CAUTIOUS STEADY GROWTH

SECOND QUARTER REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and six months ended December 31, 2013

MONUMENT
MINING LIMITED

GROWTH

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended December 31, 2013
(in United States dollars, except where noted)

The following Management's Discussion and Analysis ("MD&A") of Monument Mining Limited ("Monument" or the "Company") as of February 28, 2014 should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended December 31, 2013 (Q2 of fiscal 2014) and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards board ("IASB"). The readers are also recommended to read this MD&A in conjunction with the audited consolidated financial statements for the year ended June 30, 2013 and related notes for additional details.

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

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

1. EXECUTIVE SUMMARY

1.1 Q2 Fiscal 2014 Highlights

- Gross Revenue from gold sales of $8.34 million (Q2 fiscal 2013: $19.64 million);
- Profit margin generated from gold production of $2.53 million for the quarter (Q2 fiscal 2013: $12.00 million);
- Gold production for the quarter of 8,588 ounces ("oz."), 46% lower than the same quarter of last year (Q2 fiscal 2013: 15,902oz);
- Cash cost per ounce of US$650/oz, an increase from the second quarter of fiscal 2013 cash cost of U$435/oz.
- Ore mined decreased by 17% from 184,197t in Q2, fiscal 2013 to 153,207t in the second quarter of fiscal 2014;
- Ore processed during the quarter of 265,814t, an increase of 27% against the corresponding quarter in 2013;
- Ongoing exploration activities undertaken with a focus on Research and Development ("R&D"), sampling, assay processing and ongoing work towards targeted completion of the preliminary economic assessment ("PEA") at Mengapur in Q3 2014;
- Continuation of stripping activity to access Selinsing Deep ore body at depth; and
- Capital cost for processing sulphide ore reduced to $6 million from $60 million resulted from the Research and development work carried at both Selinsing and at Mengapur.

1.2 Business Overview

Monument Mining Limited (TSX-V:MMY, FSE:D7Q1)("Monument" or "the Company") is an established Canadian gold producer and mining asset developer. The Company's 100% owned primary gold and polymetallic properties are located in Pahang State within the Central Gold Belt of western Malaysia. These properties include a pipeline of gold mineral properties comprising the Selinsing Gold Mine ("Selinsing"), the Buffalo Reef Property ("Buffalo Reef") and the Famehub properties ("Famehub"), and the Mengapur Polymetallic Project ("Mengapur") at the development stage. The Company also owns the Murchison Gold Project in western Australia.

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

Monument has an experienced management team with a demonstrated ability to quickly build profitable operations. The Company employs 289 people in Malaysia and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities. Monument's Head Office is located in Vancouver, British Columbia, Canada. It operates through its subsidiaries in Pahang State, Malaysia and, subsequent to the quarter end, in Western Australia.

1.3 Review of Operations: Second Quarter

During the second quarter ended December 31, 2013, the Company maintained focus on steady growth in pursuing the following key strategies:

- Diversification of the mineral property portfolio through investment into targeted geographic regions;
- Delivering sustainable gold production through exploration to increase gold resources;
- Investment to upgrade the Company's mining infrastructure and study new technologies in order to treat sulphide ore materials at a reduced cost;
- Further advancement of the Mengapur Project by prioritizing production of market grade magnetite and other iron products; and
- Develop human resource frame work and enhance operational excellence.

In addition to pursuing the significant development potential of Mengapur, Monument continues to produce gold at a low cash cost at Selinsing. Operating cash flow from Selinsing production is being invested in the development of the existing gold and Polymetallic project portfolio, including R&D programs, exploration and the continued acquisition of mineral resources, to take advantage of under-valued mineral properties in the emerging mining market.

1.3.1 *Research and Development*

Treatment of Selinsing and Buffalo Reef Sulphide Ore

As mining enters the oxide/sulphide transition zone, the Selinsing gold processing plant is no longer treating high grade high recovery oxide ores, but lower grade leachable sulphide ores. Refractory sulphide mineralization will require different treatment to sustain gold production. The current mining and processing of Selinsing pit (sulphide) ores had a significant impact on the plant's performance that can lead to, if not appropriate, lower overall gold recovery. While a bioleach plant was recommended by the NI43-101 report to treat sulfide materials which could achieve satisfactory recoveries; however, due to a high upfront investment, the R&D program is pursuing other better treatment alternatives.

On February 5, 2014, subsequent to the quarter ended December 31, 2013, the Company announced that it has determined the most viable processing route for the sulphide material at its Selinsing and Buffalo Reef gold mines - producing a gold concentrate sufficiently high in gold grade through flotation facilities, which are acceptable to buyers in terms of contaminants and other quality issues. The research on floating such a sulphide gold concentrate has been encouraging and a number of the samples were delivered to potential buyers in China and elsewhere for assessment. The capital cost of this plant adaption based on estimates of the flotation circuit taken from independent process engineers and turn-key contractors is approximately $6 million. The Company is now working on refining the costs of producing the concentrate, researching various packaging, handling and shipping alternatives, negotiating with a number of smelters in the South East Asia region and around the world. In the meantime, the Company continues to achieve good process management within the existing gold processing circuit to closely study and monitor ore characteristics and maximise gold recovery from the leachable oxide and sulphide ores.

Market Grade Magnetite Production

The Mengapur Project continues to represent the most significant opportunity for a long term mining asset for the Company. During the second quarter of fiscal 2014, the Company undertook R&D activities related to the development of a number of marketable commodity products. On November 28, 2013, the Company announced its operational priorities for fiscal 2014. The initial focus of research and development has been on: the production of market grade magnetite from certain magnetite-containing top-soils, with the goal of generating cash flow in the near-term; and the R&D and market research of other downstream potential commodity products.

The Company believes there is a significant opportunity to market magnetite and other iron extracted from topsoils on the Mengapur Project. The Oxide Magnetite Purchase and Profit-Sharing Agreement, which provides the Company with access to magnetite-containing topsoils on Area C of the Mengapur Project, is discussed below in section 2.2. The Company plans to build a magnetite processing plant on the Mengapur Project in order to produce marketable-grade magnetite from these magnetite-containing topsoils.

In addition, the Company believes there is an opportunity to separate magnetite and other iron from the copper and other metals in the fresh rock at the Mengapur site. An on-site R&D laboratory has been built to develop and prove a viable flow sheet circuit for recovery of magnetite from fresh rock. If successful, the Company plans to build a magnetite concentrate processing plant on the Mengapur Project in order to produce marketable-grade magnetite from the sulphide mineralization.

1.3.2 Acquisitions

Murchison Gold Project

As outlined in previous periods, to take advantage of current market conditions the Company has continued to monitor opportunities for growth in the form of continued acquisition of mineral resources in other countries (regions) such as Australia and Canada. Subsequent to the end of the quarter, the Company has announced that it has entered into a binding "Mining Property Sale Deed" with a group of Australia based companies: Jinka Minerals Limited, Kentor Minerals (WA) and KGL Resources Limited (together the "Vendors") to acquire the Murchison Gold Project in Western Australia through its wholly owned Australia subsidiary Monument Murchison Pty Ltd. Under the "Mining Property Sale Deed", Monument shall pay consideration of AUD$15 million cash in exchange for the Murchison Gold Project, including a number of mining and exploration tenements and lease applications covering approximately 98 square kilometers of lands prospective for resource extension. The tenement package hold a JORC compliant historical resource estimate of 546,000 ounces of gold, a fully operational gold processing plant, a newly developed camp site and all necessary infrastructure. Without distraction from its present operational program in Malaysia, Monument will move quickly with expectation to place this project into production. The transaction was closed subsequent to the end of the second quarter.

Oxide Magnetite Purchase and Profit-Sharing Agreement

On February 6, 2014, subsequent to the end of the second quarter, pursuant to the terms of the Oxide Magnetite Purchase and Profit-Sharing Agreement with Malaco Mining Sdn. Bhd. ("Malaco") and its group of companies and shareholders, the Company issued 25 million common shares to Malaco in consideration for a profit-sharing arrangement with respect to the oxide magnetite top soils on Area C of the Mengapur Project, as well as approximately 1.2 million tonnes of previously stockpiled magnetite-bearing oxide top soils.

This acquisition will provide Monument with the potential to turn overburden mining costs into a profitable operation and add significant value to the Mengapur Project for the benefit of all shareholders and potential investors. The removal of stockpiled material and overburden represents a large portion of upfront mine development and operation costs on the Mengapur Project, as the overburden would need to be removed before hard rock open pit material could be accessed for mining.

1.3.3 Production

During the second quarter of 2014, mining operations at Selinsing generated a profit margin of $2.53 million (Q2 fiscal 2013: 12.00 million) from revenue of $8.34 million (Q2 fiscal 2013: $19.64 million). The trend of positive results have continued despite a sharp decline in the gold price and a slowdown of production as a result of mining lower grade ore blocks, stockpiling refractory mineralization for future potential processing, and heavy rainfall during the monsoon season.

The second quarter and the year to date production and financial results are briefed in the following table:

Figure 1: Q2 Fiscal 2014 Operating and Financial Results

Selinsing/Buffalo Reef		Three months ended		Six months ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Operating results	Unit				
Ore mined	t	153,207	184,197	303,392	285,851
Waste removed	t	1,164,603	640,848	2,537,805	1,082,798
Stripping ratio		7.60	3.48	8.36	3.79
Ore stockpiled	t	815,440	786,550	815,440	786,550
Ore processed	t	265,814	209,626	501,623	434,269
Average ore head grade	g/t Au	1.13	2.88	1.33	2.41
Process recovery rate	%	70.98	89.07	75.77	87.60
Gold recovery	oz	6,825	17,289	16,268	29,529
Gold production	oz	8,588	15,902	19,103	26,808
Gold sold	oz	6,482	11,353	18,720	23,905
Financial results					
Gold sales	US$'000	8,340	19,640	24,342	40,445
Per ounce data					
Cash cost per ounce	US$/oz	650	435	554	400
Average London spot gold price	US$/oz	1276	1,723	1302	1,687
Average realized gold price	US$/oz	1287	1,730	1300	1,692

a) Total cash cost includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs.

Gold recovery for the quarter ended 31 December 2013 from the Selinsing gold processing plant decreased by 61% to 6,825oz, compared to 17,289oz in Q2 fiscal 2013. The reduction in recovered gold was primarily due to mining activities occurring in a different ore zone, contributing lower feed grade as expected in the mine plan. The lower feed grade along with a higher proportion of low grade sulphides from the deeper Selinsing ore zones has also contributed to the lower processing recovery rate. As a result, despite a 27% increase in ore processed, gold production net of gold dorè in transit and refinery adjustment was 8,588oz (defined as good delivery gold bullion according to London Bullion Market Association ("LBMA")), a 46% reduction from the corresponding period of 15,902oz in Q2 fiscal 2013.

