1.1 Date

The following management discussion and analysis of Monument Mining Limited ("Monument" or the "Company") as of February 26, 2010 should be read in conjunction with the unaudited consolidated financial statements for the six-month ended December 31, 2009 and related notes, and with the Company's audited consolidated financial statements for the year ended June 30, 2009 ("fiscal 2009") and related notes included therein, which have been prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP).

All amounts following are expressed in Canadian dollars unless otherwise indicated. Additional information relating to the Company's activities may be found on the Company's web page at www.monumentmining.com and at www.sedar.com.

1.2 Overview

Monument, listed on TSX-V ("MMY"), FSE ("D7Q1"), is a resource company engaged in exploration and development of gold mineral properties. Its primary business objective is to advance its projects from exploration and development to production, and to increase its gold mineral assets through acquisition of prospective exploration land or gold projects at advanced development stage. The Company's head office is located in Vancouver, BC, Canada. It operates through its wholly owned subsidiaries in Pahang State, Malaysia.

The Company's current primary gold properties - Selinsing Gold Project ("Selinsing") and Buffalo Reef Prospect ("Buffalo Reef") - are located in the Central Gold Belt of Western Malaysia. Both properties hold gold resources with opportunity for extension and lie in the same district as the operating Penjom Mine and Raub Gold Mine, which each host more than one million ounces of gold resources. The Company is in the pre-commercial production stage at the Selinsing Gold Mine Project while continuing to fund exploration at the Buffalo Reef Prospect and expand a prospective land position in Malaysia.

In July 2008, upon receipt of $28 million additional capital and $10 million credit facility, the Company became debt free and in October 2008 announced a strategic move to construct a 1200 tpd gold treatment plant at Selinsing, targeting commercial gold production by December 2009. The plant construction budget was set at $17 million. The Company also completed the drill program in confirming gold resources at Buffalo Reef in fiscal 2009 except diamond drilling, which together with further exploration programs has been put on hold for additional financing.

In July 2009, along with progress of the gold treatment plant construction, the open pit mining started at the Selinsing site.

The second quarter ended December 31, 2009 was a milestone for the Company with the first gold pour from the gravity plant. Affected by the worldwide financial crisis, the delivery of the $10 million credit facility was in default In December 2008. The shortage of funding adversely impacted on the Selinsing gold plant construction, resulting in the original construction plan being amended into two phases: Phase I Gravity Plant to be constructed using cash on hand, and Phase II CIL (carbon in leach) plant to be funded by the cash generated from the gravity plant and/or additional capital raising. Despite complex operations and certain delays caused by the circumstantial change of plan to a two-stage construction, during the second quarter ended December 31, 2009 the Phase I gravity plant was fully commissioned and was placed into the pre-commercial production some 10 months after commencement of construction. The overflow from the gravity plant is stockpiled for further processing through the CIL plant when it is completed. The cash generated from the gravity plant production has been used to fund the CIL plant construction.

Gravity plant operating results are provided as the following:

	Q1	Q2	Total
Tons mined	75,262	173,072	248,335
Tons processed	3,524	82,828	86,352
Average head grade (grams/ton)	0.91	1.75	1.71
Gold produced (oz)	-	1,650	1,650
Gold sold (oz)	-	660	660
Average realized gold price ($US/oz)	-	$ 1,160	$ 1,160

The CIL plant construction was commenced in the first quarter of fiscal 2010 and progressed rapidly during the second quarter. Subsequent to the second quarter on February 16, 2010, the Company commenced commissioning of the CIL plant. The commissioning was delayed from December 2009 primarily due to of the late delivery of the agitators anticipated in November 2009, however, was not delivered by the supplier until February 2010. The Selinsing team is now in the process of commissioning the CIL circuit with a view to full production.

