MONUMENT MINING LIMITED

Three and Nine Months Ended March 31, 2012

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars)

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Monument Mining Limited have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

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

The Audit Committee of the Board of Directors has reviewed the condensed interim consolidated financial statements with management.

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

Vancouver, British Columbia
May 29, 2012

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MONUMENT MINING LIMITED

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Unaudited
(in United States dollars, except otherwise stated)

	Notes	March 31, 2012	June 30, 2011	July 1, 2010
			(Note 24)	(Note 24)
ASSETS				
Current assets				
Cash and cash equivalents		$ 5,159,963	$ 49,063,026	$ 3,772,746
Restricted cash	4	102,063	103,500	174,400
Funds held in escrow	9 (f)	11,000,000	-	-
Gold bullion	5	-	1,505,490	-
Gold forward purchase agreement	6	6,096,832	-	-
Trade and other receivables		256,255	1,924,131	1,843,755
Prepaid expenses and deposits		675,437	492,994	88,585
Inventories	7	21,089,498	15,237,610	4,769,981
		44,380,048	68,326,751	10,599,467
Non-current assets				
Restricted inventories	7, 11	2,440,360	1,121,400	-
Property, plant and equipment	8	43,626,622	35,012,324	19,928,765
Mineral properties	9	111,816,144	20,065,745	36,412,904
Deferred costs		74,732	216,287	226,522
		157,957,858	56,415,756	56,568,191
		$ 202,337,906	$ 124,742,507	$ 67,167,658
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		$ 6,710,454	$ 4,903,751	$ 3,624,057
Derivative warrant liabilities	14	2,950,370	-	-
Escrow fund payable	9 (f)	11,000,000	-	-
Finance lease obligations	20 (b)	16,196	15,746	13,882
		20,677,020	4,919,497	3,637,939
Non-current liabilities				
Finance lease obligations	20 (b)	19,577	32,257	44,771
Convertible notes	11	5,786,884	5,290,009	-
Gold forward sale contract	12	2,592,660	2,592,660	-
Derivative liabilities – gold inducement	13	4,964,038	4,636,523	-
Derivative liabilities – warrants	14	6,126,794	21,285,160	-
Asset retirement obligations	15	4,770,077	4,249,810	3,540,057
Deferred tax liabilities		695,926	720,900	672,633
		24,955,956	38,807,319	4,257,461
		45,632,976	43,726,816	7,895,400
Equity				
Share capital	16	68,597,481	63,484,007	57,805,102
Capital reserve – warrants		2,612,024	2,612,024	2,612,024
Capital reserve – options		6,277,572	5,866,850	5,098,552
Retained earnings (accumulated deficit)		55,054,050	9,052,810	(6,243,420)
		132,541,127	81,015,691	59,272,258
Non-controlling interests	18	24,163,803	-	-
		156,704,930	81,015,691	59,272,258
		$ 202,337,906	$ 124,742,507	$ 67,167,658
Subsequent events	23			

Approved on behalf of the Board:

"Robert Baldock"	"Cathy Zhai"
Robert Baldock, Director	Cathy Zhai, Director

MONUMENT MINING LIMITED

INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Unaudited
(in United States dollars, except otherwise stated)

	Notes	Three months ended March 31, 2012	Three months ended March 31, 2011	Nine months ended March 31, 2012	Nine months ended March 31, 2011
Revenue					
Revenue - gold sale		$ 12,393,951	$ 15,031,105	$ 47,908,564	$ 35,761,989
Production costs		(2,213,440)	(2,535,105)	(8,618,643)	(6,266,935)
Gross margin from mining operations		10,180,511	12,496,000	39,289,921	29,495,054
Depletion and amortization		(728,991)	(1,061,937)	(2,738,314)	(1,504,849)
Gain (loss) on disposal of scrap material		-	3,046	3,879	3,046
Accretion of asset retirement obligations	15	(23,403)	28,568	(79,938)	40,213
		(752,394)	(1,030,323)	(2,814,373)	(1,461,590)
Income from mining operations		9,428,117	11,465,677	36,475,548	28,033,464
Expenses					
General and administration		392,708	294,175	1,177,260	902,510
Share-based payments		99,678	211,144	418,339	839,030
Legal, consulting and audit		334,733	147,657	851,891	488,730
Shareholders communication		107,735	60,337	383,089	173,942
Travel		89,152	61,520	367,048	288,555
Regulatory compliance and filing		35,124	27,508	52,424	44,467
Project investigation		-	145,815	3,555	145,815
Amortization charge (credit)		(61,292)	221,487	87,009	230,963
		997,838	1,169,643	3,340,615	3,114,012
Income (loss) before other items		8,430,279	10,296,034	33,134,933	24,919,452
Other income (loss)					
Gain/(loss) due to change in fair value of derivative liabilities – gold inducement	13	964,150	(470,837)	(327,515)	(2,322,130)
Gain/(loss) due to change in fair value of warrant derivative liabilities	14	(2,194,600)	6,474,756	12,188,919	(1,435,744)
Change in fair value of gold forward purchase agreements	5, 6	1,096,832	1,473,204	1,163,340	1,473,204
Foreign currency exchange gain (loss)		32,088	317,081	405,366	(68,467)
Interest income		26,273	29,727	118,143	72,269
Accretion interest on convertible note	11	(235,695)	(203,119)	(678,355)	(626,887)
Capital loss from assets disposal		(1,919)	-	(1,919)	-
		(312,871)	7,620,812	12,867,979	(2,907,755)
Income before taxes		8,117,408	17,916,846	46,002,912	22,011,697
Tax expense		(959)	(123)	(1,672)	(123)
Net income		$ 8,116,449	$ 17,916,723	$ 46,001,240	$ 22,011,574
Income attributable to non-controlling interest		-	-	-	-
Income attributable to common shareholders		8,116,449	17,916,723	46,001,240	22,011,574
Total comprehensive income		8,116,449	17,916,723	46,001,240	22,011,574
Income attributable to non-controlling interest		-	-	-	-
Income attributable to common shareholders		$ 8,116,449	$ 17,916,723	$ 46,001,240	$ 22,011,574
Earnings per share					
Basic	17	$ 0.04	$ 0.10	$ 0.25	$ 0.13
Diluted	17	$ 0.04	$ 0.09	$ 0.24	$ 0.12
Weighted average number of common shares					
Basic	17	184,004,851	173,005,083	182,273,161	167,000,507
Diluted	17	189,033,298	197,469,426	192,052,252	179,120,019

MONUMENT MINING LIMITED

INTERIM CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
Unaudited
(in United States dollars, except otherwise stated)

	Attributable to owners of the parent						
	Common shares	Capital reserve - warrants	Capital reserve - options	Retained earnings (deficit)	Total	Non-controlling interest	Total equity
Balance, July 1, 2011	$ 63,484,007	$ 2,612,024	$ 5,866,850	$ 9,052,810	$ 81,015,691	$ -	$81,015,691
Common shares issued on acquisition of properties	843,292	-	-	-	843,292	-	843,292
Warrants exercised, including cash	4,160,738	-	-	-	4,160,738	-	4,160,738
Stock options exercised	109,444	-	(35,515)	-	73,929	-	73,929
Share-based compensation	-	-	483,238	-	483,238	-	483,238
Stock options forfeited	-	-	(37,001)	-	(37,001)	-	(37,001)
Net income for the period	-	-	-	46,001,240	46,001,240	-	46,001,240
Acquisition during the period	-	-	-	-	-	24,163,803	24,163,803
Balance, March 31, 2012	$ 68,597,481	$ 2,612,024	$ 6,277,572	$ 55,054,050	$132,541,127	$ 24,163,803	$156,704,930
Balance, July 1, 2010	$ 57,805,102	$ 2,612,024	$ 5,098,552	$ (6,243,420)	$59,272,258	$ -	$59,272,258
Common shares issued on acquisition of properties	3,406,900	-	-	-	3,406,900	-	3,406,900
Warrants exercised, including cash	1,331,235	-	-	-	1,331,235	-	1,331,235
Stock options exercised, including cash	486,373	-	(177,864)	-	308,509	-	308,509
Share-based compensation	-	-	867,275	-	867,275	-	867,275
Warrants term extension				(17,095,542)	(17,095,542)	-	(17,095,542)
Net income for the period	-	-	-	22,011,574	22,011,574	-	22,011,574
Balance, March 31, 2011	$ 63,029,610	$ 2,612,024	$ 5,787,963	$ (1,327,388)	$ 70,102,209	$ -	$ 70,102,209

MONUMENT MINING LIMITED

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited
(in United States dollars, except otherwise stated)

	Notes	Three months ended March 31, 2012	Three months ended March 31, 2011	Nine months ended March 31, 2012	Nine months ended March 31, 2011
Operating activities					
Net income for the period		$ 8,116,449	$ 17,916,723	$ 46,001,240	$ 22,011,574
Adjustments to reconcile net income to net cash provided from operating activities:					
Depletion and amortization		667,699	1,062,503	2,825,323	1,514,891
Capital loss on assets disposal		1,919	-	1,919	-
Accretion expense on asset retirement obligations		23,403	(28,568)	79,938	(40,213)
Share-based compensation		99,678	211,144	418,339	839,030
(Gain)/loss on change in fair value of derivative liabilities – gold inducement	13	(964,150)	470,837	327,515	2,322,130
(Gain)/loss on change in fair value of derivative warrant liabilities	14	2,175,523	(6,474,756)	(12,188,919)	1,435,744
Foreign exchange loss (gain)		78,768	201,602	86,936	681,373
Change in fair value of gold forward purchase agreement	5, 6	(1,096,832)	(1,473,204)	(1,163,340)	(1,473,204)
Accretion interest on convertible notes	11	235,695	203,119	678,355	626,887
		9,338,152	12,089,400	37,067,306	27,918,212
Change in non-cash working capital items					
Trade and other receivables		4,877,247	(685,491)	1,667,876	(1,460,062)
Prepaid expenses and deposits		(174,839)	38,884	(182,443)	(355,041)
Inventories		(1,316,509)	(734,205)	(2,889,905)	(3,387,856)
Accounts payable and accrued liabilities		(368,951)	652,631	242,416	2,722,371
		3,016,948	(728,181)	(1,162,056)	(2,480,588)
Cash provided from operating activities		**12,355,100**	**11,361,219**	**35,905,250**	**25,437,624**
Financing activities					
Proceeds from exercise of stock options and warrants		68,129	963,509	4,215,590	1,555,900
Proceeds from convertible notes	11		248,000	-	7,901,600
Proceeds from gold forward contracts	6, 12		155,000	1,571,998	4,938,500
Finance cost paid	11,12		116,457	-	(1,319,446)
Gold forward purchase payment	6	(5,000,000)	(5,043,491)	(5,000,000)	(5,043,491)
Payment of finance lease obligations		(2,548)	(2,600)	(12,230)	(6,853)
Cash provided from financing activities		**(4,934,419)**	**(3,563,125)**	**775,358**	**8,026,210**
Investing activities					
Expenditures on mineral properties, net of recoveries		(46,373,909)	595,123	(55,529,275)	2,037,345
Expenditures on plant and equipment		(9,043,127)	(2,502,357)	(13,707,463)	(6,053,083)
Funds transferred in escrow	9 (f)	(11,000,000)	-	(11,000,000)	-
Change in deferred business development costs		-	(142,452)	-	70,521
Cash used in investing activities		**(66,417,036)**	**(2,049,686)**	**(80,236,738)**	**(3,945,217)**
Foreign exchange effect on cash		179,035	(293,471)	(348,370)	46,035
Increase (decrease) in cash and cash equivalents		(58,817,320)	5,454,937	(43,904,500)	29,564,652
Cash and cash equivalents, beginning of the period		64,079,346	28,006,861	49,166,526	3,897,146
Cash and cash equivalents, end of the period		**$ 5,262,026**	**$ 33,461,798**	**$ 5,262,026**	**$ 33,461,798**
Cash and cash equivalents consist of:					
Cash		5,159,963	23,460,466	5,159,963	23,460,466
Cash equivalents		-	9,897,837	-	9,897,837
Restricted cash	4	$ 102,063	$ 103,495	$ 102,063	$ 103,495