The Company sold a total of 6,482oz of gold at an average realized price of $1,287 per ounce (Q2 fiscal 2013: $1,730/oz) during the quarter. Gold sales generated $8.34 million for the quarter compared to $19.64 million in Q2 fiscal 2013. The average London spot price for the quarter was $1,276 (Q2 fiscal 2013: $1,723), down from the prior quarter of $1,326 per ounce. The London PM fix price depreciated by 9.2%, across the quarter, however prices have rebounded slightly subsequent to period end.

The cash cost per ounce increased to $650/oz in Q2 fiscal 2014 from $435/oz in Q2 fiscal 2013, as a result of higher mining and processing costs on a per ounce basis. Together with lower prevailing commodity prices, the increase in cash operating costs has negatively impacted operating margins. Operating costs have increased due to the location of ore and processing increasingly higher quantities of lower grade mill feed containing sulphide ore.

Mining activities in the December quarter have continued to focus on the stripping activities for the Selinsing Deep ore body. This change in focus has impacted ore production for the quarter, resulting in a decrease in ore mined of 30,990t from the corresponding period in fiscal 2013.

Figure 2: Gold production volumes and cash costs per ounce

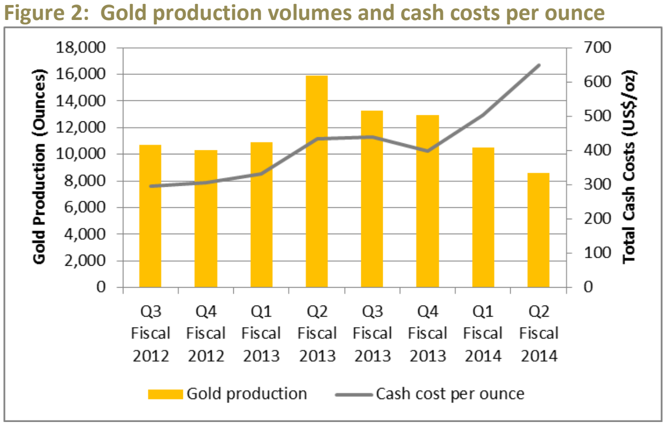
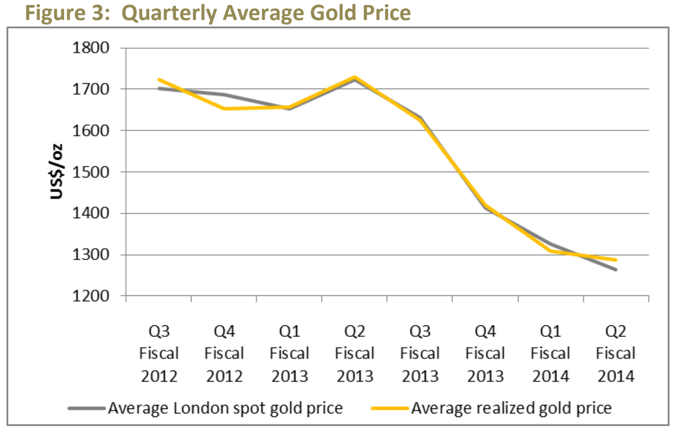


Figure 3: Quarterly Average Gold Price



1.3.4 Exploration

Significant work was undertaken throughout the second quarter including logging, sample preparation, lab analysis, and advancement of NI 43-10 updates, including the completion of 3,414 metres of drilling at Buffalo Reef and Federal Land Development Authority ("FELDA") properties. The Company is focused on collation and interpretation of all geological, geochemical and geophysical data, mapping geological structures, updating the resource estimate and block model, and drilling additional oxide targets. The infill and follow up drilling was also carried out at highly prospective areas, based on recent drilling which provided both higher grade drill intercepts and shallow oxide intercepts. The shallow oxide intercepts are being targeted to provide opportunity for immediate mill feed in the shorter term, while the deeper sulphide intercepts, if proved up may provide additional feed on a longer term horizon as the Company targets further definition of existing reserves and the identification of new deposits within the highly prospective exploration portfolio. The total drill program at Buffalo Reef, and FELDA properties during the quarter consisted of 54 diamond drill holes totaling 3,414 meters ("m"). During the quarter, 147 drill hole assays from Selinsing, Buffalo Reef, and FELDA were finalized and received from the SGS Malaysia commercial lab.

The Company continued its work in order to provide a NI 43-101 compliant resource estimate for the Mengapur Project as a whole through mine modeling and other related work based on Monument's FY2012 to FY2014 exploration drilling results. The PEA study is expected to be completed by March 31, 2014. While completion of this complex PEA report has taken longer than initially estimated, it will be a major achievement and provide a significant update to the historic feasibility study completed by the project's former owners.

Exploration activities at Mengapur during the three months ended 31 December 2013 has focused on data collection and analysis to complete the NI 43-101 compliant preliminary economic assessment ("PEA") study, progressing SGS lab construction and the R&D research in order to design a processing facility. During the quarter, 28 drill hole assays from the Star Destiny and Mengapur (CASB) properties were finalized and received from SGS commercial lab.

1.4 Corporate Activities

- On November 28, 2013, the Company announced its development plan, including its 2014 operational priorities for its Mengapur Polymetallic Project including development of marketable grade magnetite production aimed to increase near future cash flow; and
- On December 10, 2013, the Company announced its drill results at Selinsing/Buffalo Reef, demonstrating that gold mineralization at the Selinsing deposit continues along strike to the south and north as well as down-dip at depth (Selinsing "Deeps") as zones of significant widths of moderate grade including high grade sub-zones, in both sulphide and oxide ore.

The following events occurred subsequent to the end of the second quarter:

- On January 7, 2014, the Company announced that it entered into a binding agreement to acquire the Murchison Gold Project in Australia and paid AUD$0.25 million as a security deposit. The transaction was closed on February 21, 2014;

- On January 7, 2014 the Company announced that it has received, in connection with its advance notice by-law, a notice of nominations for six additional directors at its upcoming Annual General Meeting ("AGM"); a dissident information circular with respect to the election of those six additional directors was filed by the dissident group on January 17, 2014; on February 10, 2014, the Company announced that at the AGM, shareholders elected the following of management's nominees as directors for the ensuing year: George Brazier, Robert F. Baldock, Cathy Zhai, Zaidi Harun, Gerald Ruth, Frank Wright and Graham Dickson. Director nominee Jean-Edgar de Trentinian received the fewest "for" votes of the eight management nominees. Given the shareholder-approved motion to set the number of directors at seven, Mr. de Trentinian was not elected to the Board.
- On January 27, 2014, the Company announced that it has filed a lawsuit in the Supreme Court of British Columbia against GoldMet B.V. and its representative, George Molyviatis alleging that GoldMet and Mr. Molyviatis are in breach of the terms of the February 17, 2013 agreement under which GoldMet and Mr. Molyviatis agreed to support Monument, its management and its current Board of directors on all matters during the currency of that agreement;
- On February 4, 2014, the Company announced its recent drill results from its Fiscal 2013 Buffalo Reef gold exploration and delineation drilling program in Malaysia, showing that the Company has successfully targeted and identified additional oxide and gold mineralization at Buffalo Reef;
- On February 6, 2014, subsequent to the end of the second quarter, pursuant to the terms of the Oxide Magnetite Purchase and Profit-Sharing Agreement with Malaco Mining Sdn. Bhd. ("Malaco") and its group of companies and shareholders, the Company issued 25 million common shares to Malaco in consideration for a profit-sharing arrangement with respect to the oxide magnetite top soils on Area C of the Mengapur Project, as well as approximately 1.2 million tonnes of previously stockpiled oxide magnetite-bearing top soils.

2. PROJECT UPDATE

2.1 Gold Resources and Portfolio

2.1.1 Gold Resources

On May 23, 2013, the Company filed a NI 43-101 technical report titled "Selinsing Gold Mine and Buffalo Reef Project Expansion" (the "2013 Technical Report") with an effective date of August 31, 2012. The mineral resources identified in the 2013 Technical Report have been estimated in accordance with the standards adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Council in November 2010, as amended, and prescribed by the Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects. The independent qualified person responsible for the NI 43-101 report was Mr. Mark Odell, a Consulting Mine Engineer and Owner of Practical Mining LLC, with extensive experience in the mining industry and a member in good standing of an appropriate professional institution. The report and a map showing the area locations is provided on the Company's web site (http://www.monumentmining.com) or alternatively the report can be located on Sedar, filed on May 23, 2013 (www.sedar.com).

The 2013 Technical Report was issued with respect to the Company's 100% owned principal properties: Selinsing Gold property and the adjacent Buffalo Reef property. The NI 43-101 proven and probable reserves, estimated at August 31, 2012, are 223 thousand ounces (koz) of gold from 4,890 kilotonnes (kt) of material with a grade of 1.4 grams per tonne (g/t). These reserves are within a newly estimated measured and indicated resource of 289 koz of gold from 6,307 kt of material at a grade of 1.4 g/t. The inferred resource at Selinsing and Buffalo Reef is an additional 48 koz of gold from 1,070 kt of material at a grade of 1.4 g/t. The tables below summarize the calculated reserves and resources by area and ore type.