High Lights for the second quarter of fiscal 2010

1. The gravity plant was commissioned and was in pre-commercial production with the first gold pour in October 2009; mill throughput achieved 32,800 tons per month in December 2009;
2. Refinery and shipment of gold Dore began in November 2009 with second quarter total sales of 660 ounces of gold;
3. The $2,415,285 cash advance was received by the Company in December 2009 from forward gold sales;
4. The stage 1 tailing storage facilities were completed during monsoon season conditions, providing storage capacity for 16 month's tailings discharged from plant production with design allowing for expansion in lifts over the project expected life of more than 5 years;
5. The Annual General Shareholders' meeting was held on November 9, 2009, at which the existing board members were re-elected unopposed;
6. On December 21, 2009, the Company announced it has signed Term Sheets with Peter Beck Performance Funds GbR to raise $12 million comprised of a $7 million convertible note and $5 million forward gold sales to fund its continuing exploration programs, the acquisition of exploration prospective land and the extension of phase III gold treatment plant.
7. On February 12, 2010, subsequent to the second quarter, the commissioning of the CIL plant was commenced.

1.2.1 Property Agreements

Acquisition of Selinsing Gold Project

On June 25, 2007, through its wholly-owned Malaysian subsidiary, Polar Potential Sdn. Bhd., the Company acquired 100% of the Selinsing Gold Property including two mining concessions from Wira Mas Trust (the "Vendor"), together with 100% interest of Able Return Sdn. Bhd., the former Trustee of Wira Mas Trust, a Malaysian company holding Malaysian Pioneer status which among other benefits provides a 5-year tax break from Malaysian Federal taxes and other taxes. The property is located in Pahang State, Malaysia. The total acquisition cost of $29,195,241 was comprised of $3,500,000 cash, a promissory note of $9,000,000 fair valued at $8,181,818, the issuance of 31,400,009 fully paid treasury shares at an ascribed value of $0.50 per share and 5,000,000 share purchase warrants.

Acquisition of Damar Consolidated Exploration Sdn. Bhd.

Concurrently with acquisition of the Selinsing Gold Project, the Company acquired 100% of the shares of Damar Consolidated Exploration Sdn. Bhd. ("Damar"), a company incorporated under the Law of Malaysia, from Avocet Mining PLC ("Avocet"), the parent company of Damar located in London, United Kingdom; thereby acquiring the Buffalo Reef property, which is contiguous and continuous with the Selinsing Gold Project for approximately 4.2 kilometers along the regional gold trend. A total of $1,750,000 cash, 15,000,000 fully paid treasury shares at $0.50 per share and 7,500,000 share purchase warrants was paid as consideration to acquire 100% of the Damar shares and an Avocet promissory note payable of $1,722,868 (RM5,573,824).

A Letter of Intent to Acquire an Additional Exploration Land Package

On January 14, 2008, the Company signed a Letter Of Intent ("LOI") with Famehub Venture Sdn Bhd. ("Famehub") to acquire an additional exploration land package adjacent to and nearby its present Selinsing Gold Project and adjoining exploration targets at Buffalo Reef. Pursuant to the LOI, Famehub has agreed to sell and Monument has agreed to purchase a land package of prospective exploration land and associated data base. This land is located to the east and north along trend of Selinsing's Gold Project and Buffalo Reef exploration property, commencing approximately 500 meters from the existing ground held under the above two project's eastern boundaries.

This land package and data-base acquisition would consolidate the area holdings. The land acquisition would advance the current exploration program by joining the Selinsing Gold Project and Buffalo Reef Property with the potential for additional exploration success to the north and east. The acquisition would also provide significant potential value to shareholders by building on the knowledge in the immediate surrounding area of Selinsing and Buffalo Reef. Approximately AUD$40.0 M of past expenditure on exploration programs, acquisition and an exploration data-base created by predecessors would also be acquired in the price.

The consideration is comprised of CAD$1,500,000 cash and 7,000,000 fully paid shares in Monument and 3,500,000 share purchase warrants exercisable at $1.00 for two years from the date of issuance. A $50,000 deposit was paid down to secure the transaction.

The LOI forms the basis of a legal and binding agreement which will be prepared by a jointly agreed legal counsel. The final close of the transaction will be subject to approval of the Pahang State Executive Council in Malaysia and the acceptance by the TSX Venture Exchange and closing of the presently announced financing.

1.2.2 Projects Update

Selinsing Gold Project

The Selinsing Gold Project ("Selinsing Project") is located at Bukit Selinsing near Sungai Koyan, approximately 65 km north of Raub and 40 km west of Kuala Lipis on the lineament known as the Raub Bentong Suture, at approximately 04015'00"N latitude, 101047'10"E longitude.