Supplemental Cash Flow Information (Note 21)

1. Corporate Information and Nature of Operations

Monument Mining Limited ("Monument" or "the Company") is a natural resource company engaged in the acquisition, exploration, development and operation of gold and Polymetalic mineral property interests. Its primary activities include open pit mining and operation of a gold treatment plant at the 100% owned Selinsing Gold Project ("Selinsing") and exploration on the 100% owned Damar Buffalo Reef, Famehub, the 49% owned Mersing Project, and the 70% owned Mengapur project.

The head office, principal address and registered and records office of the Company are located at 688 West Hastings Street, Suite 910, Vancouver, British Columbia, Canada V6B 1P1. Its gold project operations, exploration and development activities are carried out in Malaysia through its wholly owned integrated subsidiaries.

The condensed interim consolidated financial statements of the Company for the three and nine months ended March 31, 2012 comprise the Company and its subsidiaries. These condensed interim consolidated financial statements are presented in United States (US) dollars and all values are rounded to the nearest dollar except where otherwise indicated. The Company is listed on the TSX Venture Exchange ("TSX-V: MMY").

2. Basis of preparation and first-time adoption of IFRS

These unaudited condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") and IFRS 1 'First-time adoption of International Financial Reporting Standards' ('IFRS 1').

The Company's first interim consolidated financial statements under IFRS were presented for the first quarter ended September 30, 2011. The accounting policies adopted and presented in the first interim financial statements are consistent with the accounting policies the Company expects to adopt in its IFRS consolidated financial statements for the year ended June 30, 2012 unless otherwise further amendments are made at that time if considered proper, and are based on IFRS as issued by the International Accounting Standards Board ("IASB") that the Company expects to be applicable at that time.

The Company's first annual consolidated financial statements under IFRS will be presented for the year ended June 30, 2012.

Subject to certain transition elections disclosed below, the Company has consistently applied the same accounting policies in its opening IFRS consolidated balance sheet as at July 1, 2010 (the 'transition date') and throughout all periods presented, as if these policies had always been in effect. Note 24 discloses the impact of the transition to IFRS in the Company's reported consolidated statement of financial position, income and comprehensive income and consolidated cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's audited consolidated financial statements for the year ended June 30, 2011.

These condensed interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended June 30, 2011 and the Company's unaudited first condensed interim consolidated financial statements under IFRS presented for the first quarter ended September 30, 2011, which have disclosed a detailed summary of significant IFRS accounting policies.

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on May 29, 2012.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out in the Company's first interim consolidated financial statements under IFRS for the first quarter ended September 30, 2011.

a) Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The condensed interim consolidated financial statements include the financial statements of Monument and the subsidiaries listed in the following table:

Entity	Country of Incorporation	March 31, 2012 Interests holding	June 30, 2011 Interests holding
Subsidiaries (consolidated)			
Polar Potential Sdn. Bhd.	Malaysia	100%	100%
Able Return Sdn. Bhd.	Malaysia	100%	100%
Selinsing Gold Mine Manager Sdn. Bhd.	Malaysia	100%	100%
Damar Consolidated Exploration Sdn. Bhd.	Malaysia	100%	100%
Famehub Venture Sdn. Bhd.	Malaysia	100%	100%
Monument Mengapur Sdn. Bhd.	Malaysia	70%	100%
Cermat Aman Sdn. Bhd.	Malaysia	70%	-
Star Destiny Sdn. Bhd.	Malaysia	100%	-

b) Foreign Currencies

The Company's condensed interim consolidated financial statements are presented in US dollars. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The US dollar is the functional currency of the parent company and all of its subsidiaries.

c) Property, plant & equipment

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

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

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

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

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

d) Mineral properties and development costs

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

Exploration and evaluation expenditures

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

Mine development expenditures

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

Mine development costs incurred during production

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

e) Impairment of long-lived assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The Company monitors the recoverability of long-lived assets, including property, plant and equipment, based on factors such as current market value, future asset utilization, business climate and future discounted cash flows expected to result from the use of the related assets. The impairment loss is recorded in the period when it is determined that the carrying amount of the asset may not be recoverable. The amount of impairment loss is measured as the excess of the carrying value of the asset over its fair value less costs to sell, or the discounted present value of the future cash flows associated with the use of the asset.

f) Asset retirement obligation

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

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

Additional disturbances or changes in rehabilitation cost will be recognized as additions or charges to the corresponding assets and asset retirement obligation when they occur. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

g) Cash and cash equivalents

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

h) Inventory

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

Supplies inventory consists of consumables used in mining and processing operations and are valued at the lower of cost and net realizable value using the first-in-first-out method. Supplies used in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Stockpiled ore represents material that has been extracted from the mine and is ready for further processing. Stockpiled ore is measured by estimating the number of tones added and removed from the stockpile and is verified based on period surveys. Stockpiled ore is valued based on the current mining costs (including depreciation and amortization) incurred up to the point of stockpiling the ore using the average cost method. Costs include direct labour, mine-site overhead, and depreciation and depletion on Selinsing mine equipment and mineral properties.

Work in progress (including the material discharged from gravity plant for CIL process) represents gold in the processing circuit that has not completed the production process. Work in progress is recorded at average cost. Costs include direct labour, mine-site overhead, and depreciation and depletion on Selinsing mine equipment and mineral properties.

Finished goods inventory is metal available for sale and is valued at the lower of average production cost and net realizable value.

Restricted inventory is valued at the lower of average production cost and net realizable value.

i) Financial instruments

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents, restricted cash, accounts receivable), other financial liabilities (accounts payable, accrued liabilities, funds in escrow, liability component of convertible debt) and the financial liabilities at fair value through profit or loss (FVTPL) (forward contracts, foreign currency share purchase warrants, derivative warrant liabilities and other derivative liabilities).

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

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

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

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

Derivative Instruments – Foreign currency share purchase warrants

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

Derivative Instruments - Gold forward purchase agreement

As the terms of the gold forward purchase arrangements provide the Company with an option to receive payment in a known amount of cash or ounces of gold, the value of the arrangement fluctuates based on the commodity price. The Company classifies the gold forward purchase agreements as derivative financial instruments. The undelivered gold balance is re-measured at fair value based on the gold forward market price at the reporting date.

Derivative Instruments – Gold inducement

The gold inducement contractual arrangement (the "gold inducement") with third parties to sell a fixed amount of gold ounces at the fixed price in US dollar or Canadian dollars at the discretion of the third parties is classified as a derivative instrument. The gold inducement derivative instrument includes the gold price derivative component and a foreign exchange derivative component. During the vesting period, the gold price derivative component is measured at fair value based on a valuation model, under which the fair value is calculated based on the aggregated future cash flow derived by the forward price of gold, the foreign currency forward exchange rate and discounted at a risk free rate of return. Subsequent to February 10, 2012, the inducement is measured at fair value based on the spot gold market price (London Fix PM) at each reporting date as well as the foreign exchange rate at the reporting period.

Derivative Instruments - Compound Instruments

On initial recognition, the Company allocates the proceeds on between the debt and equity components by first allocating the proceeds to the debt components based on their fair value with any residual value being allocated to the equity components. Transaction costs are allocated between the various components on a pro-rata basis.

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

j) Share-based payments

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

k) Share capital

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

Share purchase warrants that are issued for goods and services are initially accounted for under IFRS 2 as equity instruments (their initial fair value would be recognized as share issuance costs). Subsequent to their issuance, share purchase warrants issued for goods and services that are non-transferable are considered as equity for their entire life. The fair value of such share purchase warrants is not re-measured. When these share purchase warrants are exercised, the cash proceeds received and the applicable amounts of share purchase warrants are credited to share capital. Where share purchase warrants expire or are forfeited then these amounts are credited to share capital - warrants reserve within equity.

l) Earnings/(loss) per share

Earnings/(loss) per share are calculated based on the weighted average number of common shares issued and outstanding during the year. Diluted earnings/(loss) per common share are calculated using the treasury stock method for outstanding stock options and warrants. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and similar instruments that are "in the money" would be used to repurchase common shares of the

Company at the average market price during the year. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

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

m) Revenue recognition

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

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

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

n) Gold forward sales transactions

Gold forward sale contracts

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

o) Critical accounting estimates and judgments

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. In preparing these interim financial statements, 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, the valuation of deferred consideration assets, estimated useful lives of property plant and equipment, the assumptions and estimates with respect to determining the fair value of identifiable assets and liabilities in acquisition transactions, impairment of long-lived assets; provision for reclamation and remediation obligations (assets retirement obligations), tax provisions, deferred tax balances and timing of reversals of temporary differences, share purchase warrant liabilities, equity instruments (share purchase warrants and share purchase options) and fair value of derivatives. Actual results could differ from the Company's estimates.