(in United States dollars, except where noted)

Figure 4: Selinsing and Buffalo Reef Mineral Reserves (August 31, 2012)

Area	Cutoff Grade	Proven			Probable			Proven + Probable		
	g/t	kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Oxide Reserves										
Selinsing	0.30	-	-	-	6.0	0.6	0.1	6.0	0.6	0.1
Buffalo Reef South and Central	0.30	14.0	1.6	0.7	336.0	1.9	20.8	350.0	1.9	21.5
Buffalo Reef North	0.31	12.0	0.9	0.3	155.0	1.2	5.7	166.0	1.1	6.1
Stockpile	0.30	2335.0	0.7	53.6	-	-	-	2335.0	0.7	53.6
		2360.0	**0.7**	**54.6**	**496.0**	**1.7**	**26.7**	**2857.0**	**0.9**	**81.3**
Sulfide Reserves										
Selinsing	0.62	183.0	2.7	16.1	630.0	2.2	44.6	812.0	2.3	60.7
Buffalo Reef South and Central	0.65	59.0	2.3	4.3	1,008.0	2.1	69.5	1,068.0	2.2	73.8
Buffalo Reef North	0.66	4.0	1.5	0.2	130.0	1.5	6.1	133.0	1.5	6.3
Stockpile	0.62	20.0	1.3	0.8	-	-	-	20.0	1.3	0.8
		266.0	**2.5**	**21.4**	**1,768.0**	**2.1**	**120.2**	**2,034.0**	**2.2**	**141.7**
Total Oxide and Sulfide		**2,626.0**	**0.9**	**76.0**	**2,264.0**	**2.0**	**146.9**	**4,890.0**	**1.4**	**222.9**

Notes:
(1) The following parameters were used to determine the gold cut-off grade for each reserve area: Gold price $1,550 per ounce; metallurgical gold recoveries ranging from 85% to 87% for sulphide materials and 92% for oxide material; processing costs of $10.84/tonne for oxide and $22.99/tonne for sulphide material; and mining costs ranging from $2.08 to $2.25 per tonne;
(2) Reserves are contained within fully engineered pits based on Lerch Grossman optimized pits and include 5% mining losses and 5% mining dilution;
(3) Mineral reserves were determined by Mark Odell, P.E., Practical Mining LLC.

The 2012 updated mineral resource estimate incorporates a new property-wide geological model which includes a total of 28 new surface diamond drilling ("DD") results completed by Monument since the last resource estimate was completed in 2007. Drilling has been focused on defining mineralization at depth below the existing pits, within gap zones in between the known resources that contain little drill hole information, and to convert inferred materials to indicated and/or measured materials. Drill hole assays received as of June 8, 2012 were used in this resource and reserve update along with the August 31, 2012 mine face positions as surveyed by Monument staff.

Figure 5: Selinsing and Buffalo Reef Measured and Indicated Mineral Resources, Including Reserves (August 31, 2012)

Area	Cutoff Grade	Measured			Indicated			Measured + Indicated		
	g/t	kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Oxide Resources										
Selinsing	0.27	-	-	-	9.0	0.7	0.2	9.0	0.7	0.2
Buffalo Reef South and Central	0.28	14.0	1.6	0.7	373.0	1.8	21.9	386.0	1.8	22.6
Buffalo Reef North	0.28	12.0	0.8	0.3	207.0	1.1	7.4	219.0	1.1	7.7
Stockpile	0.27	2335.0	0.7	53.6	-	-	-	2335.0	0.7	53.6
		2361.0	**0.7**	**54.6**	**588.0**	**1.6**	**29.5**	**2949.0**	**0.9**	**84.1**
Sulfide Resources										
Selinsing	0.56	229.0	2.2	16.0	1,436.0	1.9	88.4	1,664.0	2.0	104.5
Buffalo Reef South and Central	0.59	60.0	2.3	4.3	1,283.0	2.0	81.6	1,343.0	2.0	86.0
Buffalo Reef North	0.60	13.0	1.3	0.6	317.0	1.3	13.5	331.0	1.3	14.0
Stockpile	0.56	20.0	1.3	0.8	-	-	-	20.0	1.3	0.8
		322.0	**2.1**	**21.7**	**3,036.0**	**1.9**	**183.6**	**3,358.0**	**1.9**	**205.3**
Total Oxide and Sulfide		**2,682.0**	**0.9**	**76.3**	**3,624.0**	**1.8**	**213.0**	**6,307.0**	**1.4**	**289.4**

Notes:
(1) The resource cut-off grades were calculated based on a gold price of $1,700 per oz and metallurgical gold recoveries of 92% for oxide and 85% to 87% for sulphide materials, respectively;
(2) The open pit resources are constrained by a Lerch Grossman pit shell;
(3) Mineral resources that have not demonstrated economic viability are not mineral reserves; and
(4) Mineral resources determined by Mark Odell, P.E., Practical Mining LLC.

(in United States dollars, except where noted)

Figure 6: Selinsing and Buffalo Reef Inferred Mineral Resources (August 31, 2012)

Area	Cutoff Grade	Inferred		
	g/t	kt	g/t	koz
Oxide Resources				
Selinsing	0.27	3	0.6	0.1
Buffalo Reef South and Central	0.28	216	1.2	8.5
Buffalo Reef North	0.28	49	0.9	1.4
Stockpile	0.27	-	-	-
		268	**1.2**	**10**
Sulfide Resources				
Selinsing	0.56	121	1.1	4.5
Buffalo Reef South and Central	0.59	632	1.6	31.9
Buffalo Reef North	0.6	48	1.1	1.7
Stockpile	0.56	-	-	-
		801	**1.5**	**38**
Total Inferred Resources		**1,070**	**1.4**	**48**

Notes:
(1) Similar resource tabulation methodologies described for Figure 5 above apply to the resources in Figure 6;
(2) Mineral resources that are not mineral reserves do not have demonstrated economic viability; and
(3) Mineral resources determined by Mark Odell, P.E., Practical Mining LLC.

2.1.2 Selinsing Gold Mine

Background

The Selinsing gold mine 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 initial open pit and a gold treatment plant. Commercial production commenced in September 1, 2010.

Production

The Selinsing gold processing plant was upgraded during the first quarter of fiscal 2013 bringing production from 400,000 tpa to approximately 1,000,000 tpa. The upgraded plant processed a total of 265,814t during the quarter ended December 31, 2013 (Q2 fiscal 2013: 209,626t), the second highest quarter since commissioning (refer Figure 8). Gold recovery for the quarter was 6,825oz (Q2 fiscal 2013: 17,289oz). Ore processed for the six months ended December 31, 2013 was 501,623t, compared to 434,269t in the prior year.

Ore mined decreased by 17% to 153,207t in the second quarter of 2014 compared to the prior year, due to an increased focus on capital stripping activities for the Selinsing Deep ore body. Ore mined for six months ended December 31, 2013 was maintained 6% higher than the corresponding period in fiscal 2013. In line with expectations, the average ore head grade has reduced from the prior year of 2.88g/t in Q2 fiscal 2013, to 1.13g/t in the current quarter. The overall performance for the six months ended December 31, 2013 remains at 1.33g/t, a reduction from the prior year of 2.41g/t.

Figure 9 below illustrates gold production results on a consolidated basis including both the Selinsing and Buffalo Reef operations:

Figure 7: Selinsing Gold Mine: Revenue

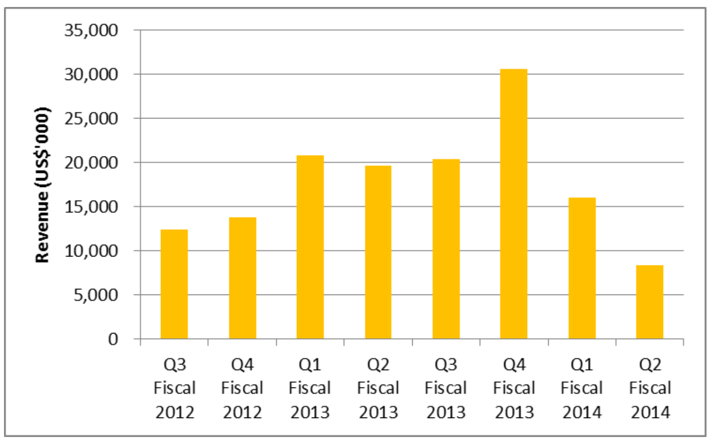


Figure 8: Selinsing Gold Mine: Operating Metrics

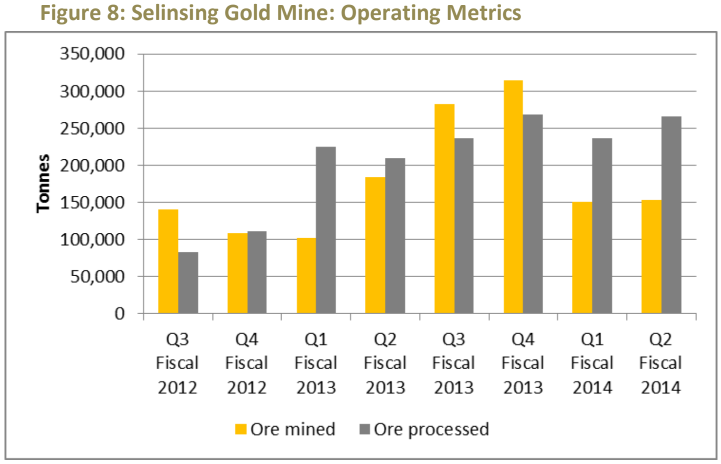


Figure 9: Selinsing Gold Mine Production Results

Selinsing/Buffalo Reef		Q1 Fiscal 2014	Q2 Fiscal 2014	Fiscal 2014 (6 months)	Fiscal 2013	Fiscal 2012
Operating results	Unit					
Ore mined	t	150,185	153,207	303,392	**882,159**	**501,881**
Waste removed	t	1,373,202	1,164,603	2,537,805	**2,831,755**	**2,770,491**
Stripping ratio		9.14	7.60	8.36	**3.21**	**5.52**
Ore stockpiled	t	890,495	815,440	815,440	**947,794**	**920,633**
Ore processed	t	235,809	265,814	501,623	**938,498**	**364,680**
Average ore head grade	g/t Au	1.56	1.13	1.33	**2.07**	**4.24**
Process recovery rate	%	79.66	70.98	75.77	**86.97**	**93.73**
Gold recovery	oz	9,443	6,825	16,268	**54,368**	**46,491**
Gold production	oz	10,515	8,588	19,103	**52,982**	**44,585**
Gold sold	oz	12,238	6,482	18,720	**57,905**	**36,938**
Financial results						
Gold sales [(b)]	US$'000	16,002	8,340	24,342	**91,276**	**61,709**
Per ounce data						
Cash cost per ounce	US$/oz	503	650	554	**400**	**306**
Average London spot gold price	US$/oz	1326	1276	1,302	**1,606**	**1,673**
Average realized gold price	US$/oz	1308	1287	1,300	**1,576**	**1,671**

a) Total cash cost includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs.

(b) Total gold sales for fiscal 2013 include sale of gold released from escrow during the year for $11 million.

Development

Ore processed during the quarter included only oxide material and leachable sulphide material. A further plant expansion (Phase IV) is required in order to process refractory sulphide materials. The Phase IV expansion proposed in the NI 43-101 report included the addition of a bio-leach circuit into the existing Carbon in leach ("CIL") plant which had a capital cost of approximately $45.8 million and provided a net present value ("NPV") of $10.7 million and a 21% rate of return. Monument established an R&D team at Selinsing to explore different refractory ore process options in order to significantly improve the economics of the project.