The resources of the Selinsing Gold Project are comprised of an indicated mineral resource of 3,630,000 tonnes at 1.76 gpt, using a cutoff of 0.75 gpt for contained ounces of 205,000 ounces of gold, and an inferred mineral resource of 7,690,000 tonnes at a grade of 1.34 gpt for contained ounces of 330,000 ounces of gold at a similar cutoff grade. It is a near surface open pitable resource that metallurgical test work indicates will allow recovery of between 92% and 95%.

During the second quarter of fiscal 2010 the Selinsing Project continued with a 1,200 ptd gold treatment plant ("Gold Plant") construction and mine site development while completing commissioning of the gravity plant and placed it into a pre-commercial production.

Gold Plant Construction

During second quarter of fiscal 2010, the CIL plant construction continued with more than 90% completion to major components including installation of the six CIL tanks, piping, mechanical and structure steel, elution column except Agitators. The commissioning of the CIL plant delayed to February 2010 due to late arrival of the Agitators anticipated in November 2009 but received in February, 2010. Total cost incurred for the plant construction as at December 31, 2009 was $12.1 million.

The tailing storage facility was 100% completed under the undesirable rainy monsoon weather conditions.

Mining

The stage 1 mining scheme and blasting permit for Selinsing were granted by Mineral and Geosciences Department of Pahang State, Malaysia in July 2009. The Company awarded the mining contract to Minetech Construction Sdn Bhd followed by contractor mobilization, main access road construction, dump site clearing and stock pile levelling for stage I and II open pit mining operations.

Mining excavation started in the first week of July by removing slide material from 500 m RL at the eastern slope of the pit, while dewatering of an old mining area and sampling drilling at 557 m RL. The mined ore of 75,262 tons for the first quarter was initially lower than expected due to low fleet availability. This was improved during the second quarter bringing total ore mined to 173,072 tons.

Drill sampling started at the same time. Drill sample assays were outsourced to Performance Laboratories near to the mine site; subsequent to the second quarter, it was changed to KL Assay Office (M) Sdn. Bhd. located in Kuala Lumpur, Malaysia. The Company's site assay laboratory was completed, fully staffed and commissioned and commenced 24 hours operations in November 2009.

Milling

The gravity plant commissioning was completed and the pre-commercial production started during the second quarter. The performance of the gravity plant was closely monitored and some adjustments were done from time to time to improve the efficiency.

A total of 88,754 wet tons were crushed during the second quarter at an average rate of 68.0 tons per hour. The rainy season caused materials handling problems and reduced throughput. A total of 82,828 dry tons were milled at an average rate of 41.1 tones per hour. Throughput increased from 37.6 tph in October to 45.8 tph in December with increased mill charge and power draw. Overall mill availability was 91.3%.

Administrative facilities and other Infrastructure

Administrative facilities include the office buildings, staff quarters, canteen, laboratory and warehouse, and were all complete in the first quarter except for the warehouse which was nearly completed during the second quarter. The cost of administration facilities as at end of the second quarter totalled $788,407.

Environmental Impact Study, Permits

The systematic and comprehensive Environmental Management Plan (the "EMP") for the Selinsing project was developed during the first quarter and was completed and submitted to the Ministry of Environmental Department of Pahang state, Malaysia in the second quarter for approval. The EMP documents the organizational structure, responsibilities, procedures, and resources that enable the Company to manage all relevant environmental issues and to effectively comply with environmental regulations over the long run.

Labour Force

Fiscal 2010 saw the ramp up in recruitment and training activities for the transition from the plant construction to commissioning and production. The strategy was to interview and hire non skilled and skilled labour from the adjoining communities and within the district of Kuala Lipis as a priority. Several professionally qualified people were also recruited in the Kuala Lipis district in addition to Pahang State. The work force count increased from thirty five at the year ended June 30, 2009 to eighty six at the first quarter ended September 30. 2009, and to one hundred thirty seven at the second quarter ended December 31, 2009.

Buffalo Reef Prospect

Through Damar, the Company holds 100% of Buffalo Reef Prospect consisting of two contiguous tenements approximately 2,050 acres in size in Pahang State of Malaysia and extending the total contiguous and continuous land position northward from and including the Selinsing Gold Mine Project for approximately 4.2 kilometres along the gold trend.