4. Restricted Cash

Restricted cash represents issued letters of credit for payment guarantee for equipment

5. Gold bullion

On January 28, 2011, the Company entered into an "Agreement for Sale of Gold" (the "First Gold Forward Purchase Agreement") with Queenstake Resources USA, Ltd. a wholly owned subsidiary of Yukon Nevada Gold Corp. to pay $5,000,800 in advance to purchase 4,465 ounces of gold with a settlement date of June 30, 2011. Alternatively, the Company may require a cash payment of $6,000,960 instead of delivery in gold.

As at June 30, 2011, of the 4,465 ounces received, 3,465 were sold for proceeds of $5,365,575. The remaining 1,000 ounces of gold were carried as a temporary investment at a cost of $1,505,490 as at June 30, 2011. The 1,000 ounces of gold were sold on July 13, 2011 for total proceeds of $1,571,998 resulting in a gain of $66,508 realized during the three- month period ended September 30, 2011.

(in United States dollars, except otherwise stated)

6. Gold forward purchase agreement

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. a wholly-owned subsidiary of a related party to the Company, whereby $5,000,000 was paid in advance to purchase 3,665 troy ounces of gold to be delivered on the June 12, 2012 settlement date or, alternatively receive with the right to receive (at the Company's option) an amount of $6,000,000.

The Company classified the gold forward purchase agreement as a derivative financial instrument and re-measured the undelivered gold balance at fair value in the amount of $6,096,832, which is based on the gold forward market price ($1,664/oz.) as at the reporting date. The difference between the paid amount and the fair value was recorded in the statement of income and comprehensive income.

7. Inventories

	March 31, 2012	June 30, 2011	July 1, 2010
Mine operating supplies	$ 1,248,156	$ 942,383	$ 424,629
Stockpiled ore	16,178,119	11,483,862	4,105,015
Material discharged from gravity plant for CIL process	1,949,689	1,949,689	-
Work in progress	1,001,108	861,676	240,337
Finished goods	3,152,786	1,121,400	-
	$ 23,529,858	$ 16,359,010	$ 4,769,981
Less: restricted finished goods (Note 11)	(2,440,360)	(1,121,400)	-
Total inventories	$ 21,089,498	$ 15,237,610	$ 4,769,981

8. Property, Plant and Equipment

	Mineral Properties - Selinsing Gold	Buildings	Plant and equipment	Construction in progress	Others*	Total
Cost						
As at July 1, 2010	$ -	$ 762,533	$ 6,459,146	$12,269,634	$ 837,364	$ 20,328,677
Transfers from mineral properties	23,108,041	-	-	-	-	23,108,041
Pre-production revenues, net	(1,029,170)	-	-	-	-	(1,029,170)
Additions/(transfers)	-	280,941	11,480,949	(10,898,780)	1,176,902	2,040,012
As at June 30, 2011	22,078,871	1,043,474	17,940,095	1,370,854	2,014,266	44,447,560
Additions/transfers	3,054,173	$6,179	$655,832	6,258,361	320,243	10,294,788
Acquisition of assets for Mengapur project	-	-	4,972,487	-	27,513	5,000,000
Disposal	-	-	(2,227)	-	-	(2,227)
As at March 31, 2012	$ 25,133,044	$ 1,049,653	$ 23,566,187	$ 7,629,215	$ 2,362,022	$ 59,740,121
Accumulated depreciation						
As at July 1, 2010	$ -	$ 23,081	$ 206,961	$ -	$ 169,870	$ 399,912
Charge for the year	7,054,083	21,256	1,712,047	-	247,938	9,035,324
As at June 30, 2011	7,054,083	44,337	1,919,008	-	417,808	9,435,236
Charge for the period	4,866,577	38,959	1,561,186	-	211,894	6,678,616
Disposal	-	-	(353)	-	-	(353)
As at March 31, 2012	$ 11,920,660	$ 83,296	$ 3,479,841	$ -	$ 629,702	$ 16,113,499
Net book value						
As at July 1, 2010	$ -	$ 739,452	$ 6,252,185	$ 12,269,634	$ 667,494	$ 19,928,765
As at June 30, 2011	$ 15,024,788	$ 999,137	$ 16,021,087	$ 1,370,854	$ 1,596,458	$ 35,012,324
As at March 31, 2012	$ 13,212,384	$ 966,357	$ 20,086,346	$ 7,629,215	$ 1,732,320	$ 43,626,622

* Others include vehicles, computers and software, furniture and office equipment, leasehold improvement.

(in United States dollars, except otherwise stated)

9. Mineral Properties

	Selinsing Gold Property (Development)	Buffalo Reef (Exploration)	Famehub (Exploration)	Mersing Gold Project (Exploration)	Star Destiny (Exploration)	Mengapur Project (Exploration)	Total
				(Note 9(d))	(Note 9 (e))	Note 9 (f))	
Balance, July 1, 2010	$ 23,108,041	$ 13,304,863	$ -	$ -	$ -	$ -	$ 36,412,904
Acquisition of mineral properties	102,921	35,090	4,971,686	-	-	-	5,109,697
Cost incurred	1,142,538	505,742	2,905	-	-	-	1,651,185
Transferred to property, plant and equipment	(23,108,041)	-	-	-	-	-	(23,108,041)
Balance, June 30, 2011	**$ 1,245,459**	**$ 13,845,695**	**$ 4,974,591**	**$ -**	**$ -**	**$ -**	**$ 20,065,745**
Acquisition of mineral properties	4,508	-	-	2,421,213	3,681,578	81,197,531	87,304,830
Cost incurred	1,458,239	1,134,337	69,230	-	-	1,783,763	4,445,569
Balance, March 31, 2012	**$ 2,708,206**	**$ 14,980,032**	**$ 5,043,821**	**$ 2,421,213**	**$ 3,681,578**	**$ 82,981,294**	**$111,816,144**

Title to mineral properties

Although the Company has taken steps to verify the title to its mineral properties, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defect. To the best of the Company's knowledge, titles to its properties are in good standing.

Realization of assets

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

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

Environmental

The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

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

(in United States dollars, except otherwise stated)

a) Selinsing Gold Property

The property is located in Pahang State, Malaysia. The Company acquired a 100% interest in the Selinsing Gold Property in 2007 and since then has developed a producing mine by building a 400,000 tonnes per annum capacity gold treatment plant consisting of a gravity circuit and a Carbon In Leach (CIL) circuit designed to operate simultaneously. As at September 1, 2010, the Company completed the commissioning of the gold treatment plant and commenced commercial production. Accordingly, the accumulated cost was transferred from mineral properties to property, plant and equipment and the Company began depreciating the carrying value on the unit-of-production basis.

During the year ended June 30, 2011, the Company acquired exploration rights for consideration of $102,921, covering prospective land that lies adjacent to the Selinsing operating open pit, which allow for further exploration and mining to be carried to the depth of the current open pit. During the nine months ended March 31, 2012, the Company spent $4,508 on acquiring additional mineral rights adjacent to the Selinsing property and spent $1,458,239 on exploration activities, including drilling - $882,337, geological - $139,251, site activities – $384,924, assay and analysis - $51,728.

b) Buffalo Reef Prospect

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a wholly-owned subsidiary of Avocet Mining PLC (“Avocet”), 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. This property is an exploration and evaluation stage property.

During the nine months ended March 31, 2012, the Company spent $1,134,337 on exploration activities, including: drilling - $415,392, geological - $329,315, properties fees - $85,414, site activities - $281,667 and assay and analysis - $22,548.

c) Famehub Acquisition

On January 14, 2008, the Company signed a Letter of Intent (“LOI”) with Famehub Venture Sdn. Bhd. (“Famehub”), a company incorporated in Malaysia. Pursuant to the LOI, Famehub agreed to sell and the Company agreed to purchase a land package consisting of approximately 32,000 acres of prospective exploration land as well as the associated data base. This land is located to the east of the Selinsing Gold Project and the Buffalo Reef exploration property.

On August 13, 2010, the parties entered into a formal “Agreement of Purchase and Sale of Shares” under which the Company agreed to purchase the above described assets, through its wholly owned subsidiary Damar Consolidated Exploration Sdn. Bhd, by acquiring 100% of the issued and outstanding shares of Famehub for cash of $1,477,734 (CAD$1,500,000), of which a US$51,106 (CAD$50,000) deposit was paid in 2009, and the issuance of 14,000,000 fully paid shares of the Company (the “Famehub Acquisition”).

The transaction closed on September 13, 2010, and accordingly, the Company issued 14,000,000 common shares and paid US$1,426,628 (CAD$1,450,000) during the year ended June 30, 2011.

During the nine months ended March 31, 2012, $69,230 was spent on property investigation searching for exploration targets.

d) Mersing Gold Project Acquisition

On September 26, 2011 the Company acquired 49% of the Mersing Gold Project through its wholly owned Malaysian subsidiary, Damar Consolidated Exploration Sdn Bhd. The Company signed an Earn-In Agreement with a Malaysian company, Emas Kehidupan Sdn Bhd (“EK”) and its 30% joint venture partners, under which Monument has the right to earn up to a 100% interest in the “Mersing Gold Project”. Pursuant to the terms of the Earn-In Agreement, Monument has initiated a two-year earn-in period of the Mersing Gold Project by paying CAD $500,000 cash and issuing 1,500,000 fully paid Monument shares to the vendors in exchange for 70% of the shares in EK. As EK holds a 70% interest in the Mersing Gold Project, the Company’s 70% interest in EK gives it a 49% interest in the Mersing Gold Project. During the first two-year earn-in period, the Company is obligated to complete CAD $2,000,000 in exploration on the Mersing Gold Project.

Cash	$ 484,650
Common shares	843,292
Transaction costs	54,263
Purchase consideration	$ 1,382,205

(in United States dollars, except otherwise stated)

The allocation of the purchase price has been prepared on a preliminary basis and is a result of management's best estimates and assumptions after taking into account all relevant information available at the time of these interim consolidated financial statements.

The provisional fair values of identifiable assets and liabilities at the date of acquisition were as follows:

	Fair value consideration
Cash	$ 1,564
Mineral properties	2,421,213
Accounts payable and accrued liabilities	(448,198)
	1,974,579
Non-controlling interests (Note 18)	(592,374)
Net assets acquired	$ 1,382,205

e) Star Destiny Sdn Bhd acquisition

On November 21, 2011 the Company acquired 100% interests of Star Destiny Sdn. Bhd. through its wholly owned Malaysian subsidiary, Monument Mengapur Sdn. Bhd. for consideration of $3,140,000 (Malaysian Ringgit 10,000,000) in cash. The property is granted an exploration permit located in Pahang State, Malaysia, adjacent to the Mengapur Polymetalic Project.