In parallel with the efforts to identify viable commercial options, the Company has continued work on producing a flotation sulphide gold concentrate. The efforts to float such a sulphide gold concentrate have been encouraging to date with initial indications that the concentrate may be acceptable to a number of prospective buyers in terms of gold content and contained contaminants and also from an environmental and regulatory point of view. The capital cost of the required plant adaption based on estimates of the flotation circuit taken from independent process engineers and turn-key contractors is approximately $6 million.

The Company is now working on refining the costs of producing the concentrate, researching various packaging, handling and shipping alternatives and negotiating with a number of smelters in the South East Asia region and around the world.

Exploration

No drilling was conducted at Selinsing during the second quarter of fiscal 2014. The Company awaits results from drill samples completed during the fiscal 2013 programs, which were sent to SGS (Malaysia) Sdn. Bhd., an accredited laboratory which complies with requirements of ISO/IEC 1725:2005, for preparation and analysis. Quality assurance and quality control ("QAQC") is maintained through the submission of certified reference materials and blanks. Coarse split RC drill hole duplicates are collected and analyzed.

The recent drill hole assay results confirm that gold mineralization extends below the existing pit design and continues at depth. The ongoing programs will continue to test the gold distribution at depth and along strike. The new drill hole data will be used to construct an updated resource estimate to be completed in the near future. The announcement of the Selinsing "Deeps" mineralized drill hole results (located below the current design pit) are similar in grade and true thickness to those obtained from historic drilling campaigns conducted before the 2007 acquisition.

Environment, Safety and Health

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

- The Department of Minerals and Geosciences (JMG) with environmental jurisdiction inside the Company's project tenements;
- The Department of the Environment (DOE), whose jurisdiction lies outside the Company's tenements regarding air and water quality discharge; and,
- The Department of Safety and Health (DOSH), primarily concerned with the storage and handling of hazardous chemicals.

In the quarter ended December 31, 2013 routine safety inspection, inductions, air sampling and noise sampling was conducted at the mine site and regular checks were made on fire extinguishers, first aid kits and safety showers.

Litigation

On October, 10, 2012, the Company was made a party in a Writ and Statement of Claim filed by Selinsing Mining Sdn Bhd ("SMSB"), a company wholly owned by Kesit Pty Ltd, an Australian private limited company. In the suit, SMSB claims, among other things, a 5% "Joint Venture Interest" in the profit of the gold production from Monument's Selinsing Gold Mine. SMSB was the previous sub-lease holder and operator that sold the Selinsing Gold Mine to Monument, free and clear of any encumbrances in a transaction that closed on June 25, 2007. SMSB has been paid in full and it was not until 2012 that SMSB made a claim against Monument in relation to its purported "Joint Venture Interest". Monument denies this alleged "Joint Venture Interest".

On February 26, 2013, the High Court in Shah Alam, Selangor, granted SMSB's application for a summary judgment against Monument and two of its subsidiaries, Able Return Sdn. Bhd. ("ARSB") and Selinsing Gold Mine Manager Sdn. Bhd. ("SGMM"). Monument appealed that decision to the Court of Appeal at Putra Jaya.

On July 8, 2013 the Court of Appeal at Putra Jaya allowed Monument's appeal and set aside the summary judgment. As a result of this decision, a trial will be conducted, in which Monument, ARSB and SGMM will be defending the SMSB claim. The Court of Appeal further ordered the matter to be heard by a judge other than the judge who had awarded the summary judgment in the first instance. The matter will now be set down for full trial in the Shah Alam High Court with a different judge in due course.

2.1.3 Buffalo Reef Project

Background

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd. ("Damar"), 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.

Production

Commercial production of oxide reserves commenced at Buffalo Reef South in January 2013 and processing of these materials at the Selinsing plant commenced in March 2013. The Company carried out ore production at the southern area of the Buffalo Reef project from January 2013 to September 2013. The oxide ore mined at Buffalo Reef South is sold under commercial terms to Able, the owner of the Selinsing processing plant. Production output results from the Selinsing gold mine are therefore consolidated with the Buffalo Reef operations.

Exploration

The aim of the fiscal 2014 Buffalo Reef exploration program is to convert inferred resources to measured and indicated resources, define additional resources under NI 43-101 standards and assist in the facilitation of the pit development.

For the quarter ended December 31, 2013, as part of an additional exploration program, 24 DD holes totaling 1,410 m were completed at Buffalo Reef for a total program cost of $0.26 million. These drill holes were targeted as follows:

- infill drill holes to help convert inferred resources to indicated or measured resources;
- extensions to mineralization collared on the margins of the existing design pits;
- additional near-surface oxide opportunities; and
- filling in gap zones with minimal existing information.

Core logging, sample processing and assay analysis are in progress on these recently completed drill holes.

2.1.4 FELDA Project

Background

Concurrent with the mine development and production, the Company has also extended the Selinsing property by acquiring exclusive irrevocable exploration licenses over 896 acres of FELDA Land through a subsidiary Able Return Sdn Bhd ("Able"). 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". On April 2, 2013, Monument obtained consent from FELDA allowing exploration to commence at the acquired FELDA land.

The Company has spent $0.14 million on the FELDA land acquisition with an initial three year exploration term, renewable for another three years at the Company's sole discretion; and if applicable, the Company has right to convert the exploration license to mining lease at its sole discretion upon regulatory approval.

Exploration

The objective of the fiscal 2014 FELDA exploration program is to discover new resources in order to extend the Selinsing and Buffalo Reef Life of Mine ("LOM") plan. For the quarter ended December 31, 2013 approximately 60% of the Company's drilling activities focused on the FELDA project. As part of an additional exploration program, 30 DD holes totaling 2,004 m were completed at FELDA block 7 for a total cost of $0.59 million. These drill holes tested under-drilled areas in the Buffalo Reef Central and South deposit areas. Logging, sample processing and assay analysis are in progress on these recently completed drill holes.

2.2 Mengapur Polymetallic Project

Background

Mengapur was historically owned by Malaysian Mining Corporation which defined the historical polymetallic resources in a full bankable feasibility study. The title of Mengapur was subsequently divided and distributed to different owners. Monument acquired 100% of Mengapur from those owners in fiscal 2012 and 2013 through strategic steps aimed to maximize economic value of the project:

- On November 21, 2011 the Company acquired a 100% interest in SDSB for consideration of $3.14 million. SDSB holds an exploration permit covering a 750 hectare property in Pahang State, including a partial component of the Mengapur historical resources adjacent to the primary Mengapur Project.
- On February 16, 2012, the Company acquired a 70% interest in CASB for consideration of $60 million in cash plus 30% of the shares of MMSB. CASB holds a mining license covering a 185.1 hectare property in Pahang State, including Mengapur's primary historical mineral resources.
- On December 31, 2012, the Company acquired the remaining 30% interest in CASB for consideration of $23.46 million, comprised of $16 million in cash and $7.46 million allocated to the acquisition (from the $12 million legal settlement with Tulum).

As a result, the Company now owns a 100% interest in the CASB and SDSB elements of the Mengapur Polymetallic Project.

Resources

The Mengapur polymetallic deposit contains a historical Copper ("Cu"), Sulfur ("S"), Gold ("Au"), Silver ("Ag") oxide and sulphide resource from a previous drilling campaign conducted in the 1980's as previously reported in the Snowden report (January, 2012). The historical resource consisted of 224 million tonnes ("mt") averaging 0.597% Cu equivalent ("eqv") (6.54% S, 0.25% Cu, 0.16 g/t Au, and 8.86 g/t Ag) at a cut-off grade of 0.336% Cu eqv from Zones A, B, and C. A historical sulphide reserve from Zone A consists of 64.8 mt averaging 0.737% Cu eqv (8.63% S, 0.27% Cu, 0.21 g/t Au, and 2.59 g/t Ag) at the same 0.336% Cu eqv cut-off grade (Snowden, 2012). As outlined above, the Company has strongly advanced drilling activities to verify these historic resources and reserves and to advance them to NI 43-101 compliance.

A qualified person has not done sufficient work to classify the historical estimates on the Mengapur Project as current mineral resources or reserves. The Company is not treating the historical estimate as current mineral resources or reserves. Refer to the Snowden report dated January 26, 2012 for further information regarding the historical reserve and resource estimates.

Work continued during the second quarter of fiscal 2014 on the Preliminary Economic Assessment ("PEA") NI 43-101 report. The PEA will not include an analysis of the Company's plans to process market-grade magnetite from certain topsoils on the Mengpaur Project. Activities related to the preparation of the PEA included finalizing the metallurgical test work programs at Inspectorate (Canada), summarizing and assigning the metal recovery results and expected concentrate grades for sulphide and transitional mineralization, and determining the processing costs for the sulphide materials. The completion of the NI 43-101 report has been delayed due to ongoing metallurgical work and analysis and a delay in receiving final exploration drill hole assays from the commercial labs. Mine engineering studies for the PEA NI 43-101 commenced in mid-December and remains in progress at period end. The final PEA Technical Report is being targeted for completion by the end of quarter 3, fiscal 2014.

Iron Ore Operations

ZCM Minerals Sdn. Bhd. ("ZCM") and Phoenix Lake Sdn. Bhd. ("PLSB") are currently mining for iron ore (magnetite) in oxide materials on the Mengapur mine site at an approximate rate of 8,000t per day. The "harmonization" agreement between PLSB/ZCM and MMSB, the exclusive operator of the lot 10210, has formed a base to allow ZCM to mine near-surface oxide ores and allow Monument to protect its mineral assets and continue developing access to the A Zone sulphide and transitional resources. The Company has an established grade control team present at the operation, with all costs recovered in full.

Subsequent to the end of the second quarter on January 29, 2014, the Company entered into a binding Oxide Magnetite Purchase and Profit-Sharing Agreement (the "Agreement") for the acquisition of certain overburden top soils on the Mengapur Project and the production of magnetite from these soils. The Agreement is with the closely-held Malaysian mining company, Malaco Mining Sdn. Bhd., its group of companies and shareholders (collectively, "Malaco"). The Agreement pertains to Area C of the Mengapur project and confirms Monument's right to access, extract, process and sell the oxide magnetite materials from Area C overburden. In addition, the Company has agreed to the purchase approximately 1.2 million tonnes of stockpiled oxide-bearing magnetite top soils, intended to be used as initial inventory for approximately the first year of magnetite production. The total consideration paid by Monument under the Agreement is the issuance of 25,000,000 Monument common shares at closing. The transaction was closed on February 6, 2014.