As part of the due diligence program prior to the closing of the acquisition of Damar, the Company commissioned the preparation of a NI 43-101 report on the Damar Buffalo Reef Prospect. The report concluded there was a historic resource which was not NI 43-101 compliant.

Up to the first quarter of fiscal 2009 and during fiscal 2008, the Company completed two drilling programs for 11,871 meters of reverse circulation drilling ("RC drilling") with 1,400 meters of diamond drilling pending at the South, Central and Northern Zone of Buffalo Reef. The assay results were announced by the Company through a series of news releases with a positive outlook confirming historic drill results (refer to www.sedar.com). These adjacent mineral exploration programs, if successful, are expected to result in an increase in economic benefit for the planned mine development at Selinsing by adding potential resources within economic haulage distance of the Selinsing Gold Project.

The diamond drilling work included in Phase I program has not commenced due to financial constraints. The Company plans to study all of the results to date and, in conjunction with the proposed 3,200 meters of diamond program designed by Snowden Mining Industry Consultants ("Snowden"), to test the potential extension of these results at depth. The continuous work is toward being able to produce a NI43-101 compliant report on mineral resources for the Buffalo Reef Prospect. A metallurgical assessment is also planned to be conducted concurrently on fresh samples retrieved from this deeper drill program. The diamond drilling program was scheduled to commence in the second quarter of fiscal 2009 but was put on hold temporarily as a result of failure by the lender to proceed with the $10 million credit facility.

1.3 Selected Annual Financial Information

Not required in interim MD&A.

1.4 Result of Operations

	Three Months ended December 31		Six Months ended December 31	
	2009	2008	2009	2008
Net earnings (loss) for the period	$ (830,209)	$ (902,217)	$ (1,581,950)	$ (1,750,869)
Earnings (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of common shares	156,115,028	155,640,028	155,893,017	145,429,321

The operating results of the Company reflect its on-going corporate business development, administrative costs and other income or expenses such as net of interests, capital and foreign exchange gain or losses.

Three month result

For the three-month period ended December 31, 2009, the Company reported a net loss of $830,209, or $0.01 per share, compared to a net loss of $902,217, or $0.01 per share, reported for the corresponding period in fiscal 2009.

The operations expenses of $900,134 for the second quarter of fiscal 2010 are comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance and stock-based compensation. Excluding stock-based compensation expenses of $553,739, the Company incurred operating expenses of $346,395 compared to operation expenses of $616,717 for the same period of fiscal 2009.

General and administration expenses, decreased by 33% to $224,487 in the second quarter of fiscal 2010 from $337,465 in the same period of fiscal 2009, was comprised of salary expenses of $163,251 (2009 - $217,587) and office rent, general office expenses $61,236 (2009 - $119,878). The decrease in salaries is mainly due to director fee adjustment of $54,336 occurred in the same period of 2009; the decrease in other general expenses are due to increase in consulting fees in the current quarter, offset by a write off of a non-recurring $90,383 financing cost resulted from the collapse of the $10 million credit facilities in the same last fiscal quarter.

Shareholder communications, conference and travel expenses totaled $67,980 in the second quarter of fiscal 2010, decreased by $110,844 from $178,824 in the same period of fiscal 2009, reflecting budget cuts implemented as a result of the global recession. The regulatory and filing expense was $8,199 in the second quarter of fiscal 2010 compared to $15,778 in the same quarter of fiscal 2009, of which $3,800 was due to timing of regulatory fees and the rest mainly due to increased cost for the general annual shareholders meeting. Legal, accounting and audit expenses were $41,154 in the second quarter of fiscal 2010 compared to $81,187 in the same period of fiscal 2009, the variance reflects a decrease of general legal service cost by $15,067 in the current period in reviewing contracts and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation of title and damages. Further accounting and audit costs also reduced by $20,000 due to timing of accruals.

During the second quarter of fiscal 2010, the Company granted 30,000 share purchase options (2009 – 13,390,000) to its employees fair valued using a Black-Scholes pricing model. A total $690,108 (2009 - $442,249) was credited to contributed surplus, of which $553,739 (2009 - $333,195) was debited to operations, $136,369 (2009 - $109,054) was debited to mineral exploration and development and plant and equipment.