The acquisition was accounted for as an asset acquisition. The aggregate purchase price for the acquisition was $3,636,590, paid as follows:

	November 24, 2011
Cash	$ 3,140,000
Transaction costs	496,590
Purchase consideration	$ 3,636,590

The allocation of the purchase price has been prepared on a preliminary basis and is a result of management's best estimates and assumptions after taking into account all relevant information available at the time of these interim consolidated financial statements.

The provisional fair values of identifiable assets and liabilities at the date of acquisition were as follows:

	November 24, 2011 Fair value consideration
Cash	$ 3
Mineral properties	3,681,578
Accounts payable and accrued liabilities	(44,991)
Net assets acquired	$ 3,636,590

The transaction costs include legal costs in the amount of $35,010 and consulting cost in the amount of $461,580 incurred in relation to performing technical due diligence.

f) Mengapur project acquisition

On February 16, 2012, through its wholly owned Malaysian subsidiary Monument Mengapur Sdn. Bhd. ("MMSB") the Company acquired a 100% interest in Cermat Aman Sdn. Bhd. ("CASB"), a Malaysian company holding 100% of the Mengapur Project. The consideration is comprised of a cash payment of $60,000,000 and 300 shares of MMSB. As a result, the Company holds a 70% indirect interest in the Mengapur Polymetalic Project located in Pahang State, Malaysia,

Of the aggregate $60 million cash consideration, $5,000,000 has been allocated to plant and equipment installed at the Mengapur site and $11,000,000 placed into an escrow fund held by the Company as per the acquisition agreement in order to settle any potential claims from the Vendors' creditors against the Mengapur Project and the Company.

The Mengapur Project Acquisition transaction was accounted for as an asset acquisition. The aggregated purchase price for the acquisition of the Mengapur Project was $62,633,185, paid as follows:

	February 16, 2012
Cash	$ 60,000,000
Transaction costs	2,633,185
Purchase consideration	$ 62,633,185

The allocation of the purchase price has been prepared on a preliminary basis and is a result of management's best estimates and assumptions after taking into account all relevant information available at the time of these interim consolidated financial statements.

The provisional fair values of identifiable assets and liabilities at the date of acquisition were as follows:

	Fair value consideration
Prepaid local taxes	$ 7,083
Plant and equipment	5,000,000
Mineral properties	81,197,531
	86,204,614
Non-controlling interests (Note 18)	(23,571,429)
Net assets acquired	$ 62,633,185

Transaction costs in the amount of $2,633,185 included technical due diligence - $1,091,138, consulting - $1,000,000, legal and financial due diligence - $374,329 and government stamp fees - $167,719.

As at March 31, 2012, the Company had spent $1,783,763 on the Mengapur Project, comprised of drilling - $1,001,087, geological study - $531,584, site development costs - $148,239, mine modeling - $60,019, metallurgical tests - $28,844, environmental work - $2,042, assays and analysis - $1,061 and stock based compensate costs in amount of $10,887.

10. Financial Instruments. Financial and capital risk management

The Company's financial instruments include loans and receivables - cash and cash equivalents, restricted cash, trade and other receivables; derivative instruments at FVTPL - gold forward purchase agreement, foreign currency warrant liabilities, convertible note contract inducement; other financial liabilities - convertible notes, accounts payable and accrued liabilities, funds in escrow.

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

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: foreign currency risk, price risk and interest rate risk.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent financial instruments held by the Company are not denominated in US dollars.

As at March 31, 2012 and June 30, 2011, the Company is exposed to foreign currency risk through the following assets and liabilities denominated in Malaysian ringgit (RM) and Canadian dollar (CAD):

(in 000's, US dollar equivalent)	March 31, 2012		June 30, 2011		July 1, 2010	
	RM	CAD	RM	CAD	RM	CAD
Financial instrument – assets						
Cash and cash equivalents	704	8,288	614	9,585	383	271
Restricted cash	102	-	312	-	565	-
Trade and other receivable	74	182	66	10	8	16
Financial instruments – liabilities						
Accounts payable and accrued liabilities	(6,297)	(198)	(9,452)	(59)	(10,464)	(220)
Convertible notes	-	(5,787)	-	(5,290)	-	-
Derivative warrant liabilities	-	(9,077)	-	(21,285)	-	-

The convertible notes (Note 11), gold forward inducement (Note 13) and foreign currency share purchase warrants (Note 14), contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged any of its foreign currency risks. The derivative components associated to foreign currency fluctuation are fair valued at each period and gains or losses are recorded in statement of income and comprehensive income.

Based on the above net exposures as at March 31, 2012 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 $257,952 (June 30, 2011 – $402,857, July 1, 2010 – 452,762) in the Company's net income, depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately $373,381 (June 30, 2011 – $1,300,048, July 1, 2010 - $3,190) in net income.

Share price market risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or foreign currency risk.

The Company values the warrant derivative liabilities at fair value using the Black-Scholes option pricing model and record gains and losses to other income. As at March 31, 2012 and assuming that all other variables remain constant, a 5% increase/decrease in the market price of the Company's shares would result in unrealized fair value loss/income of approximately $1,253,151 (June 30, 2011 - $193,000) in the Company's net income.

Commodity price risk

The Company values the contract inducement derivative liabilities (Note 13) at fair value, which is based, in part, on the gold forward market price discounted to the reporting date during the vesting period and at gold market spot price at the reporting date after the inducement option has been vested. The Company values the gold forward purchase agreement at the gold forward purchase price for undelivered gold ounces. As at March 31, 2012 and assuming that all other variables remain constant, a 5% increase/decrease in the gold market price would result in unrealized fair value loss/income of approximately $407,836 (June 30, 2011 - $605,643, July 1, 2010 - Nil) in the Company's net income.

Interest rate risk

The Company's cash equivalents are insignificant and are therefore not exposed to significant interest rate risk.

b) Credit risk

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

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents in the amount of $11,641,515 (June 30, 2011 – $33,763,000) is held with a Malaysian financial institution. The amount of $4,620,508 (June 30, 2011 – $15,403,000) is held with a Canadian financial institution.

c) Liquidity risk

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

The Company's convertible notes are due to be settled in August 2015.

Fair value measurement

The carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables and other financial liabilities – accounts payable and accrued liabilities are considered reasonable approximations of their fair values due to the short-term nature of these instruments. Foreign currency warrant derivative liabilities and gold inducement derivative liabilities are classified as Level 2 within fair value hierarchy.

11. Convertible Notes

On August 11, 2010, the Company closed a financing for issuance of convertible notes for $7,653,600 (CAD 8,000,000) (the "Notes").

The Notes have a term of five years and one day from the date of issuance and are to be repaid by the Company at the end of the term in cash in the amount of $10,091,796 (CAD 9,733,600), representing 121.67% of the principal amount (the "Repayment Amount"). Any early repayments or conversions of the Notes will result in a pro-rata adjustment of the Repayment Amount. The holders of the Notes (the "Noteholders") may, at any time, convert the Notes into units at a price of $0.38 (CAD 0.40) per unit (the "Conversion Feature") with each unit comprising one common share of the Company and one common share purchase warrant (the "Units"). Each share purchase warrant is exercisable at $0.48 (CAD 0.50) per share, expiring five years from the date of issuance of the Notes. The conversion feature of the convertible notes meets the definition of a derivative liability given that it is subject to an adjustment down to $0.35 (CAD 0.365) per unit should the Company issue common shares for cash proceeds in an amount below $0.38 (CAD 0.40) per share during the term of the Notes. Upon conversion, the Company is required to make a cash payment on the converted amount to the holder equal to the difference between the principal converted and the Repayment Amount on the balance at the conversion date.

In addition, the Company granted to the Noteholders the option to purchase an aggregate of 5,714 ounces of gold at a price of $1,000 US dollar or CAD equivalent per ounce and 2,857 ounces of gold at a price of $1,250 US dollar or CAD 1,250 per ounce at the discretion of the Noteholders at any time during the term of the Notes commencing 18 months after closing (the "gold inducement") (Note 13). The Gold inducement can be exercised in US dollar or CAD at the discretion of the holder.

In connection with the issuance of the Notes, the Company also entered into gold purchase option agreements with each of the Noteholders (the "Option Agreements") whereby the Noteholder has the option to acquire gold from the Company up to an amount equal to the balance of the Note outstanding at the greater of: (i) $1,000 per ounce; and (ii) the gold price in US dollars as set by the London PM Fix and converted to Canadian dollars at the noon rate of exchange published by the Bank of Canada on the maturity date of the Notes, less a 5% discount.

The Company's obligations under the Convertible Notes and Forward Gold Sale are secured by designated gold metal accounts. In connection with such security, the Company is required to deposit an aggregate of 397 ounces of gold per month, up to a maximum of 13,000 ounces from gold, from the end of the first month following the earlier of (i) commencement of commercial production of the gold treatment plant of the Company's Malaysian subsidiary for its gold production operation in Malaysia; and (ii) the date that is three months from the closing. As at March 31, 2012 a total of 7,600 ounces of gold (June 30, 2011 - 4,000 ounces) were transferred to restricted metal accounts and included in restricted inventory (Note 7).

The net proceeds from convertible notes amounted to $6,752,821 after subtracting transaction costs totaling $900,778, of which $765,360 was for commission and $135,418 was for legal and regulatory fees.

(in United States dollars, except otherwise stated)

Upon initial recognition, the Company allocated the proceeds and transaction costs between the components based on their fair values as follows:

Allocation	Proceeds	Transaction costs	Net proceeds
Convertible notes	$ 4,618,437	$ 543,560	4,074,877
Conversion Feature	2,646,790	311,510	2,335,280
Gold Inducement	388,373	45,709	342,664
Total	$ 7,653,600	$ 900,779	6,752,821

Subsequent to initial recognition, the Notes are carried at amortized cost using the effective interest method based on a five year plus one day period at a discount rate of 17%; the Conversion Feature is adjusted to the estimated fair value using the Black-Scholes option pricing model, and the inducement is adjusted to fair value as disclosed in Note 13.