2014 Development Plan

The Mengapur project development plan was announced during the second quarter including the operational priorities for 2014. The initial focus was on the study of the production of market grade magnetite from fresh (sulphide) rock that underlies the free digging soils to generate cash flow; the R&D and market research of other downstream potential commodity products and completion of a NI 43-101 compliant PEA on the transitional and sulphide mineralization.

PEA Study and R&D Program

In fiscal 2013 Monument completed an extensive drill program at Mengapur totaling 50,045 metres drilled. The new drill data has been combined with the existing 58,000 metres drilled by Malaysia Mining Corporation (the former owner) into a new project database. In 2014 while Monument plans to proceed with mining initiatives that it expects will optimize and advance the process flow sheet for the Mengapur deposit, the Company continues its work in order to provide a resource estimate for the Mengapur Project as a whole (other than magnetite-containing topsoils) through mine modeling and other related work based on Monument's exploration drilling results. The PEA study is expected to be completed by March 31, 2014. While completion of this complex PEA report has taken longer than initially estimated, it will be a major achievement and provide a significant update to the historic feasibility study completed by the project's former owners.

Monument has completed a number of onsite infrastructure projects, including improved and expanded employee accommodation, R&D and assay laboratories and a new expanded core shed to assist in achieving these and other objectives.

Specifically, Monument are undertaking R&D activities related to the development of a number of marketable commodity products subsequent to the targeted recovery of magnetite that the Company believes can be separated for production to London Metals Exchange ("LME") grade, particularly copper separated from the other metals mined at Mengapur. These products generally will allow production of further magnetite, as well as potential production of sulfuric acid, molybdenum and different types of fertilizer.

Research and Development of Magnetite Production

Subsequent to the end of the second quarter, the Company confirmed a three-phase development plan for oxide magnetite production from the top soil of Area C at Mengapur. The plan includes the design, engineering, construction, commissioning and operation of a 7,000 tonnes per day (tpd) magnetite concentration processing plant on the Mengapur Project. Certain capital equipment required to construct this plant was acquired and paid for in the 2012 acquisition of Monument's indirect wholly-owned subsidiary, Cermat Amman Sdn. Bhd. Monument believes the additional capital investment to establish this operation will be no more than US$10.0 million, which MMSB will pay from cash on hand.

The opportunity to market magnetite is significant and was identified through drilling and other exploration activities, which indicated that the magnetite can be separated from the copper and other metals at the Mengapur site. An on-site R&D laboratory has been built to develop and prove a viable flow sheet circuit for recovery of magnetite from fresh rock.

In the magnetite separation process, important and valuable by-products are produced including copper concentrate with precious metal credits. In order to produce LME grade copper the Company is studying the economics of building a small scale copper smelter to produce down-stream value-added products such as LME grade bar copper for manufacturers of copper wire, copper piping, copper plate and other products that can be manufactured in Malaysia. At present, any copper concentrate produced requires export to an overseas smelter and then re-importation as there is no such facility in Malaysia. Such a facility would be built in full compliance with modern environmental standards and would be amongst the cleanest smelting facilities in south East Asia.

A facility of this nature, owned and operated by the Company would be a significant long term producing asset to Monument and would be a benefit for the Malaysian economy. If the Company proceeds with this project, there may also be additional opportunity to import copper concentrate from elsewhere to feed the smelter and develop marketable products.

In addition to conducting R&D into producing magnetite and the potential to produce copper metal for down-stream value-added industries and products, Monument will also target pyrrhotite for separation by flotation, as well as explore related opportunities to produce sulfuric acid which could be sold as acid or may be used to produce a number of fertilizer products for sale in Malaysia, either alone or in partnership with other Malaysian participants in this market.
Monument has engaged independent consultants to prepare marketing studies for each of these products. Additional studies on potential metal products from the Mengapur resource that may be evaluated through the PEA are also being conducted by the Company in order to maximize potential revenue opportunities from the Mengapur deposit within the existing metal and other commodity markets. Once the PEA is finalized, Monument will consider additional studies to advance the proposed Mengapur operations.

Initial development work commenced at the Mengapur project during fiscal 2013 and has continued in the second quarter of fiscal 2014. An update on key development work completed during the second quarter ended December 31, 2013 is outlined below:

On-Site Laboratories

Mengapur construction activities are focused on the completion of the on-site assay laboratory. The on-site laboratory is crucial for the Company to expedite metallurgical test work and sampling. An agreement between the Company and SGS Malaysia ("SGS"), an accredited lab that meets the requirements of MS ISO/IEC 17025, was finalized in January 2013. Under the agreement, SGS will manage and operate the on-site assay lab that will have capacity to process 2,000 samples a month upon completion. The assay lab will be constructed in three stages. The first stage was completed in May 2013 which has allowed for acceleration of sample preparation (crushing and grinding). The second stage was completed during the first quarter of fiscal 2013 and has enabled the lab to handle fire assays and leco sulfur analysis. The final third stage is in the process of being completed at the current time and will include full analytical capabilities including ICP multi-element geochemical analysis using 4-acid digestion.

Refurbishment of Pilot Plant

Refurbishment of the existing Mengapur processing plant to process 1,000t of sulphide ore per day (Phase 1) commenced in March 2013. The Company has been able to this existing plant as a small pilot plant for R&D purposes since the refurbishment has commenced, resulting in the sulphide processing project plans being put on hold during the September 2013 quarter (33% complete), subject to additional R&D laboratory test work.

Exploration

Exploration activities at Mengapur during the three months ended December 31, 2013 has focused on additional drilling data collection to help with assessing the potential polymetallic mineralization resources. Additional Mengapur work during the quarter included mine engineering work and database audit work that is being done as part of the NI 43-101 compliant PEA study by independent qualified consultants.

All drill hole logging and sampling from the 2013 programme were completed during the quarter. Assays are still being completed on the drill holes at SGS (Malaysia) at their Port Klang facilities and were delayed during the quarter in order to prioritize drill hole assays from Selinsing and Buffalo Reef.

Magnetic susceptibility determinations on drill hole pulps continue to be collected at site to determine a potential magnetite (Fe) resource. Davis Tube samples are being collected on a smaller drill hole sample population to determine a consistent relationship with the magnetic susceptibility data. Specific gravity samples continue to be collected on representative mineralization and alteration types to assist with the resource estimation.

The prospecting exploration permit of SDSB expired on September 23, 2012. The Company submitted an application of renewal in November 2011 to the State authority; it has also submitted two applications for mining licenses in 2009 and 2010 over sections of the same area. Another application for a mining lease over the prospecting land was also submitted in August 2012. The Company has yet to receive an official notification from the State authority in response to its applications.

2.3 Famehub Properties

Background

On September 13, 2010, through its wholly-owned subsidiary Damar, the Company acquired the Famehub Property by purchasing 100% of the issued and outstanding shares of Famehub Venture Sdn. Bhd. ("Famehub"), a company incorporated in Malaysia. Famehub has rights to approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef along the trend and east of the Selinsing gold mine. The Company has reviewed the exploration programs at all of these properties, targeting the consolidation of its

Selinsing and Buffalo Reef properties together with the Famehub Property around the Selinsing gold mine in order to extend the life of the mine.

Exploration

The Company has previously undertaken field work at Famehub's Satak Serau ("Panau") and Tekai prospects. The Panau prospect has been identified as having the best potential for hosting near-surface oxide resources. An initial 10 drill hole exploration program totaling 1,450m and additional trenching and sampling has been planned at Panau to be conducted in the near future. Access roads and drill pads have been constructed in preparation for the initial drilling program.

2.4 Murchison Project

Acquisition

On February 21, 2014, subsequent to the six months ended December 31, 2013, Monument closed the Murchison Gold Project acquisition subsequent to receipt of the approval of the Australian Foreign Investment Review Board ("FIRB") and fulfillment of all closing conditions for the transaction. The consideration of AUD$15 million cash was paid to Jinka Minerals Limited, Kentor Minerals (WA) and KGL Resources Limited (the "Vendors") under a "Mining Property Sale Deed" in exchange for the Murchison Gold Project, including a number of mining and exploration tenements and lease applications covering approximately 98 square kilometers of mining land prospective for resource extension. The tenement package holds a JORC compliant historical resource estimate of 546,000 ounces of gold, a fully operational gold processing plant, a newly developed camp site and all necessary infrastructure.

Historical Resources

The Murchison Gold Project consists of both the Burnakura and Gabanintha properties, located near Meekathara in the Murchison Mineral Field, approximately 765 kilometers North of Perth. A JORC compliant historical resource as at October 2013 of 6.41 million tonnes at an average of grade of 2.7 g/t containing 546,000 ounces of gold within a number of previously operated open pits and an underground mine was determined by BM Geological Services in the report Murchison Gold Project: Burnakura and Gabanintha resource inventory (December 2013). The Company believes that the quality of the data supporting the resources meets industry standards. Wireframes were built using 0.5 g/t Au mineralized envelopes. The resources are estimated using either ordinary Kriging or multiple indicator Kriging and are reported above a block grade of ≥1 g/t Au. The historical resources have been reported in line with the Joint Ore Reporting Committee ("JORC") guidelines, and resource confidence categories and the reliability of the estimate are consistent with this standard. Monument considers this historical resource estimate to be relevant to its ongoing review of the Murchison Gold Project. In addition, Monument is reviewing other historical resource estimates prepared on all or parts of the Murchison Gold Project.

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

The assets to be acquired include a 260,000 tpa CIL gold processing plant, 118 man mine camp, workshops, laboratory and all necessary infrastructure required to operate the project. The Vendors intended to develop the next stage of the project as a low-cost heap leach operation to process low-grade ore but shut down operations as a result of an inability to finance the balance of the project in the present market. Heap leach equipment, engineering, permit applications and location of the heap leach pad site have all been completed in 2013 providing the potential to reasonably move to production once a complete review program is completed by Monument upon closing and possession. Both Burnakura and Gabanintha will be operated from the one infrastructure facility. The Company has not made a production decision with respect to the property and the Company's plan to develop a low-cost heap leach operation on the property is subject to the Company completing its review program on the property.

Former owners, including Homestake Australia Pty Ltd and subsequently Barrick Gold Australia Pty Ltd, produced 150,000 ounces of gold from the immediate region up to the late 1990's but shut down operations when gold was much lower than present prices. Monument intends to compile valuable and extensive exploration and production data that is available but has not been put into a new database to be constructed.