During the second quarter of fiscal 2010, the Company received $3,689 (2009 - $109,048) interest income generated from a cash balance. The Company incurred a foreign exchange gain of $66,236 compared to $61,353 foreign exchange loss in the same period last year due to stronger Canadian dollars compared to Malaysian Ringgit.

Six months results

For the six-month period ended December 31, 2009, the Company reported a net loss of $1,581,950, or $0.01 per share, compared to a net loss of $1,750,869, or $0.01 per share, reported for the corresponding period in fiscal 2009.

The operations expenses of $1,691,652 are comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance and stock-based compensation. Excluding stock-based compensation expenses of $992,600, the Company incurred operating expenses of $699,052 compared to operation expenses of $1,047,173 for the same period of fiscal 2009.

General and administration expenses, decreased by 25% to $452,518 in fiscal 2010 from $601,183 in the same period of fiscal 2009, was comprised of salary expenses of $314,752 (2009 - $376,293) and office rent, general office expenses $137,767 (2009 - $224,890) for the same reason disclosed here above.

Shareholder communications, conference and travel expenses totaled $116,983, decreased by $147,843 from $246,826 in the same period of fiscal 2009 due to budget cuts. The regulatory and filing expense was $13,872 compared to $34,329 in the same period of fiscal 2009 primarily due to $16,000 paid to TSX Venture for adoption of the 2009 stock option plan and higher AGM cost incurred. Legal, accounting and audit expenses were $106,529 compared to $140,023 in the same period of fiscal 2009, the variance reflects a decrease of general legal service cost by $55,236 for the same reason as discussed above.

During the six-month ended December 31, 2010, the Company granted 830,000 share purchase options (2009 – 17,756,000) to its directors, employees and consultants fair valued using a Black-Sholes pricing model. A total $1,193,617 (2009 - $1,144,073) was credited to contributed surplus, of which $992,600 (2009 - $861,222) was debited to operations, $201,017 (2009 - $282,851) was debited to mineral exploration and development and plant and equipment.

The Company received $26,800 (2009 - $220,654) interest income generated from a cash balance; and incurred a foreign exchange gain of $98,336 compared to $63,128 foreign exchange loss in the same period of fiscal 2009 due to stronger Canadian dollars compared to Malaysian Ringgit.

1.5 Summary of Quarterly Results

The following is selected quarterly financial information about the Company, for its most recent eight quarters:

	Mar. 31, 2008	Jun. 30, 2008	Sep. 30, 2008	Dec. 31, 2008	Mar. 31, 2009	Jun. 30, 2009	Sep. 30, 2009	Dec. 31, 2009
From Continued Operations	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Net loss	593,876	299,584	848,652	902,217	758,015	990,066	751,741	830,209
Loss per share	0.01	0.01	0.01	0.01	0.00	0.01	0.00	0.01

1.6 Liquidity and Financial Condition

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

The Company's cash balance as at December 31, 2009 was $2,675,897, decreased by $3,506,705 from $6,182,602 as at June 30, 2009. During the six month period of fiscal 2010, $1,024,638 was used in operations; $4,563,768 was invested into mineral property development, the construction of the gold treatment plant and gold production; $2,145,285 was generated from forward gold sales, offset by financing cost of $63,584 to issue common shares of the Company and form and construct financing deals.

During the six month period of fiscal 2010, the Company spent $1,024,638 (Three months ending December 31, 2010 - $466,749) on operating activities compared to $1,559,311 in the same quarter of fiscal 2009 (Three months ending December 31, 2009 - $420,150), the decrease was due to reduced cash burn rate at the corporate head office in the current fiscal year, offset by purchase of raw material and supplies for the gravity plant pre-commercial production.

The total cash consumed in investment activities in the six month period of fiscal 2010 were $4,563,768 (Three months ending December 31, 2009 - $2,379,292), increased from $2,398,728 in the same period of fiscal 2009 (Three month period ending December 31, 2008 - $1,834,061) mainly due to the increase in expenditure on continuous gold treatment plant construction and stockpile of ore at the Selinsing Project, which was partially offset by $808,525 gold sales generated through the gravity plant commissioned and in pre-commercial production during the second quarter.

During the second quarter the Company received $2,145,285 cash advance from its gold forward sales as to fund the continuous CIL plant construction, partially offset by the financing cost of $62,414 in relation to finalization of the term sheets of $12 million financing transaction.