The continuity schedule of the Convertible Notes is as follows:

	March 31, 2012	June 30, 2011
Opening balance, beginning of the period	$ 5,290,009	$ -
Issuance of convertible note	-	4,074,877
Accretion expense	678,355	841,397
Foreign exchange (gain) loss	(181,480)	373,735
Closing balance, end of the period	$ 5,786,884	$ 5,290,009

12. Gold Forward Sale Contract

In conjunction with the issuance of convertible notes (Note 11) the Company entered into a gold forward sale contract resulting in the advance of $4,783,500 (CAD 5,000,000) to the Company on August 11, 2010. Net proceeds amounted to $4,248,375 after subtracting transaction costs in the amount of $535,125, of which $479,335 was for commission and $55,790 for legal and regulatory fees. The advance will be settled for 5,000 ounces of gold subject to adjustment for fluctuations in the CAD/USD foreign exchange rate (the "Forward Sale"). The Forward Sale has a term of five years plus one day.

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

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

Allocation	Proceeds	Transaction costs	Net proceeds
Deferred revenue	$ 2,919,231	$ 326,571	2,592,660
Warrants (Note 14 (c))	1,864,269	208,554	1,655,715
Total	$ 4,783,500	$ 535,125	4,248,375

(in United States dollars, except otherwise stated)

13. Derivative liabilities – Gold Inducement

The Company re-measured the fair valued of the gold inducement (Note 11) at each reporting period. The gain/loss due to change in fair value is recognized in the statement of income and comprehensive income.

Derivative liabilities – Gold Inducement	March 31, 2012	June 30, 2011
Opening balance	$ 4,636,523	$ -
Change in fair value of gold inducement	327,515	4,636,523
Ending balance	$ 4,964,038	$ 4,636,523
Fair value assumptions:		
Forward gold price, $/oz.	n/a	$1,590
Spot gold price, $/oz.	$ 1,663	n/a
Forward CAD/$ foreign exchange rate	n/a	0.9680
Spot CAD/$ foreign exchange rate	0.9991	n/a
Risk free rate	n/a	1.14%

14. Derivative liabilities - warrants

The Company has the following outstanding foreign currency warrants, which have been classified as derivative liabilities and re-measured at fair value at each period end:

	March 31, 2012	June 30, 2011	July 1, 2010
Derivative warrant liabilities - private placement	$ 2,950,370	$ 11,291,935	$ -
Derivative unit liabilities - convertible notes	5,004,501	8,087,040	-
Derivative warrant liabilities - gold forward contract	1,122,293	1,906,185	-
Total	$ 9,077,164	$ 21,285,160	$ -
Current liabilities	$ 2,950,370	$ -	$ -
Non-current liabilities	$ 6,126,794	$ 21,285,160	$ -

Gain (loss) due to change in fair value of warrant liabilities	Three months ended March 31, 2012	Three months ended March 31, 2011	Nine months ended March 31, 2012	Nine months ended March 31, 2011
				-
Derivative warrant liabilities - private placement	$ (1,320,872)	$ 4,495,355	$ 8,322,488	$ 4,418,868
Derivative unit liabilities - convertible notes	(677,981)	1,664,538	3,082,539	(5,415,257)
Derivative warrant liabilities - gold forward contract	(195,747)	314,863	783,892	(439,355)
Gain /(loss) due to change in fair value of derivative warrant liabilities	$ (2,194,600)	$ 6,474,756	$ 12,188,919	$ (1,435,744)

a) Derivative warrant liability – private placement

The Company closed a $28,048,000 private placement on July 21, 2008 by issuing of 70,120,000 units at a price of $0.41 per unit, each unit being comprised of one common share of the Company and one common share purchase warrant. Each of these warrants entitles the holder to purchase one additional common share of the Company for a price of CAD 0.50 until July 21, 2011. The warrants were initially recognized as an equity instruments and the classification was not revised on July 1, 2010 in accordance with the Company's accounting policy as the change in functional currency does not trigger the re-measurement of the equity instruments. On February 3, 2011, the TSX Venture Exchange consented for the Company to extend the term of 68,055,000 common share purchase warrants for another 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012. The Company's Canadian dollar denominated common share purchase warrants were considered derivative instruments and were measured at fair value on date of modification and subsequently at each reporting date, with changes in fair value recognized in profit or loss. As at February 3, 2011, the fair value of the extended warrants in amount of $17,095,542 was estimated using the Black-Scholes option pricing model.

(in United States dollars, except otherwise stated)

A summary of the changes in the Company's share purchase warrants for the period ended March 31, 2012 is set out below:

	Nine months ended March 31, 2012		Year ended June 30, 2011	
	Number of warrants	Fair value assigned	Number of warrants	Fair value assigned
Balance, beginning of the period	67,440,000	$ 11,291,935	-	$ -
Modification of warrant contract terms	-	-	68,055,000	17,095,542
Exercised during the period	(115,000)	(19,077)	(615,000)	(83,755)
Fair value re-measured during the period	-	(8,322,488)	-	(5,719,852)
Closing balance	67,325,000	$ 2,950,370	67,440,000	$ 11,291,935
Exercise price, CAD		CAD 0.50		CAD 0.50
Expiry date		July 21, 2012		July 21, 2012
Fair value assumptions:				
Risk free rate		1.08%		1.24%
Expected dividends		nil		nil
Expected life (years)		0.31		1.06
Volatility		57.93%		58.94%

b) Derivative unit liability – convertible note

A summary of the changes in the Company's units issued in conjunction with Convertible Notes (Note 11) for the period ended March 31, 2012 is set out below:

	Nine months ended March 31, 2012		Year ended June 30, 2011	
	Number of Units	Fair value assigned	Number of units	Fair value assigned
Balance, beginning of the period	20,000,000	$ 8,087,040	-	$ -
Issuance of units in conjunction with convertible notes	-	-	20,000,000	2,646,790
Exercised during the period	-	-	-	-
Fair value re-measured during the period	-	(3,082,539)	-	5,440,250
Closing balance	20,000,000	$ 5,004,501	20,000,000	$ 8,087,040
Exercise price, CAD		CAD 0.50		CAD 0.50
Expiry date		Aug 11, 2015		Aug 11, 2015
Fair value assumptions:				
Risk free rate		1.57%		2.33%
Expected dividends		nil		nil
Expected life (years)		3.36		4.12
Volatility		72.73%		86.06%

(in United States dollars, except otherwise stated)

c) Derivative warrant liability – Gold forward contract

A summary of the changes in the Company's share purchase warrants issued in conjunction with gold forward sale contract (Note 12) for the period ended March 31, 2012 and for the year ended June 30, 2011 is set out below:

	Nine months ended March 31, 2012		Year ended June 30, 2011	
	Number of Warrants	Fair value assigned	Number of warrants	Fair value assigned
Balance, beginning of the period	5,000,000	$ 1,906,185	-	$ -
Issuance of warrants in conjunction with gold forward contract	-	-	5,000,000	1,655,715
Exercised during the period	-	-	-	-
Fair value re-measured during the period	-	(783,892)	-	250,470
Closing balance	5,000,000	$ 1,122,293	5,000,000	$ 1,906,185
Exercise price, CAD		CAD 0.50		CAD 0.50
Expiry date		Aug 11, 2015		Aug 11, 2015
Fair value assumptions:				
Risk free rate		1.57%		2.33%
Expected dividends		nil		nil
Expected life (years)		3.36		4.12
Volatility		72.73%		86.06%

15. Asset Retirement Obligation

The Company's asset retirement obligation consists of reclamation and closure costs for mine development and exploration activities. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total undiscounted cash flows required to settle the Company's obligations is estimated to be $5.5 million and is expected to be settled over the next ten years. This amount has been discounted using a pre-tax rate of 2.12% as at March 31, 2012 (June 30, 2011 – 3.09%). Significant reclamation and closure activities include land rehabilitation, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities. The following is an analysis of the asset retirement obligation:

	March 31, 2012	June 30,2011
Opening balance	$ 4,249,810	$ 3,540,057
Additions	193,746	-
Accretion expense	79,938	153,437
Reclamation performed	-	(809)
Reassessment of liabilities	284,497	302,371
Foreign exchange (gain) loss	(37,914)	254,754
Closing balance, end of the period	$ 4,770,077	$ 4,249,810

The reassessment of asset retirement obligations in amount of $284,497 was caused by the change in discount rate from 3.09% as at June 30, 2011 to 2.12% as at March 31, 2012. The additions in amount of $193,746 during the period is a result of the revised estimated cash outflows due to additional land disturbance and dismantle activities caused by the plant Phase III and Tailing Storage Facility construction work. The changes in the estimated cash outflows and the change in the discount rate are capitalized and added to the costs of corresponding assets in accordance with company's accounting policy.

16. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Common shares

Issued and outstanding:

	Number of shares	Value assigned
Balance, July 1, 2010	156,115,028	$ 57,805,102
Issued shares on acquisition of mineral properties (Note 9 (c))	14,000,000	3,406,900
Issued for exercised warrants	2,680,000	1,436,385
Issued for exercised stock options	1,451,833	835,620
Balance, June 30, 2011	174,246,861	63,484,007
Issued shares on acquisition of mineral properties (Note 9 (d))	1,500,000	843,292
Issued for exercised warrants	8,240,003	4,160,738
Issued for exercised stock options	286,833	109,444
Balance, March 31, 2012	184,273,697	$ 68,597,481

c) Share purchase warrants

Due to the Company's functional currency being the US dollar, the issued and outstanding warrants that have an exercise price that is denominated in Canadian dollars are classified as derivative instruments. The warrants have been recognized as a liability in the statement of financial position with the movement in fair value recorded in net earnings at each reporting date.

The continuity of the number of share purchase warrants being classified as equity instruments is as follows:

Warrants issued in conjunction with:	Private placement (Note 14 (a))	Convertible Notes (Note 11, 14 (b))	Gold forward contract (Note 12, 14 (c))	Ball mill purchased	Total
Expiry date	July 21, 2011	Aug 11, 2015	Aug 11, 2015	August 12, 2011	
Exercise price	CAD 0.50	CAD 0.50	CAD 0.50	CAD 0.49	
Number of warrants, June 30, 2010	70,120,000	-	-	8,125,003	78,245,003
Issued		20,000,000	5,000,000		25,000,000
Exercised	(2,680,000)	-		-	(2,680,000)
Balance, June 30, 2011	67,440,000	20,000,000	5,000,000	8,125,003	100,565,003
Exercised	(115,000)	-		(8,125,003)	(8,240,003)
Number of share purchase warrants, March 31, 2012	67,325,000	20,000,000	5,000,000	-	92,325,000

d) Stock options

A new 10% Rolling Stock Option Plan (the "New Plan") was approved at the 2011 Annual General and Special Meeting to replace the existing Fixed Stock Option Plan with other terms intact. A total of 28,941,000 common shares are reserved under the Fixed Plan. Upon implementation of the New Plan, all existing stock options will forthwith be governed by the New Plan; however any vesting schedule imposed by the Fixed Plan in respect of the Existing Options will remain in full force and effect. The New Plan will not be made effective unless and until there is a sufficient number of shares of the Company issued and outstanding such that the number of outstanding options will not exceed 10% of the number of issued and outstanding shares.