Development Outlook

Production from a heap leach operation is the first priority from potentially both Burnakura and Gabanintha locations. Preliminary engineering for a 2,000,000 tonne pad has been carried out and draft operating permits have been prepared in anticipation of filing applications with regulators. Equipment acquired includes an additional crushing plant to allow up to three-stage crushing, a mixer, agglomerator and stacker to enable stacking of material onto the pad. The production pad is planned to be located near present infrastructure at Burnakura.

Metallurgical test work data reviewed by independent metallurgical and engineering consultants during the Company's due diligence review indicates that material from only one of the pits requires pre-stacking agglomeration. The mine has a completely equipped assay laboratory which will facilitate assays and simulation of heap leach results via metallurgical test work programs which will be carried out on site, subsequent to test work confirmation programs by independent consultants. The independent test work program is intended to produce recovery curves, reagent usage and other data for production estimates and financial forecasts.

In parallel with a review of this work, a drill program will be undertaken to confirm grades, attempt to upgrade and increase the resource and provide data and material for the metallurgical test work program. This will also facilitate mine planning and ore delivery schedules, once all infill drilling and other technical work are completed. Further information is anticipated to be available once the transaction closes.

The above stated development outlook is to the effect that a feasibility study has not been completed and there is no certainty the proposed operation will be economically viable. The information has been compiled and reviewed by Darryl Mapleson (BSc (Hons)., FAusIMM) who is a qualified Geologist retained by Monument Mining Limited and is a Qualified Person as defined by JORC guidelines and NI43-101. He has been working in Australia for Monument as an independent consultant.

3. FINANCIAL RESULTS

3.1 Summary

Figure 10: Balance Sheet Extract

BALANCE SHEET (in thousands of US dollars)	31-Dec-13	30-Jun-13	30-Jun-12
	$	$	$
Current assets	70,823	74,356	50,180
Non-current assets	174,284	168,197	161,769
Total assets	**245,107**	**242,553**	**211,949**
Current liabilities	9,471	12,941	19,053
Non-current liabilities	9,422	10,018	22,389
Non-controlling interests	-	-	24,186
Equity attributable to shareholders	226,214	219,594	146,321
Total liabilities and shareholders' equity	**245,107**	**242,553**	**211,949**
Working capital excluding derivative liabilities	**61,352**	**61,415**	**31,131**

Figure 11: Operating highlights

	Fiscal 2012		Fiscal 2013				Fiscal 2014	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	$	$	$	$	$	$	$	$
Revenues (000's)	12,394	13,801	20,805	19,640	20,325	30,506	16,002	8,340
Average realized gold price (per ounce)	1,698	1,624	1,658	1,730	1,626	1,419	1,308	1,287
Average London spot gold price (per ounce)	1,691	1,609	1,652	1,723	1,632	1,414	1,326	1,276
Net earnings before other income attributable to common shareholders (000's)	8,431	7,394	13,229	10,268	9,951	14,937	2,659	899
Earnings per share before other income:								
- Basic	0.04	0.04	0.06	0.05	0.04	0.05	0.01	0.00
- Diluted	0.04	0.04	0.06	0.05	0.04	0.05	0.01	0.00
Net earnings after other income and tax Attributable to common shareholders (000's)	8,116	13,560	10,834	12,457	(5,513)	15,060	1,742	1,452
Earnings per share:								
- Basic[(a)]	0.04	0.08	0.05	0.06	(0.02)	0.05	0.01	0.01
- Diluted[(b)]	0.04	0.07	0.05	0.06	(0.02)	0.05	0.01	0.01

a) Q1 Fiscal 2014 restated earnings from $2.494m, due to restatement of share-based compensation expense.
b) Q1 Fiscal 2014 restated earnings from $1.577m, due to restatement of share-based compensation expense. Q2 fiscal 2013 restated from $0.13.

The quarterly operating results of the Company are outlined for the past eight quarters in Figure 11 above. Revenues generated by the Company have fluctuated across the outlined period in line with prevailing market commodity prices and production volumes. Despite this fluctuation, the revenue base and corresponding metal sold has remained stable with the exception of Q4 2013 which was impacted favorably by the release of gold inventory ($11m) from escrow and Q2 fiscal 2014 which was impacted negatively by lower production volumes and market prices. Production from the Selinsing Gold mine will continue to be the biggest impact on operating results in the 2014 financial year. Despite an increase in production throughput from prior years, the lower head-grade expected in 2014 and the correlating impact on metallurgical recovery is expected to continuing having a negative impact on operations in comparison to prior periods.

The overall operating results of the Company reflect its income from gold mining operations, on-going corporate business development, administrative costs and other income or expenses such as interest, fair value gains or losses on derivative liabilities and foreign exchange gains or losses. In a climate of challenging market conditions, the Company has continued measures to strengthen the Balance Sheet and provide a strong platform to pursue the primary business objectives. In comparison to the commencement of the prior fiscal year, the Company has increased total assets by $33.01 million to $244.96 million ($211.95 million at June 30, 2012), including an increase in working capital of $30.22 million to $61.35 million.

For the quarter ended December 31, 2013, the net income attributable to shareholders was $1.45 million, or $0.005 per share (basic) compared to $12.46 million, or $0.06 per share (basic) in Q2 fiscal 2013. The $0.055 decrease in earnings per share in Q2 fiscal 2014 is mainly due to a reduction in gross margin provided from mining operations during the quarter. For the six month period ended December 31, 2013, the net income attributable to shareholders was $3.19 million, or $0.01 per share (basic) compared to $23.29 million, or $0.11 per share (basic) in the corresponding period for fiscal 2013. The decrease in earnings per share for the six month period ended December 31, 2013 is primarily due to a reduction in income from mining operations, together with an increase in one-off corporate expenditure during the period, as discussed in further detail below.

The net income before other income (loss) and before taxes attributable to shareholders was $0.90 million ($0.00 per share) for the second quarter of fiscal 2014 in comparison to $10.27 million ($0.06 per share) for the second quarter of fiscal 2014. For the six months ended December 31, 2013 it was $3.56 million ($0.01 per share) in comparison to $23.50 million ($0.11 per share) for the corresponding period in fiscal 2013.

3.2 Operating Results: Sales and Production Costs

Sales

Gold sales generated $8.34 million for the quarter compared to $19.64 million in Q2 fiscal 2013. The decrease in revenue was due the decrease in the average realized gold price to $1,287 per ounce in Q2 2014 from $1,730 per ounce in Q2 fiscal 2013 and the 43% decrease in produced gold sold for the quarter compared to Q2 fiscal 2013. For the six months ending December 31, 2013, revenue from gold sales was $24.34 million compared to $40.45 million for the same period in fiscal 2013. The decrease in revenue was due to the decrease in ounces sold (18,720 ounces vs. 23,905 ounces) and lower average realized gold price ($1,300 per ounce vs. $1,692 per ounce) year over year.

Together with production volumes, the price of gold is a significant factor affecting the Company's profitability and operating cash flows. The average London spot price for the quarter was $1,276 (Q2 fiscal 2013: $1,723), down from the prior quarter of $1,326 per ounce.

Production Costs

The cash cost per ounce of gold sold in Q2 fiscal 2014 was $650 per ounce, compared to $435 per ounce in the corresponding period in fiscal 2013. The increase resulted primarily from higher mining and processing costs on a per ounce basis. Operating costs have increased due to the location of ore and processing increasingly higher quantities of lower grade mill feed containing sulphide ore. A breakdown and further analysis of the cash cost components is provided below, including a historical graphical summary demonstrating the breakdown by quarter. In accordance with IFRS and internal policy, the Company has capitalized costs associated with capital stripping costs incurred during the quarter. Accordingly, these costs do not impact mining costs per ounce.

Figure 12: Revenue by quarter

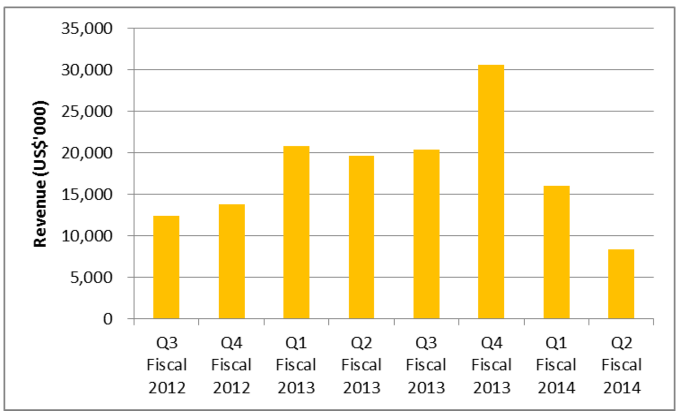


Figure 13: Cash production costs by quarter

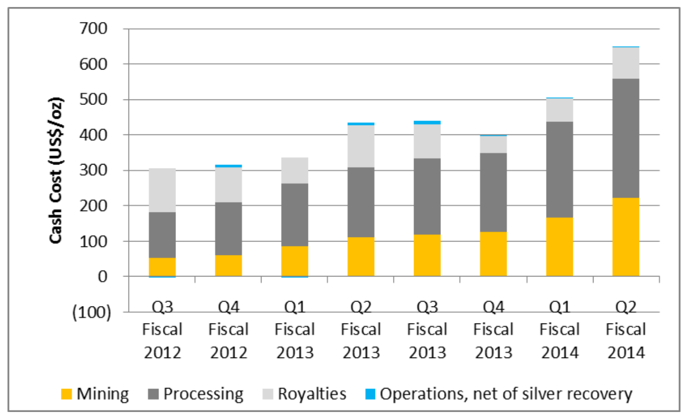


Figure 14: Cash production costs

	Three months ended		Six months ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Cash cost breakdown	US$/oz	US$/oz	US$/oz	US$/oz
Mining	221	110	185	97
Processing	337	197	294	187
Royalties	90	120	74	95
Operations, net of silver recovery	2	8	1	2
Total cash cost	**650**	**435**	**554**	**381**
Reconciliation of Non-GAAP measure	US$'000	US$'000	US$'000	US$'000
Production costs per unaudited interim consolidated financial statements	5,807	7,643	14,476	14,062
Less: Non-cash expenditure, depreciation & amortization	(1,597)	(2,700)	(4,106)	(4,944)
Total production cash costs	4,210	4,943	10,370	9,118
Divided by ounces of gold sold (oz)	6,482	11,353	18,720	23,905
Total cash cost (US$/oz)	**650**	**435**	**554**	**381**

(1) Total cash cost includes production costs such as mining, processing, tailings facility maintenance and camp administration, royalties, and operating costs such as storage, temporary mine production closure, community development costs and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs.