As at December 31, 2009 the Company has a negative working capital of ($4,249,606) compared to $4,153,948 as at June 30, 2009 as a direct result of default of delivery of $10 million credit facility in December 2008. The accounts payable increased to $4,976,283 at December 31, 2009 from $2,095,964 at June 30, 2009 primarily attributed to construction and mining costs incurred during the year. The Company also committed to deliver 2,250 ounces gold production in May 2010. As planned, the Company intends to overcome the cash shortage and continue to fund its current commitments by cash generated from pre-commercial gold production through the gravity plant, and further by increased anticipated future production when the CIL plant is placed to production.

The Company has not been able to generate positive cash flow from its operations. The management believes it is able to obtain adequate working capital to continue the on-going operations. However, the Company's ability to fund the construction of the CIL plant from the current operating cash flow and profitability of the Company is affected by various factors, including the amount of gold produced and sold, the market price of gold, operating costs, interest rates, environmental costs, labour risk and political risk. The Company seeks to manage risks associated with its business; however, many of the factors affecting these risks are beyond the Company's control.

During the six month period, shareholders' equity has decreased by $255,455 from the operating loss, partially offset by an increase of $1,193,617 in contributed surplus due to stock-based compensation cost incurred.

1.7 Capital Resources

The Company’s capital resources as at December 31, 2009 included cash and cash equivalents. The Company’s primary sources of funding are though equity financing by issuance of its stocks and debt financing, or both. From time to time the Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development expenditure, acquisitions, capital assets upgrades, etc.

Shares issued for debt

On September 25, 2009, the Company issued 475,000 Monument shares to settle a debt owing to Avocet. Avocet currently holds a 14.86% of Monument shares.

Avocet has been operating a gold mine in Malaysia since 1996 which is located approximately 45 kilometers from Monument’s Selinsing property. Avocet has provided assistance to Monument in training mining and gold plant processing operators at Monument’s Selinsing Gold Mine Project.

The training assistance costs $134,048 (US$131,600) and it was fully paid by issuance of 475,000 Monument shares at $0.28 per share. All shares issued are subject to a four-month hold period.

Convertible Note and Forward Sale of Gold

On December 21, 2009, the Company announced that it has signed Term Sheets with Peter Beck Performance Funds GbR (the "Lender"), a German based company, to raise up to $12.0 million new capital comprised of a convertible note up to $7 million (the "Convertible Note") and a forward sale of gold up to $5 million (the "Forward Sale").

The Convertible Note of up to $7 million has a term of five years and a day from the date of the issuance and must be repaid by the Company at the end of the term in cash or gold at the option of the Lender at 121.6% of the principal amount. The Lender may, at any time, convert the Convertible Note into units at a price of $0.40 per unit with each unit comprising one common share of the Company and one common share purchase warrant. Each whole share purchase warrant is exercisable at $0.50 per share, expiring five years from the date of issuance of the Convertible Note. As an inducement to enter into the subscription agreement for the Convertible Note, the Company will offer to sell the Lender 5,000 ounces of gold at a price of $1,000 per ounce and 2,500 ounces of gold at a price of $1,250 per ounce, which offer the Lender may accept at any time during the term of the Convertible Note.

The Term Sheet for the Forward Sale provides for the advance of $5 million to Monument. Repayment of the advance will be made in gold. The Forward Sale has a term of five years and a day with the Lender having the right to call for repayment after 3 years under certain conditions. Warrants for the purchase of 5 million common shares with the same terms as described in connection with the Convertible Note above will be issued to the Lender upon closing the transaction. The warrants must be either exercised or otherwise expire on a pro-rata basis upon gold delivery.

The Company's obligations under the Convertible Note and the Forward Sale will be secured by a charge over a designated gold metal account of the Company. The Company will be required to deposit at least 365 ounces of gold per month into such metal account to a maximum of 12,000 ounces commencing on the earlier of April 1, 2010 and commencement of post-commissioning of the CIL plant.

A 10% finder’s fee (the "Finder's Fee") will be payable in cash upon closing of the transaction.

The Convertible Note, the Forward Sale and the payment of the Finder's Fee are all subject to the approval of the TSX Venture Exchange.