(in United States dollars, except otherwise stated)

Stock option activity is as follows:

	Number of common shares under option plan	Weighted average exercise price, CAD
Balance, June 30, 2010	22,601,000	CAD 0.39
Granted	3,920,000	CAD 0.46
Expired	(270,000)	CAD 0.59
Exercised	(1,451,833)	CAD 0.35
Balance, June 30, 2011	24,799,167	CAD 0.40
Granted	1,550,000	CAD 0.40
Exercised	(286,833)	CAD 0.26
Forfeited	(115,000)	CAD 0.64
Balance, March 31, 2012	25,947,334	CAD 0.41

During the nine months ended March 31, 2012, 1,550,000 options were granted to directors and employees.
The following table summarizes the stock options outstanding at March 31, 2012:

	Options outstanding			Options exercisable	
Exercise Price, CAD	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price
CAD 0.50	2,900,000	Jul 05, 2012	0.26	2,900,000	CAD 0.50
CAD 0.40	13,160,000	Aug 15, 2013	1.38	13,160,000	CAD 0.40
CAD 0.25	1,187,334	Dec 05, 2013	1.68	1,187,334	CAD 0.25
CAD 0.40	230,000	Dec 05, 2013	1.68	230,000	CAD 0.40
CAD 0.50	400,000	Dec 05, 2013	1.68	400,000	CAD 0.50
CAD 0.25	300,000	Feb 09, 2014	1.86	300,000	CAD 0.25
CAD 0.30	500,000	Jul 29, 2012	0.33	500,000	CAD 0.30
CAD 0.30	1,600,000	Jun 08, 2013	1.19	1,000,000	CAD 0.30
CAD 0.30	500,000	Jun 10, 2015	3.19	250,000	CAD 0.30
CAD 0.42	3,000,000	Sep 29, 2015	3.50	2,000,000	CAD 0.42
CAD 0.60	600,000	Nov 30, 2015	3.67	300,000	CAD 0.60
CAD 0.68	20,000	Jan 27, 2016	3.83	10,000	CAD 0.68
CAD 0.62	150,000	Jul 28, 2016	4.33	-	-
CAD 0.61	150,000	Aug 29, 2016	4.42	-	-
CAD 0.42	1,070,000	Jan 11, 2017	4.79	-	-
CAD 0.45	180,000	Mar 7, 2017	4.94	-	-
Total	25,947,334		1.78	22,237,334	CAD 0.40

The general terms of stock options granted under the amended plan include a maximum exercise period of 5 years and a vesting period of 3 years with one-third of the grant vesting on the first anniversary of the grant, one-third vesting on the second anniversary of the grant and one-third vesting on the third anniversary of the grant. The exercise prices of all stock options granted during the period were equal to the closing market prices at the grant date.

Using the Black-Scholes option pricing model the weighted average assumptions noted below were used to estimate fair value of all options recognized during nine months ended March 31, 2012 as follows:

	For the period ended March 31, 2012
Risk-free interest rate	1.26% – 2.15%
Expected life	5 years
Expected volatility	83% - 86%
Expected dividends	nil

(in United States dollars, except otherwise stated)

The weighted average fair value of options granted during the nine months ended March 31, 2012 is $0.31 (2011 – $0.46).
The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

17. Earnings Per Share

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

	Three months ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Net income for the period attributable to common shareholders	$ 8,116,449	$ 17,916,723	$ 46,001,240	$ 22,011,574
Basic weighted average number of common shares outstanding	184,004,851	173,005,083	182,273,161	167,000,507
Effect of dilutive securities:				
Warrants	-	11,929,389	768,848	1,481,412
Options	2,837,634	4,626,758	4,627,547	7,904,410
Convertible notes warrants	-	2,954,098	212,609	366,845
Convertible notes shares	2,190,813	4,954,098	4,170,087	2,366,845
Diluted weighted average number of common share outstanding	189,033,298	197,469,426	192,052,252	179,120,019
Basic earnings per share	$0.04	$ 0.10	$ 0.25	$ 0.13
Diluted earnings per share	$0.04	$ 0.09	$ 0.24	$ 0.12

All warrants and options are potentially dilutive in the three and nine months ended March 31, 2012 and 2010, but excluded from the calculation of diluted earnings per share are those for which the average market prices below the exercise price.

18. Non-controlling interests

	March 31, 2012
Opening balance, July 1, 2011	$ -
Acquisition of Mersing Gold Project (Note 9 (d))	592,374
Acquisition of Mengapur Project (Note 9 (f))	23,571,429
Closing balance	$ 24,163,803

(in United States dollars, except otherwise stated)

19. Related Party Transactions

a) Entities with common directors

The amount of transactions which have been entered into with related parties during the period ended March 31, 2012 and March 31, 2011 as well as balances with related parties as at March 31, 2012 and June 30, 2011:

Transactions with Related Parties -	Three months ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Yukon Nevada Gold Corp.				
Reimbursement of expenses from related party	$ 103,893	$ 60,136	$ 310,100	$ 240,314
Purchases from related party	$ 170,576	$ 22,219	$ 421,178	$ 59,651

The sales to and purchases from related party represent the compensation for management, travel and administrative services and are priced on a cost basis.

Closing balances	March 31, 2012	June 30, 2011
Yukon Nevada Gold Corp.		
Receivable balance	$ 104,903	$ 10,902
Payable amount	$ 84,696	-

Transactions with Related Parties Gold forward purchase (*)	Nine months ended March 31, 2012	Nine months ended March 31, 2011
Queenstake Resources USA, ltd	$ 6,096,832	$ 6,513,989

(*) the balance of undelivered gold is measured at fair value based on the gold forward market price.

b) Key management personnel

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

	Three months ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Salaries and directors' fees	202,660	135,755	$ 610,542	$ 385,188
Share-based payments	103,593	172,847	347,664	334,604
Total	306,253	308,602	$ 958,206	$ 719,792

c) Transaction with Director

George Brazier, a director of the Company, provides general consulting services to the Company. For the period ended March 31, 2012, Mr. Brazier earned $56,177 (nine months ended March 31, 2011 - $49,457) for such services, of which $7,006 was outstanding and included in accounts payable at March 31, 2012 (June 30, 2011 - $7,000).

(in United States dollars, except otherwise stated)

20. Commitments

a) Operating lease commitments

Future minimum rentals payable under operating leases are as follows:

	March 31, 2012	June 30, 2011
Amounts payable under operating lease agreements:		
- within next 12 months	$ 404,763	$ 26,758
- Later than 12 months and no later than 24 months	328,841	13,929
- Later than 24 months	64,334	4,817
		2,915
Total	$ 797,938	$ 48,419

b) Finance lease commitments

The Company has finance leases for vehicles. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	March 31, 2012	June 30, 2011
Total minimum lease payments		
- within next 12 months	$ 17,809	$ 18,061
- Later than 12 months and no later than 24 months	17,809	18,061
- Later than 24 months	2,466	16,045
	38,084	52,167
Interest at rates of (5.19% to 6.54%)	(2,311)	(4,164)
Finance lease obligations	35,773	48,003
Less current portion	(16,196)	(15,746)
	$ 19,577	$ 32,257

c) Other purchase commitments

At March 31, 2012 the Company had purchase commitments in amount of approximately $15.1 million (June 30, 2011 - $6.6 million) in relation to Phase III construction ($1.2 million), purchase of equipment and exploration activities ($7.2 million), other operating costs and consumables for mining operations ($6.7 million).

21. Supplemental Cash Flow Information

	Nine months ended	
	March 31, 2012	March 31, 2011
Non cash financing and investing activities:		
Mineral properties, plant and equipment costs included in accounts payable	$ 1,765,9 77	$ 1,219,200
Shares issued pursued to acquisition of mineral properties	$ 843,292	$ 3,406,900

(in United States dollars, except otherwise stated)

22. Segment Disclosures

The Company has two reportable operating segments: mineral property exploration and development, and gold production operations, which occur entirely in Malaysia and a corporate segment located in Canada. The Company achieved commercial production in September 2010; the Company's gold production operations segment earns revenues from the sale of gold to external customers. There is no revenue generated by the exploration and development segment and there are no intersegment revenues. The costs incurred by the exploration and development segment are capitalized into Mineral properties. The other income (loss) presented in the statement of income and comprehensive income are in relation to the corporate segment.

Segment, total assets	March 31, 2012	June 30, 2011	July 1, 2010
Gold production operations	$ 70,251,193	$ 72,683,375	$ -
Mineral property exploration and development	120,953,081	34,910,021	64,932,345
Corporate	11,133,632	17,149,111	2,235,313
Total	$ 202,337,906	$ 124,742,507	$ 67,167,658

The Company's reportable segments operate within two geographic segments – Malaysia and Canada. All revenues and operating costs from mining operations relate to Malaysia. The geographic segments for total assets are as follows:

	March 31, 2012	June 30, 2011	July 1, 2010
Malaysia	$ 189,687,808	$ 107,593,396	$ 64,932,345
Canada	11,133,632	17,149,111	2,235,313
Total	$ 200,821,440	$ 124,742,507	$ 67,167,658

23. Subsequent Events

Share purchase options

Subsequent to March 31, 2012, 100,000 stock options were exercised at CAD$0.25 per share, brought total outstanding stock purchase options to 25,847,334, and total issued and outstanding share capital to 184,373,697.