(in United States dollars, except where noted)

Mining

Mining costs per ounce for Q2 fiscal 2014 were $221 per ounce, up from $110 per ounce in Q2 fiscal 2013. The increase is attributable to an increase in mining costs on a per tonne basis and was further increased due to lower head grades and lower recovery as discussed below in the processing costs section. On a per tonne basis mining costs were higher due to longer distances now required for hauling. In addition, drill and blast costs were also higher due to mining harder sulphide ore and deeper drilling at Selinsing and higher mining contract costs commenced in July 2013. For the six months ended December 31, 2013, mining cost per ounce was $185 per ounce, up from $97 per ounce for the same period in fiscal 2013 mainly due to higher costs and lower gold production.

Figure 15: Mine operating metrics (before capital allocation)

		Three months ended		Six months ended	
	Unit	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Mining					
Ore mined	Tonnes	153,207	184,197	303,392	150,185
Waste removed	Tonnes	1,164,603	640,848	2,537,805	1,164,603
Stripping ratio		7.60	3.48	8.36	7.75
Ore stockpiled	Tonnes	815,440	786,550	1,705,935	815,440

Processing

Processing costs per ounce for Q2 fiscal 2014 were $337 per ounce, up from $197 per ounce in Q2 fiscal 2013. For the first six months of fiscal 2014 processing costs was $294 per ounce, up from $187 per ounce in fiscal 2013. The increase for the three and six months is mainly a result of processing lower grade oxide and sulphide ore in the period. In Q2 fiscal 2014 the average mill feed grade was 1.13 g/t, compared to the 2.88 g/t in Q2 fiscal 2013, a 61% decrease quarter over quarter. Processing recovery rate in Q2 fiscal 2014 reduced to 70.98% from 89.07% in Q2 fiscal 2013, as a result of the lower grade and the sulphide content of the feed. The Company commenced processing sulphide ore in October 2012.

Royalties

The Company pays royalties to the Malaysian Government based upon 5% of the market value of gold produced and an additional 2% to the PKNP (Pahang State Development Corporation) for gold produced from the Buffalo Reef ore. For Q2 fiscal 2014, royalties paid per ounce was $90 compared to $120 paid in Q2 fiscal 2013. The decrease in royalties paid per ounce quarter over quarter was mainly due to lower gold prices, the amount of gold sold in the current period, as well as timing and quantity of gold outturn. For the six months ended December 31, 2013, royalties paid was $74 per ounce compared to $95 per ounce for the same period in fiscal 2013. The decrease in royalty paid per ounce year over year was mainly due to the reduction in the average gold spot price.

Non-cash costs

Non-cash production expenses included depreciation and amortization of $1.56 million for the quarter (Q2 fiscal 2013: $2.68 million) and accretion of asset retirement obligations in the amount of $0.03 million for the quarter (Q2 fiscal 2013: $0.02 million). The decrease in total non-cash production expenses is due to the decrease in gold sold, resulting in a lower charge from inventory in the relevant period. For the six month period ended December 31, 2013 depreciation and amortization was $4.04 million (Six months ended December 31, 2012: $4.90 million).

(in United States dollars, except where noted)

3.3 Corporate general and administrative

Figure 16: Corporate Costs

	Three months ended		Six months ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	$	$	$	$
General and administration	641,327	856,595	1,312,254	1,433,471
Stock-based compensation	39,990	137,679	3,394,027	262,045
Legal, accounting and audit	652,922	472,430	1,041,706	729,436
Shareholder communications	51,320	96,985	78,940	175,294
Travel	113,441	179,947	262,319	305,820
Regulatory compliance and filing	8,713	2,807	27,090	17,624
Project investigation	92,482	-	129,690	-
Amortization	33,795	29,322	62,240	57,640
	1,633,990	1,775,765	6,308,266	2,981,330

Corporate expenses of $1.63 million were incurred for the quarter ended December 31, 2013 (Q2 fiscal 2013: $1.78 million) and $6.31 million for the six month period ended December 31, 2013 (Six months ended December 31, 2012: $2.98 million). Corporate expenditure for the quarter was 8% lower than the corresponding period in fiscal 2013. Corporate expenditure for the quarter included travel expenditure of $0.12 million (Q2 fiscal 2013: $0.18 million) and amortization of $0.03 million (Q2 fiscal 2013: $0.03 million). General and administration costs were 25% lower for the quarter, primarily due to a 25% decrease in salaries and wages expenses of $0.52 million for the quarter (Q2 fiscal 2013: $0.69 million). Legal, accounting and audit expenses increased 38% to $0.65 million from $0.47 million for the three months ended December 31, 2012.

3.4 Other income (loss)

Income from other items for the quarter was $0.59 million, a negative change of $1.60 million compared to the prior year other income of $2.19 million and a loss of $0.04 million for the six month period ended December 31, 2013 (Six months ended December 31, 2012 : $0.21 million loss). The Company re-measures the fair value of the foreign currency denominated share purchase warrants at each reporting date using the Black-Scholes option pricing model and translates it into US dollars using the exchange rates at the reporting date. A gain of $0.39 million (Q2 fiscal 2013: gain of $1.98 million) was recorded for the quarter ended December 31, 2013 due to the change in fair value of foreign currency share purchase warrants, which is mainly driven by the share price of the Company. This change represented the primary variance to the corresponding period in fiscal 2013 for the three and six months ended December 31, 2013.

The Company earned interest income of $0.23 million for the quarter ended December 31, 2013 (Q2 fiscal 2013: $0.21 million) and $0.45 for the six month period ended December 31, 2013 (Six months ended December 31, 2012: $0.67 million).

The Company recorded a foreign exchange loss of $0.03 million (Q2 fiscal 2013: gain of $0.23 million) for the quarter ended December 31, 2013 driven by fluctuations in the US dollar and the Malaysian Ringgit. The foreign exchange loss for the six month period ended December 31, 2013 was $1.15 million (Six months ended December 31, 2012: $0.60 million).

4. LIQUIDITY AND FINANCIAL CONDITION

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

The Company's cash and cash equivalents, including the restricted cash balance as at December 31, 2013 was $40.49 million, an increase of $16.38 million from the balance held at December 31, 2012 of $23.68 million (excluding funds held in escrow).

- For the three and six months ended December 31, 2013, cash in the amount of $2.90 million and $7.29 million was generated from operations (Q2 fiscal 2013: $18.18 million, Six months ended December 31, 2012: $27.12 million);
- For the three and six months ended December 31, 2013, $0.02 million and $0.02 million of cash was provided by financing activities (Q2 fiscal 2013: $0.43 million, Six months ended December 31, 2012: $12.51 million); and
- For the three and six months ended December 31, 2013, $4.16 million and $8.81 million of cash was spent on investing activities for development costs, acquisition of property, plant and equipment acquisitions and construction (Q2 fiscal 2013: $20.41 million, Six months ended December 31, 2012: $24.35 million).

The cash outflow from financing activities for the three and six months ended December 31, 2013 consisted of proceeds from the exercise of stock options of $0.02 million and $0.02 million respectively. Proceeds from the exercise of stock options and warrants were $0.43 million and $12.51 million for the corresponding periods in fiscal 2013.

Significant investing activities for the three and six months ended December 31, 2013 included exploration and evaluation activities totaling an outflow of $2.78 million and $6.02 million and capital expenditures on property, plant and equipment of $1.39 million and $3.24 million respectively.

As at December 31, 2013, the Company had a positive working capital, after excluding derivative liabilities, of $61.50 million compared to $48.89 million as at December 31, 2012. The increase of $12.61 million was mainly the result of cash proceeds generated from operations, offset by investment and exploration in mineral properties.

As at December 31, 2013, the Company has loans receivable of $6.6 million. 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, net of payable due to Veris from Monument. The Seller is a subsidiary of Veris Gold Corporation ("Veris"), which is a related party to the Company. The transaction has not been settled yet and there have been a number of extensions negotiated between the companies.

On September 30, 2013, Veris Gold Corporation ("Veris") paid $0.45 million of the accrued interest and penalty amounts on the outstanding $6.60 million loan. In addition, Veris agreed to register security before October 15, 2013, for the unpaid amount, net of the accounts payable due from Monument to Veris, being a first priority claim against Veris' Ketza River property located in Yukon, Canada.

On October 20, 2013, Monument was advised by Veris's legal counsel that the Ketza River Holding shares have already been pledged to Deutsche Bank. Monument is not allowed to register a second charge over the Ketza River Property. The Company is seeking legal advice to actively pursue recovery of the Gold forward purchase agreement.

5. CAPITAL RESOURCES

The Company's capital resources as at December 31, 2013 included cash and cash equivalents. The Company's primary sources of funding are equity financing through the issuance of stock, debt financing and cash flow generated from the sale of gold. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital asset upgrades and working capital.

The Company's ability to continue its mine development activities, exploration activities and production activities, and to continue as a going concern, will depend on its ability to obtain suitable financing and to generate cash flow from gold production. The Company has generated positive cash flows from operations since commencement of commercial production. Management believes it is able to obtain adequate working capital to continue the on-going operations through its Selinsing mine operation and other financing vehicles. However, the positive cash flow generated from the plant cannot be seen as an indication of future profitability. The profitability of the Company is affected by various factors, including the amount of gold produced and sold, the market price of gold, operating costs, interest rates, environmental costs, labour risk and political risk. The Company seeks to manage risks associated with its business; however, many of the factors affecting these risks are beyond the Company's control.

Financing may be required from time to time to meet its business development program. Whether the Company is able to generate adequate cash to meet its capital requirements is affected by a number of external economic factors beyond the Company's control.

The financial condition of the Company remains consistent with the Company's financial condition as at 30 June 2013, being the date of the most recently completed financial year-end. Economic and industry factors pertaining to the Company remain substantially unchanged.

Convertible Notes – Early Retirement Agreement (Share repurchase obligation)

On February 15, 2013, the Convertible Notes previously issued by the Company were fully converted under an early retirement arrangement. Included in the early retirement agreement was a put option which provided the rights to the Note holders that cause the Company to repurchase common shares converted from the Notes when the share price was below CAD$0.40. Subsequent to the quarter ended December 31, 2023, the Company settled the share repurchase obligation where the holder of 2,500,000 converted shares has agreed to forbear from exercising its rights with respect to the Repurchase Obligation in consideration for a payment of $0.5 million. This agreement resulted in de-recognition of the share repurchase obligation. In addition, the Company has also settled the put option in dispute with the former note holder who held 17,500,000 converted shares where the holder has agreed to waive their claim to the put option in consideration for a payment of $2.98 million. These rights were previously disputed due to an alleged breach of the early retirement agreement.

