,583	**91,276**

31. Subsequent Events

Tuckanarra Tenement Purchase Agreement

On August 28, 2014 the Company announced that it has entered into a Tenement Purchase Agreement ("Agreement") with Phosphate Australia Limited for the acquisition of the Tuckanarra Gold Project ("Tuckanarra"). Pursuant to the Agreement, the Company has agreed to acquire, free and clear of any encumbrances, a 100% interest in Tuckanarra consisting of eight exploration and prospecting licenses and a mining lease application covering a total of 99.73km^2 in the Murchison Mining District in Western Australia and containing approximately 100,000 historical indicated and inferred Joint Ore Reserves Committee (JORC) compliant ounces of gold.

The consideration for acquiring Tuckanarra is comprised of AUD$2.00 million in cash and the issue of 10,000,000 Monument common shares at a deemed issue price of CAD$0.25 per share. The acquisition is subject to satisfactory completion by the Company of due diligence in respect of Tuckanarra, the final board's approval, and receipt of TSX Venture Exchange acceptance in the case of the Company. A non-refundable deposit of AUD$0.05 million was paid to secure an exclusivity period for the Company to conduct due diligence, which will be applied against the cash portion of the purchase price upon closing. The acquisition is expected to be completed in October 2014.

Joint Venture Properties Acquisition and Concurrent Private Placements

On September 4, 2014 the Company announced that it has entered into a heads of agreement ("Heads of Agreement") with Gascoyne Resources Limited ("GCY") for the acquisition of 50% interests in three properties located near Burnakura, in the Murchison region of Western Australia by way of joint venture arrangements (collectively "Gascoyne JV Properties Acquisition"); and concurrently it has arranged a "part and parcel" private placement financing integral to the Gascoyne JV Properties Acquisition to fund exploration and development of the acquired properties. The Gascoyne JV Properties Acquisition and the private placement are inter-dependent and shall be closed concurrently (collectively the "Proposed Transaction").

Pursuant to the Heads of Agreement, the Company has agreed to acquire, free and clear of any encumbrances except for certain royalty interests, a 50% interest in the Dalgaranga, Glenburgh and Mt. Egerton properties ("Joint Venture Properties") from GCY, subject to certain conditions, through three separate joint venture agreements on each of the three properties.

The consideration for the 50% interests in the Joint Venture Properties is the issue of 100,000,000 Monument fully paid common shares at a deemed issue price of CAD$0.25 per share. The Gascoyne JV Properties Acquisition is subject to, among other things, execution of formal documentation, satisfactory completion by each party of due diligence, obtaining various consents and waivers from GCY's current joint venture partners, the exercise of the option to acquire the Mt. Egerton properties, obtaining all regulatory approvals, including receipt of TSX Venture Exchange ("TSXV") acceptance and final board's approval of Joint Venture Agreements in the case of the Company, receipt of ASX approval in the case of GCY and any required approvals under Australian foreign investment requirements, shareholders' approval where required and completion of the concurrent "part and parcel" financing of CAD$25,000,000 as described herein.

In conjunction with Gascoyne JV Properties Acquisition, the Company is arranging a financing from a third party by way of private placement (the "Monument Private Placement") of 100,000,000 shares of the Company at an issue price of CAD$0.25 per share for aggregate proceeds of CAD$25,000,000, subject to certain precedent conditions, the TSXV acceptance and committee approval in the case of the placee. The Monument Private Placement must be concurrently closed with the Gascoyne JV Properties Acquisition and Gascoyne Private Placement; the funds from the Monument Private Placement shall be used for completion of the Proposed Transaction, exploration programs and mine development of the Joint Venture Properties.

Gascoyne Private Placement

In addition, in conjunction with the Gascoyne JV Properties Acquisition, the Company has agreed to subscribe for an aggregate of 20,000,000 GCY ordinary shares at AUD$0.25 per share for total of AUD$5,000,000 through a private placement (the "Gascoyne Private Placement"), subject to the ASX acceptance, GCY shareholder approval if required and TSXV acceptance in the case of the Company. Of which 4,000,000 GCY shares shall be subscribed for and issued within five business days after the date of execution of the Heads of Agreement and the remaining 16,000,000 GCY ordinary shares shall be subscribed and issued upon the closing of the Proposed Transaction. Thereafter, the Company will purchase another 8,620,690 GCY ordinary shares at AUD$0.29 per share for AUD$2,500,000 within 12 months intending to bring the Company total shareholding to 15.31% of the entire issued and outstanding GCY ordinary shares. The funds generated by GCY from the Gascoyne Private Placement are to be used to implement exploration programs on the joint venture properties.

After reaching 15.31% of shareholding in CGY, Monument will be granted further options, exercisable within twelve month period, to acquire further GCY shares at AUD$0.29 per share, bringing its shareholding in GCY up to 19.61%.

GCY has also granted the Company top up rights, for a period of three years from execution of the Heads of Agreement, allowing Monument to maintain its shareholding position in GCY up to 15.31%; and to maintain its shareholding position in GCY up to 19.61%.

It is expected that a nominee of each of GCY and the placee under the Monument Private Placement will be appointed to the board of directors of the Company; and a nominee of the Company will be appointed to the board of directors of GCY. The Gascoyne JV Properties Acquisition, the Gascoyne Private Placement and the Monument Private Placement have been negotiated on an arm's length basis with the Company and each of GCY, the placee and the Company is at arm's length with each other. Upon completion of the Gascoyne JV Acquisition and the Monument Private Placement, it is expected that each of GCY and the placee will hold approximately 19.6% of the then issued shares in the enlarged capital of the Company.

The parties have agreed to complete the Gascoyne JV Acquisition and the Monument Private Placement 10 business days after satisfaction of all conditions or such other date as agreed. The Gascoyne JV Acquisition and the Monument Private Placement are expected to be completed by no later than November 20, 2014.