24. Transition to IFRS

The Company adopted IFRS in accordance with IFRS 1, "First – Time Adoption of International Financial Reporting Standards" on July 1, 2010. The Company's first interim consolidated financial statements under IFRS were presented for the first quarter ended September 30, 2011. The Company's Canadian GAAP statement of financial position as at July 1, 2010, March 31, 2011 and June 30, 2011 and the comprehensive income for the year ended June 30, 2011 and three and nine months ended March 31, 2011, have been reconciled to IFRS, with resulting differences explained below:

a) Decommissioning and rehabilitation provision

Under IAS 37 Provision, Contingent Liabilities and Contingent Assets, a change in the current market-based discount rate will result in a change in the measurement of the provision whereas under Canadian GAAP, discount rates are not changed unless there is an increase in the estimated future cash flows in which case the incremental cash flows are discounted at current market based rates. In addition, under Canadian GAAP, a credit-adjusted risk-free discount rate is used whereas under IFRS, the discount rate reflects the current market assessments of the time value of money and the risks specific to the liability. As a result of the provision for assets retirement obligations has been re-measured using the discount rate in effect at the transition date and adjustment has been recorded to corresponding assets.

b) Share purchase warrants

On August 11, 2010, the Company issued 5,000,000 common share warrants in conjunction with the Gold Forward Sale. Each share warrant is exercisable at CAD 0.50 per share, expiring 5 years from the date of issuance. These share purchase warrants are considered a derivative instrument under IFRS (IAS 32) and are revalued and retranslated at each reporting date. Changes in fair value each period are recorded in profit or loss. Under Canadian GAAP, these share purchase warrants were considered to be equity instruments.

On February 3, 2011, the TSX Venture Exchange consented to extend the term of 68,055,000 common share purchase warrants for 12 months, from an original expiry date of July 21, 2011 to an expiry date of July 21, 2012. Under Canadian GAAP, these share purchase warrants were classified as equity instruments. The modification of the contract terms triggered the reassessment and remeasurement of the instrument. As the Company's functional currency is United States dollars, share purchase warrants with an exercise price in a different currency are considered a derivative instrument under IFRS (IAS 32) and are revalued and retranslated at each reporting date. Changes in fair value each period are recorded in profit or loss.

The Company recorded the following adjustments for IFRS financial reporting:

- In August 2010, the Company assessed the fair value of derivative warrants issued in conjunction with the issuance of gold forward contract; the amount of $1,655,715 recorded in contributed surplus for Canadian GAAP was reclassified into the derivative liability;
- As at December 31, 2010, the Company re-measured the derivative warrant liabilities issued in conjunction with the issuance of gold forward contract to a fair value of $1,379,110 which resulted in an adjustment to the statement of income and comprehensive income;
- On February 3, 2011 the Company re-classified share purchase warrants previously recorded in Canadian GAAP as equity instruments into financial liabilities upon the re-measurement of the fair value of share purchase warrants due to extension of the terms and recognized a derivative liability in amount of $17,095,542 and recorded an adjustment to retained earnings;
- As at June 30, 2011, the Company then re-measured the above mentioned derivative warrants liabilities to a fair value of $13,198,120, which resulted in a further adjustment to profit or loss.

c) Foreign currency translation

The Company changed its functional currency from Canadian dollars ("CAD") to US dollar effective July 1, 2010, which is also the date of transition into IFRS. For the purpose of comparative disclosures, the Company restated June 30, 2010 amounts in US dollar using the current rate method. Under this method, the retained earnings and shareholders' equity have been translated using the exchange rates prevailing on the transaction dates. Assets and liabilities have been translated using the exchange rate prevailing at the date of the consolidated statements of financial position. All resulting exchange differences arising from the translation were included as a separate component of other comprehensive loss in the amount of $1,326,894 (as at July 1, 2010).

For IFRS reporting, a change in functional currency should be accounted for prospectively from the date of change and management should translate statement of financial position items into the new currency using the exchange rate at the date of change (IAS 21, foreign currencies). In accordance with IFRS, because the change was brought about by changed circumstances, it does not present a change in accounting policy and, therefore, a retrospective adjustment under IAS 8, Accounting policies, changes in accounting estimates and correction of errors, is not relevant. As all items are translated using the exchange rate at the date of change, the resulting translated amounts for non-monetary items are treated as their historical cost. There is no additional exchange differences arise on the date of the change under IFRS.

d) Income taxes

Under IFRS, deferred tax has been recognized for temporary differences arising from differences between the functional currency in which an asset or liability is reported and its tax basis as determined in its local currency, translated at current exchange rates. Under Canadian GAAP, a deferred income tax asset or liability is not recognized for such a temporary difference.

Under IFRS there is an initial recognition exemption for temporary differences arising from assets or liabilities subject to a transaction that is not a business combination and, at the time of the transaction, do not affect profit and loss for accounting or tax purposes. No such exemption is available under Canadian GAAP. On transition to IFRS, a tax liability associated with an asset acquisition that did not constitute a business combination was reversed with an associated reduction of mineral property.

The re-measurement of the provision for asset retirement obligations and the related asset did not result in changes to temporary differences and the deferred tax liability.

e) Gold forward sale

The gold sale under the Forward Sale Contract is in accordance with the Company's expected purchase, sale and usage requirements; therefore the received consideration is deferred until the gold delivery is completed. The accretion expense previously recorded in Canadian GAAP has been reversed for IFRS reporting purposes.

f) Transactions with Related Parties

Canadian GAAP contains requirements for measuring related party transactions that is different to IFRS, which does not contain the scope exceptions for related parties.

During the year ended June 30, 2009, the Company purchased a ball mill from Avocet Mining LLP, a previous shareholder of Monument Mining Limited, for consideration of CAD 3,250,000 by issuing the Company's common shares. Due to a lack of observable market value, the transaction has been measured at the carrying amount. The Company recorded a cost of the ball mill at the book value of CAD 712,672 provided by its previous owner and included the difference of CAD 2,537,328 in deficit.

Under IFRS, the mill should have been recorded at the fair value of consideration given, which is an equivalent of CAD 3,250,001. An adjustment was required on conversion for the difference of $2,514,055 to property, plant and equipment and equity accordingly.

g) Gold inducement

Under Canadian GAAP, the gold inducement issued in conjunction with convertible notes (the inducement) (Note 13) was determined to be a derivative financial instrument comprised of a foreign exchange component only. Under IFRS, the component of the inducement enabling the noteholders to acquire from the Company a fixed amount of gold ounces at a fixed price in US dollars at their discretion was also determined to be a derivative financial instrument since it is a written option contract for a non-financial item that is readily convertible to cash. Consequently, under IFRS, the inducement is accounted for as a derivative financial instrument comprised of two components whereas under Canadian GAAP, the inducement consisted of only the foreign exchange component for accounting purposes.

The transition to IFRS resulted in an increase in gold inducement derivative liabilities of $4,964,038 at March 31, 2012 and $2,322,130 at March 31, 2011 with the changes in the fair value of this derivative liability reported in the statement of income and comprehensive income resulting in losses of $470,837 and $2,322,130 for the three and nine months ended March 31, 2011

h) Presentation

The presentation of the cash flow statement in accordance with IFRS differs from the presentation of the cash flow statement in accordance with Canadian GAAP as the changes made to the statements of the financial position and statements of comprehensive income have resulted in reclassifications of various amounts on the statement of cash flows. However, as there have been no changes to the total operating, financing or investing cash flows, no reconciliation have been provided. The classification of certain items with the statement of comprehensive income has been adjusted with no effect to net income.

(in United States dollars, except otherwise stated)

	Notes	July 1, 2010		
		Canadian GAAP	**Effect of transition to IFRS**	**IFRS**
ASSETS				
Current assets				
Cash and cash equivalents		$ 3,722,746	$ -	$ 3,722,746
Restricted cash		174,400	-	174,400
Trade and other receivables		1,843,755	-	1,843,755
Prepaid expenses and deposits		88,585	-	88,585
Inventories		4,769,981	-	4,769,981
		10,599,467	-	10,599,467
Non-current assets				
Property, plant and equipment	24 (a)	16,982,912	2,945,853	19,928,765
Mineral properties	24 (a)	35,724,585	688,319	36,412,904
Deferred costs		226,522	-	226,522
		52,934,019	3,634,172	56,568,191
TOTAL ASSETS		**$ 63,533,486**	**$ 3,634,172**	**$ 67,167,658**
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		$ 3,624,057	$ -	$ 3,624,057
Finance lease obligations		13,882	-	13,882
		3,637,939	-	3,637,939
Non-current liabilities				
Finance lease obligations		44,771	-	44,771
Asset retirement obligations	24 (a)	2,419,940	1,120,117	3,540,057
Deferred tax liabilities		672,633	-	672,633
		3,137,344	1,120,117	4,257,461
		6,775,283	1,120,117	7,895,400
Equity				
Share capital	24 (c)	58,923,649	(1,118,547)	57,805,102
Capital reserve - warrants	24 (g)	-	2,612,024	2,612,024
Capital reserve - options	24 (b), (g)	7,625,229	(2,526,677)	5,098,552
Retained earnings (accumulated deficit)		(8,463,781)	2,220,361	(6,243,420)
Translation reserve	24 (c)	(1,326,894)	1,326,894	-
		56,758,203	2,514,055	59,272,258
TOTAL LIABILITIES AND EQUITY		**$ 63,533,486**	**$ 3,634,172**	**$ 67,167,658**

(in United States dollars, except otherwise stated)

	Notes		**March 31, 2011**	
		Canadian GAAP	**Effect of transition to IFRS**	**IFRS**
ASSETS				
Current assets				
Cash and cash equivalents		$ 33,358,303	-	$ 33,358,303
Restricted cash		103,495	-	103,495
Trade and other receivables		3,303,817	-	3,303,817
Prepaid expenses and deposits		355,041	-	355,041
Inventories	24 (a)	11,960,550	(493,015)	11,467,535
Gold forward purchase agreement	24 (c)	6,513,988	222,968	6,736,956
		55,595,194	(270,047)	55,325,147
Non-current assets				
Restricted inventories	24 (a)	743,673	(22,830)	720,843
Property, plant and equipment	24 (a)	34,153,989	2,092,439	36,246,428
Mineral properties	24 (a)	19,974,014	(736,712)	19,237,302
		54,871,676	1,332,897	56,204,573
TOTAL ASSETS		**$ 110,466,870**	**$ 1,062,850**	**$ 111,529,720**
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		$ 3,458,561	$ -	$ 3,458,561
Finance lease obligations		15,525	-	15,525
		3,474,086	-	3,474,086
Non-current liabilities				
Finance lease obligations		36,275	-	36,275
Gold forward sale contract	24 (e)	3,009,582	(416,922)	2,592,660
Convertible notes		5,047,671	-	5,047,671
Derivative warrant liabilities	24 (b)	8,541,891	14,687,989	23,229,880
Derivative liabilities – gold inducement	24 (g)	-	2,322,130	2,322,130
Asset retirement obligations	24 (a)	2,788,282	1,197,941	3,986,223
Deferred tax liabilities		738,586	-	738,586
		20,162,287	17,791,138	37,953,425
		23,636,373	**17,791,138**	**41,427,511**
Equity				
Share capital	24 (c)	64,064,403	(1,034,793)	63,029,610
Capital reserve - warrants	24 (g)		2,612,024	2,612,024
Capital reserve - options	24 (b), (g)	9,970,356	(4,182,393)	5,787,963
Retained earnings (accumulated deficit)		8,312,260	(9,639,648)	(1,327,388)
Translation reserve	24 (c)	4,483,478	(4,483,478)	-
		86,830,497	**(16,728,288)**	**70,102,209**
		$ 110,466,870	**$ 1,062,850**	**$ 111,529,720**