The new funding is in lieu of the $10.0 million dollars credit facility which was not completed due to the global credit melt down in late 2008 and early 2009. The funds are to be used for the following purposes: the continuing exploration programs that will be carried out by the Company's drill team using its own equipment; closing the previously announced acquisition of a significant prospective exploration property adjacent to the Selinsing gold project where the Company expects to commission the CIL plant shortly; and for the phase III gold treatment plant extension with a second mill to expand production. With the additional funding, the Company expects to be able to increase gold resources and enhance gold production through increased plant through put.

Contractual Obligations

As at December 31, 2009, the Company has aggregate commitments totaling $2.7 million, including operating leases, mineral property fees and construction contracts as follows:

	2010	2011	2012	2013	2014	Total
Operating leases	$ 18,823	$ 38,854	$ 40,064	$ 28,569	$ 18,845	$ 145,155
Mineral property fees	29,953	55,362	41,432	-	-	126,747
Purchase commitment	2,384,883	-	-	-	-	2,384,883
	$ 2,433,659	$ 94,216	$ 81,496	$ 28,569	$ 18,845	$ 2,656,785

The Company has also committed to deliver 2,250 ounces of gold in May 2010 according to the forward gold contract (note 8). Late delivery will cause a penalty of $75,000 per month to the Company.

The Company's ability to continue its mine development activities and exploration activities, and to continue as a going concern, will depend on its ability to obtain suitable financing and to generate cash flow from its gravity plant production. Based on the current commitment to the construction, mine development and gold production, the Company is not expected to but may require financing to bridge the cash shortfall for its Phase II CIL plant commissioning till adequate cash is generated from the existing gravity plant production and future CIL plant production. This follows on from the default of the $10,000,000 credit facility late in 2008 and so in the meantime the company will rely on the cash being generated by the gravity plant production. Financing will be also required to meet its planned development program, which includes funding for exploration, exploration land expansion and the existing plant extension to increase production level. Whether the Company is able to generate adequate cash to meet its capital requirements is affected by a number of external economic factors beyond the Company's control.

1.8 Off Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Refer to note 10 of the interim consolidated financial statements.

1.10 Fourth Quarter

Not required for this MD&A.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

Refer to note 2(b) of the audited consolidated financial statements as at June 30, 2009.

1.13 Changes in Accounting Policies including Initial Adoption

Refer to note 2 of the unaudited consolidated financial statements as at December 31, 2009.

1.14 Financial Instruments and Other instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued liabilities. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and price risk.

(i) 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 comprises of three types of risk: foreign currency risk, price risk and interest rate risk.

Currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received by the Company are not denominated in Canadian dollars. The majority of the Company's expenditures for property, plant and equipment and mineral property interests are in Malaysian ringgit and Australian dollars. The Company's ability to make these payments to satisfy its obligations for work commitments will be affected by foreign currency rate fluctuations. The Company is also exposed to foreign currency risk to the extent that it holds cash in Malaysian ringgit. As at December 31, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in Malaysian ringgit:

In thousands of Ringgit	December 31, 2009	June 30, 2009
Cash and cash equivalents	RM 974	RM 6,590
Restricted cash	350	221
Fair value on forward contracts	-	31
Accounts receivable	3	13
Deposits and advances	1,994	2,892
Accounts payable and accrued liabilities	(15,762)	(5,749)

Based on the above net exposures as at December 31, 2009, and assuming that all other variables remain constant, a 5% depreciation or appreciation of the Canadian dollar against the Malaysian ringgit would result in an increase/decrease of 622,000 Malaysian Ringgit (CAN$190,000) in the Company's net losses.

Other Price risk

Other price risk is the risk that the fair 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 is in the business of exploring and developing gold mineral resources which are valued at price of gold metals and its outlook. The Company is exposed to the gold price risk in the current high volatile gold market while not taken any hedging in respect of its operational activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk with respect to its cash equivalents and financial liabilities. However, this risk is limited because of the short-term maturity of these instruments. The Company manages interest rate risk by maintaining an interest policy that focuses on preservation of capital liquidity but keeps the cash in short term investment at fixed rates as long as possible.

ii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets. The Company's board of director has established an investment policy to secure the "ground money" by avoiding any investment other than government t-bills, term deposits guaranteed by major Canadian financial institutions, or term deposits at major Malaysian banks which are guaranteed by the Malaysian government.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

As at December 31, 2009, the Company held aggregate prepaid items and deposits of $565,454, mainly representing contractual prepayments to its awarded gold processing plant construction contractors at Selinsing Gold Mine Project. The risk exposure is to the extent if any of those contractors fail to deliver under their contracts and are unable to refund the deposits. The Company's management has conducted full due diligence on those awarded contractors through its preliminary screening program to mitigate such risk.

iii) 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 flow 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.