Figure 17: Commitment and Contingencies (000's)

	2014 $	2015 $	2016 $	2017 $	2018 $	Total $
Operating leases	51	22	-	-	-	73
Purchase commitments	1,975	-	-	-	-	1,975
Mineral property fees	3	7	7	7	7	31
Total	**2,029**	**29**	**7**	**7**	**7**	**2,079**

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

Of the total commitments outlined above in Figure 17, $0.12 million pertains to commitments for capital expenditure. The purpose of this expenditure is to undertake construction of infrastructure at Mengapur and purchase sustaining capital for mining operations at Selinsing. The expenditure is funded from general working capital provided from ongoing operations at Selinsing Gold Mine.

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

6. OFF BALANCE SHEET ARRANGEMENTS

None.

7. TRANSACTIONS WITH RELATED PARTIES

Refer to note 23 of the condensed consolidated financial statements as at December 31, 2013.

8. PROPOSED TRANSACTIONS

None.

9. CRITICAL ACCOUNTING ESTIMATES

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions that affect the amounts reported. Significant estimates and areas where judgment is applied include fair values used to establish: mineral reserve quantities, property plant and equipment lives, tax provisions, deferred tax balances and timing of their reversals, share purchase warrant liabilities and equity instruments. Actual results could differ from the Company's estimates.

10. CHANGES IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

Refer to note 3 of the condensed consolidated financial statements as at December 31, 2013.

11. FINANCIAL INSTRUMENTS – RISK EXPOSURE AND OTHER 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 payables, share repurchase obligation and convertible notes) and the financial liabilities at fair value through profit or loss (FVTPL) (gold forward contract and derivative financial instruments). Refer to the condensed consolidated financial statements as at December 31, 2013, for the details of the financial statement classification and amounts of income, expenses, gains and losses associated with the relevant instruments. Detail provided includes discuss the significant assumptions made in determining the fair value of financial instruments. The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk, and liquidity risk as outlined below.

Market risk

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

Foreign Currency risk

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

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

In addition, the Company is exposed to currency risk through assets and liabilities denominated in currencies other than the U.S. dollar. The foreign currency share purchase warrants contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged any of its currency risks. The derivative components associated to foreign currency fluctuation are fair valued at each period and gains or losses are recorded to its income (refer to note 3 of the financial statements).

Based on the net exposures as at December 31, 2013 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 $0.10 million (June 30, 2013 – $0.26 million) in the Company's net income. A 5% depreciation or appreciation of the CAD against the US dollar would result in an increase/decrease of approximately $0.09 million (June 30, 2013 – increase/decrease $0.13 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 $0.69 million (June 30, 2013 – increase/decrease $0.00 million) in net income.

Figure 18: Average Monthly CAD to USD Exchange Rates

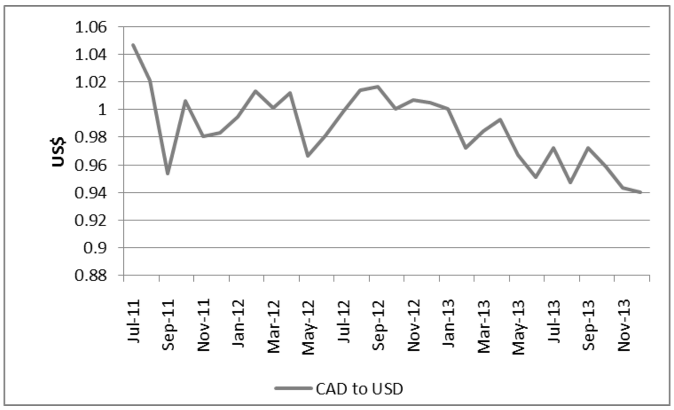
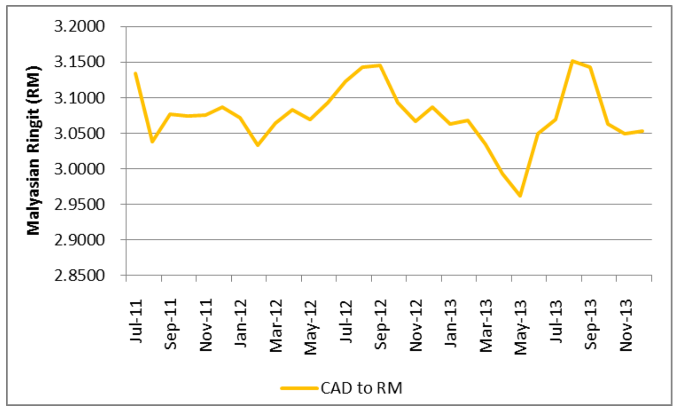


Figure 19: Average Monthly CAD to Malaysian Ringgit (RM) Exchange Rates



Commodity price risk

For the quarter ended December 31, 2013, the Company's revenues and cash flows were impacted by gold prices in the range of $1,195 to $1,361 per ounce. The Company has not hedged its exposure to commodity fluctuations.

As at December 31, 2013 and assuming that all other variables remain constant, a 5% increase/decrease in the gold market price would result in no change to unrealized fair value loss/income (June 30, 2013: $nil) 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 is exposed to concentration of credit risk with respect to cash and cash equivalents in the amount of $0.82 million (June 30, 2013: $3.87 million) which is held with a Malaysian financial institution. The amount of $3.54 million (June 30, 2013: $7.30 million) is held with a Canadian financial institution. The amount of $13.91 million (June 30, 2013: $nil) is held with an Australian financial institution. In addition, the Company is exposed to credit risk with respect to the loan owing by Veris Gold Corporation for $6.60 million which the Company is actively pursuing for recovery. To mitigate exposure to credit risk, the Company has established policies to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable credit worthiness, and to ensure liquidity of available funds.

(in United States dollars, except where noted)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through effective management of its capital structure, together with budgeting and forecasting cash flows to ensure it has sufficient cash to meet its short-term requirements for operations, business development and other contractual obligations. The Company's cash and cash equivalents are highly liquid and immediately available on demand for the Company's use.

12. OUTSTANDING SHARE DATA

The following details the share capital structure as at February 28, 2014, the date of this MD&A.

Figure 20: Share capital structure

Common Shares			Quantity
Issued and outstanding			300,218,030
			300,218,030
Stock options	Exercise Price	Expiry date	Quantity
	CAD$0.30	10-Jun-15	500,000
	CAD$0.42	29-Sep-15	3,000,000
	CAD$0.60	30-Nov-15	600,000
	CAD$0.68	27-Jan-16	20,000
	CAD$0.62	28-Jul-16	150,000
	CAD$0.61	29-Aug-16	150,000
	CAD$0.42	11-Jan-17	1,000,000
	CAD$0.45	07-Mar-17	180,000
	CAD$0.455	17-Sep-17	400,000
	CAD$0.455	09-Oct-17	500,000
	CAD$0.33	04-Sep-18	420,000
	CAD$0.33	04-Sep-23	13,445,501
			20,365,501
Agent options	Exercise Price	Expiry date	Quantity
	CAD$0.50	12-Feb-15	2,100,000
	CAD$0.50	06-Mar-15	1,015,000
			3,115,000
Share purchase warrants	Exercise Price	Expiry date	Quantity
	CAD$0.50	11-Aug-15	25,000,000
			25,000,000

13. RISKS AND UNCERTAINTIES

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

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

The Company has commenced gold production at its Selinsing gold mine and is currently generating a positive cash flow. The profitability of the production is depending on various factors, however, and may not be controllable by the Company.

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

Title to mineral property interests

Although the Company has taken steps to verify the title to its mineral property interests, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to administrative delays common in Malaysia, unregistered prior agreements or transfers and title may be affected by undetected defect. To the best of the Company's knowledge, title to its properties is in good standing except that a prospecting exploration permit previously held by SDSB expired on September 23, 2012 and the application for renewal was submitted to the authority in compliance with the Malaysian Mining Enactment 2001 and applications for several mining leases over the prospecting permit were also registered.

Realization of assets

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

Reserves and resource estimates

There is a degree of uncertainty attributable to the calculation of reserves and resources and the corresponding grades. Reserve and resource estimates are dependent partially on statistical information drawn from drilling, sampling and other data. Reserve and resource figures set forth by the Company are estimates, and there is no certainty that the mineral deposits would yield the production of metals indicated by reserve and resource estimates. Declines in the market price for metals may adversely affect the economics of a deposit and may require the Company to reduce its estimates.

Profitability from Production

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

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

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

Environmental

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

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

Additional funding for building project pipelines

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

Foreign Operations

The Company's properties are located in Malaysia, South-East Asia. Malaysia had a history of tin mines and currently has some gold mine operations within the central gold belt in Pahang State. In 2010, the increase in revenue from gold mine operations has brought mining to the government's attention. The Company has historically received strong support from the local, state and federal governments for its gold mine development and operation. However, the political risk is considered external and not at the control of the Company.

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

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

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

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

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

An evaluation of the effectiveness of the design and operation of disclosure controls and procedures was conducted as of December 31, 2013 by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company's management, including the CEO and CFO, or persons performing similar functions.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. Management is responsible for establishing and maintaining adequate internal controls over financial reporting for the Company.

The Company's management, including the CEO and CFO, has evaluated the effectiveness of the internal controls over financial reporting. Based on this evaluation, management has concluded that internal controls over financial reporting were designed effectively as of December 31, 2013.

As a result of this review, it was determined that there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting except the following weaknesses.

Inventory control:

The Company has further improved its inventory system this quarter. The new system has been implemented which can further enhance the control.

Gold Security:

The Company has implemented a CCTV system. A new security management company will be engaged to further enhance the control.

While the Company's CEO and CFO believe that the Company's internal controls over financial reporting provide a reasonable level of assurance that they are effective, they do not believe that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

15. NON-GAAP PERFORMANCE MEASURES

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

16. CAUTION ON FORWARD LOOKING STATMENTS

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

Other information

Where we say ''we'', ''us'', ''our'', the ''Company'', or ''Monument'' in this Management's Discussion and Analysis, we mean Monument Mining Limited and/or one or more or all of its subsidiaries, as may be applicable. The technical information about the Company's material mineral properties contained in this Management's Discussion and Analysis has been prepared under the supervision of Snowden Mining Industry Consultants company who is a ''qualified person'' within the meaning of National Instrument 43-101.