(in United States dollars, except otherwise stated)

	Notes	June 30, 2011		
		Canadian GAAP	**Effect of transition to IFRS**	**IFRS**
ASSETS				
Current assets				
Cash and cash equivalents		$ 49,063,026	$ -	$ 49,063,026
Restricted cash		103,500	-	103,500
Gold bullion		1,505,490	-	1,505,490
Trade and other receivables		1,924,131	-	1,924,131
Prepaid expenses and deposits		492,994	-	492,994
Inventories	24 (a)	15,027,143	210,467	15,237,610
		68,116,284	210,467	68,326,751
Non-current assets				
Restricted inventories	24 (a)	1,109,619	11,781	1,121,400
Property, plant and equipment	24 (a)	31,052,036	3,960,288	35,012,324
Mineral properties		20,065,745	-	20,065,745
Deferred costs		216,287	-	216,287
		52,443,687	3,972,069	56,415,756
TOTAL ASSETS		**$ 120,559,971**	**$ 4,182,536**	**$ 124,742,507**
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		$ 4,903,751	$ -	$ 4,903,751
Finance lease obligation		15,746	-	15,746
		4,919,497	-	4,919,497
Non-current liabilities				
Finance lease obligations		32,257	-	32,257
Gold forward sale contract	24 (e)	2,896,772	(304,112)	2,592,660
Convertible notes		5,290,009	-	5,290,009
Derivative warrant liabilities	24 (b)	8,087,040	13,198,120	21,285,160
Derivative liabilities – gold inducement	24 (g)		4,636,523	4,636,523
Asset retirement obligations	24 (a)	2,583,970	1,665,840	4,249,810
Deferred tax liabilities		720,900	-	720,900
		19,610,948	19,196,371	38,807,319
Total liabilities		**24,530,445**	**19,196,371**	**43,726,816**
Equity				
Share capital	24 (c)	64,518,798	(1,034,791)	63,484,007
Capital reserve - warrants	24 (g)	-	2,612,024	2,612,024
Capital reserve - options	24 (b), (g)	13,002,921	(7,136,071)	5,866,850
Retained earnings		19,834,701	(10,781,891)	9,052,810
Translation reserve	24 (c)	(1,326,894)	1,326,894	-
		96,029,526	(15,013,835)	81,015,691
TOTAL LIABILITIES AND EQUITY		**$ 120,559,971**	**$ 4,182,536**	**$ 124,742,507**

(in United States dollars, except otherwise stated)

Reconciliation of total comprehensive income

Reconciliations between the Canadian GAAP and IFRS total comprehensive income for three and nine months ended March 31, 2011 and the year ended June 30, 2011 is provided below. The Canadian GAAP statement of comprehensive income (loss) has been represented; following adjustments for IFRS, in an IFRS consolidated statements of comprehensive income format.

		Three months ended March 31, 2011		
	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue - gold sale		$ 15,031,105	$ -	$ 15,031,105
Production costs	24 (a)	(2,540,927)	5,822	(2,535,105)
Gross margin from mining operations		12,490,178	5,822	12,496,000
Depletion and depreciation	24 (a)	(981,161)	(80,776)	(1,061,937)
Gain on disposal of scarp material		3,046	-	3,046
Accretion of asset retirement obligations	24 (a)	-	28,568	28,568
		(978,115)	(52,208)	(1,030,323)
Income from mining operations		**11,512,063**	**(46,386)**	**11,465,677**
Other operating costs				
General and administration		294,175	-	294,175
Share-based payments		211,144	-	211,144
Legal, consulting and audit		147,657	-	147,657
Shareholders communication		60,337	-	60,337
Travel		61,520	-	61,520
Regulatory compliance and filing		27,508	-	27,508
Amortization and accretion of asset retirement obligations		139,844	81,643	221,487
Project investigation		145,815	-	145,815
		1,088,000	81,643	1,169,643
Operating income		**10,424,063**	**(128,029)**	**10,296,034**
Other income (loss)				
Gain/(loss) due to change in fair value of derivative warrant liabilities	24 (b)	1,974,553	4,500,203	6,474,756
Gain/(loss) due to change in fair value of derivative liabilities – gold inducement	24 (g)	-	(470,837)	(470,837)
Change in fair value of forward contract	24 (e)	1,513,188	(39,984)	1,473,204
Foreign currency exchange gain (loss)	24 (c)	(256,917)	573,998	317,081
Accretion interest on convertible notes		(294,904)	91,785	(203,119)
Interest income		29,727	-	29,727
		2,965,647	4,655,165	7,620,812
Income before taxes		**13,389,710**	**4,527,136**	**17,916,846**
Income tax expense		-	(123)	(123)
Net income after taxes		**$ 13,389,710**	**$ 4,527,013**	**$ 17,916,723**
Attributable to common shareholders		13,389,710	4,527,013	17,916,723
Other comprehensive income, net of tax				
Foreign currency translation	24 (c)	1,892,468	(1,892,468)	-
Total comprehensive income		**$ 15,282,178**	**$ 2,634,545**	**$ 17,916,723**
Attributable to non-controlling interest		-	-	-
Attributable to common shareholders		$ 15,282,178	$ 2,634,545	$ 17,916,723

(in United States dollars, except otherwise stated)

	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS
		Nine months ended March 31, 2011		
Revenue - gold sale		$ 35,761,989	$ -	$ 35,761,989
Production costs	24 (a)	(6,329,647)	62,712	(6,266,935)
Gross margin from mining operations		29,432,342	62,712	29,495,054
Depletion and depreciation	24 (a)	(1,409,512)	(95,337)	(1,504,849)
Gain on disposal of scarp material		3,046	-	3,046
Accretion of asset retirement obligations	24 (a)		40,213	40,213
			(55,124)	(1,461,590)
Income from mining operations		28,025,876	7,588	28,033,464
Other operating costs				
General and administration		902,510	-	902,510
Share-based payments		839,030	-	839,030
Legal, consulting and audit		488,730	-	488,730
Shareholders communication		173,942	-	173,942
Travel		288,555	-	288,555
Regulatory compliance and filing		44,467	-	44,467
Amortization and accretion of asset retirement obligations		232,592	(1,629)	230,963
Project investigation		145,815		145,815
		3,115,641	(1,629)	3,114,012
Operating income		24,910,235	9,217	24,919,452
Other income (loss)				
Gain/(loss) due to change in fair value of derivative warrant liabilities	24 (b)	(5,415,257)	3,979,513	(1,435,744)
Gain/(loss) due to change in fair value of derivative liabilities – gold inducement	24 (g)	-	(2,322,130)	(2,322,130)
Change in fair value of forward contract	24 (e)	1,513,188	(39,984)	1,473,204
Foreign currency exchange gain (loss)	24 (c)	(679,025)	610,558	(68,467)
Accretion interest on convertible notes		(832,284)	205,397	(626,887)
Interest income		72,269	-	72,269
		(5,341,109)	2,433,354	(2,907,755)
Income before taxes		**19,569,126**	**2,442,571**	**22,011,697**
Income tax expense		-	(123)	(123)
Net income after taxes		**$ 19,569,126**	**$ 2,442,448**	**$ 22,011,574**
Attributable to common shareholders		19,569,126	2,442,448	22,011,574
Other comprehensive income, net of tax				
Foreign currency translation	24 (c)	5,862,898	(5,862,898)	-
Total comprehensive income		**$ 25,432,024**	**$ (3,420,450)**	**$ 22,011,574**
Attributable to non-controlling interest		-	-	-
Attributable to common shareholders		$ 25,432,024	$ (3,420,450)	$ 22,011,574

(in United States dollars, except otherwise stated)

		Year ended June 30, 2011		
	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue - gold sale		$ 52,379,851	$ -	$ 52,379,851
Production costs		(9,134,079)	-	(9,134,079)
Gross margin from mining operations		43,245,772	-	43,245,772
Depletion, depreciation and accretion of assets retirement obligations	24 (a)	(2,528,611)	68,268	(2,460,343)
Gain on disposal of scrap material		14,862	-	14,862
		(2,513,749)	68,268	(2,445,481)
Income from mining operations		**40,732,023**	**68,268**	**40,800,291**
Other operating costs				
General and administration		2,681,055	-	2,681,055
Share-based payments		1,058,329	-	1,058,329
Legal, consulting and audit		627,034	-	627,034
Amortization		163,091	791	163,882
Shareholders communication		222,500	-	222,500
Travel		343,146	-	343,146
Project investigation		190,104	-	190,104
Regulatory compliance and filing		57,553	-	57,553
		5,342,812	791	5,343,603
Operating income		**35,389,211**	**67,477**	**35,456,688**
Other income (loss)				
Foreign currency exchange gain (loss)	24 (c)	40,426	(62,466)	(22,040)
Accretion interest on convertible note		(1,145,509)	301,742	(843,767)
Change in fair value of forward contract	24 (c), (b), (e)	1,602,306	-	1,602,306
Gain/(loss) due to change in fair value of derivative warrant liabilities	24 (b)	(4,759,797)	5,469,382	709,585
Gain/(loss) due to change in fair value of derivative liabilities – gold inducement	24 (g)		(4,636,523)	(4,636,523)
Interest income		104,946		104,946
		(4,157,628)	1,072,135	(3,085,493)
Income before taxes		**31,231,583**	**1,139,612**	**32,371,195**
Income tax recovery, net		20,577	-	20,577
Net income		**$ 31,252,160**	**$ 1,139,612**	**$ 32,391,772**
Attributable to common shareholders		31,252,160	$ 1,139,612	32,391,772
Total comprehensive income		**$ 31,252,160**	**$ 1,139,612**	**$ 32,391,772**
Attributable to non-controlling interest		-	-	-
Attributable to common shareholders		**$ 31,252,160**	**$ 1,139,612**	**$ 32,391,772**