Contractual obligated cash flow maturities of financial liabilities as at December 31, 2009 are as follows:

	Total	under 3 months	4 to 12 months	1 to 5 Years
Accounts payable and accrued liabilities	$ 2,384,883	$ 2,384,883	$ -	$ -

1.15 Outstanding Share Data

The following details the share capital structure as at February 26, 2010, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Remaining life / Expiry date	Exercise price	Number of securities	Total
Common shares				156,115,028
Stock options				
	July 5, 2012	$0.50	3,300,000	
	February 18, 2011	$0.58	70,000	
	August 15, 2013	$0.40	13,390,000	
	December 5, 2012	$0.50	400,000	
	December 5, 2013	$0.40	230,000	
	December 5, 2013	$0.25	1,731,000	
	February 9, 2014	$0.25	550,000	
	July 29, 2012	$0.30	800,000	
	December 17, 2014	$0.39	30,000	20,501,000
Warrants				
	July 21, 2011	$0.50	70,120,000	
	August 19, 2013	$0.50	8,125,003	78,245,003

1.16 Risks and Uncertainties

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

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

The Company has no producing mines, however has limited cash flow from the recently commissioned gravity plant, and has no other source of operating cash flow other than through debt and/or equity financing and the above. Any further significant work would likely require additional equity or debt financing. The Company has very limited financial resources and there is no assurance that additional funding will be available to allow the Company to proceed with any plans for exploration and development of its mineral properties.

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

(a) ***Title to mineral property interests***

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

(b) ***Realization of assets***

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

(c) ***Environmental***

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

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

(d) **Reserves and resource estimates**

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

1.17 Disclosure Controls and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

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

An evaluation of the effectiveness of the design and operation of disclosure controls and procedures was conducted as of December 31, 2009, by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company's management, including the CEO and CFO, or persons performing similar functions.

Internal Controls over Financial Reporting

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

The Company's management, including the CEO and CFO, has evaluated the effectiveness of the internal controls over financial reporting. Based on this evaluation, management has concluded that internal controls over financial reporting were designed effectively as of December 31, 2009.

As a result of this review it was determined that there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting, except the internal control has been extended to include the subsidiaries located in Malaysia. During the second quarter of fiscal 2010, the assessment indentified the following material weakness:

- The Company's policies and procedures relating to inventory control process at one of the Company's operating subsidiaries were not followed. It does not have material impact on the financial reporting.

During the current period, the Company has re-designed the inventory control and extensive training and monitoring have been placed to ensure adequate control procedure over inventory timely recoding and counting are followed by operating subsidiaries.

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

Caution on Forward Looking Statements

Statements contained herein that are not based on historical fact, including without limitation statements containing the words “believes”, “plan”, ‘will’, “estimates”, “intends”, “expects”, and similar expressions, constitute “forward-looking” statements. Such forward-looking statements involve known and unknown risk, uncertainties and other facts that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implies by such forward-looking statements. There forward looking statements are set forth under the heading “Outlook” if any, and elsewhere in the Management’s Discussion and Analysis and may include statements regarding work in progress, timelines, and budget estimates of construction, commissioning and production of the gold treatment plant at Selinsing Gold Mine Project; exploration results and budgets, mineral reserve and resource estimates; capital expenditures; strategic plans; proposed financing transactions; or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors. The Company’s forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions should change except as required by law. Given the reasons, risks and uncertainties set forth above readers are cautioned not to place undue reliance on such forward-looking statements described in the Company’s public filings with securities regulatory authorities. Important factors that could cause actual results to differ materially from the Company’s expectations include uncertainties involved in fluctuations in gold and related commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the issuance of required permits; the changes in environmental legislations in all jurisdictions in which the Company operates; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals and other risks and uncertainties disclosed in the Company’s annual report and other information released by the Company and filed with the appropriate regulatory agencies.