CONSOLIDATED FINANCIAL STATEMENTS OF

MONUMENT MINING LIMITED

(Expressed in thousands of United States dollars)

For the years ended June 30, 2018 and 2017

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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

"Cathy Zhai"	"Kelvin Lee"
________________________	______________________________
Cathy Zhai, President and Chief Executive Officer	Kelvin Lee, Chief Financial Officer

Vancouver, British Columbia
September 26, 2018

Grant Thornton

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Independent auditor's report

To the Shareholders of
Monument Mining Limited

We have audited the accompanying consolidated financial statements of Monument Mining Limited, which comprise the consolidated statement of financial position as at June 30, 2018 and June 30, 2017, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Monument Mining Limited as at June 30, 2018 and June 30, 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Vancouver, Canada
September 27, 2018

Chartered Professional Accountants

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MONUMENT MINING LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2018 and 2017
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	June 30, 2018	June 30, 2017
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	4	15,014	13,698
Trade and other receivables	5	1,660	1,334
Income tax receivable	6	-	2,122
Prepaid expenses and deposits		406	349
Inventories	7	16,855	11,916
Total current assets		**33,935**	**29,419**
Non-current assets			
Inventories	7	5,994	9,755
Property, plant and equipment	8	37,887	34,548
Exploration and evaluation	9	175,094	174,705
Intangible asset	10	1,272	1,272
Deferred financing costs	11	103	103
Total non-current assets		**220,350**	**220,383**
Total assets		**254,285**	**249,802**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	14	5,791	4,970
Income tax payable		68	-
Deferred revenue	16	972	-
Total current liabilities		**6,831**	**4,970**
Non-current liabilities			
Accrued liabilities	25	797	-
Asset retirement obligations	15	10,081	9,790
Deferred revenue	16	5,678	-
Deferred tax liabilities	17	3,154	2,983
Total non-current liabilities		**19,710**	**12,773**
Total liabilities		**26,541**	**17,743**
Equity			
Share capital	18	117,257	117,172
Capital reserves – warrants	19	2,612	2,612
Capital reserves – options	19	10,303	10,303
Capital reserves – restricted share units	19	1,002	653
Retained earnings		96,570	101,319
Total equity		**227,744**	**232,059**
Total liabilities and equity		**254,285**	**249,802**

Commitments and contingencies (Notes 4 and 26)
Subsequent events (Note 29)

Approved on behalf of the Board:

"Robert Baldock"	"Graham Dickson"
Robert Baldock, Director	Graham Dickson, Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended June 30, 2018 and 2017
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	June 30, 2018	June 30, 2017
		$	$
Mining operations			
Revenue		19,250	15,719
Production costs	20	(11,103)	(11,990)
Gross margin from mining operations		**8,147**	**3,729**
Accretion of asset retirement obligation		(197)	(178)
Depreciation and amortization		(4,472)	(4,493)
Income/(loss) from mining operations		**3,478**	**(942)**
Corporate expenses	21	(4,527)	(4,347)
Income/(loss) before other items		**(1,049)**	**(5,289)**
Other income/(loss)			
Interest income		44	40
Gain/(loss) on disposal of assets		14	(56)
Legal settlement	22	(3,000)	-
Impairment loss	23	-	(894)
Foreign currency exchange loss		(300)	(1,221)
Loss from other items		**(3,242)**	**(2,131)**
Loss before income taxes		(4,291)	(7,420)
Tax recovery/(expense)		(458)	215
Total net and comprehensive loss		**(4,749)**	**(7,205)**
Loss per share			
- Basic	24	$ (0.02)	$ (0.02)
- Diluted	24	$ (0.02)	$ (0.02)
Weighted average number of common shares			
- Basic	24	315,727,984	308,718,030
- Diluted	24	315,727,984	308,718,030

MONUMENT MINING LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended June 30, 2018 and 2017
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Common shares	Capital reserve - warrants	Capital reserve - options	Capital reserve - RSUs	Retained earnings	Total equity
	$	$	$	$	$	$
Balances at June 30, 2016	**117,172**	**2,612**	**10,303**	**-**	**108,524**	**238,611**
Share-based compensation	-	-	-	653	-	**653**
Net loss for the period	-	-	-	-	(7,205)	**(7,205)**
Balances at June 30, 2017	**117,172**	**2,612**	**10,303**	**653**	**101,319**	**232,059**
Balances at June 30, 2017	**117,172**	**2,612**	**10,303**	**653**	**101,319**	**232,059**
Share-based compensation	-	-	-	434	-	**434**
RSUs redeemed	85	-	-	(85)	-	**-**
Net loss for the period	-	-	-	-	(4,749)	**(4,749)**
Balances at June 30, 2018	**117,257**	**2,612**	**10,303**	**1,002**	**96,570**	**227,744**

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2018 and 2017
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	June 30, 2018	June 30, 2017
		$	$
Operating activities			
Net loss for the period		(4,749)	(7,205)
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation, depletion and amortization		4,480	4,504
Accretion expense on asset retirement obligations		197	178
Share-based compensation		318	536
Unrealized foreign currency exchange loss		781	1,123
Impairment loss		-	894
Gain on disposal of assets		-	56
Deferred income tax expense/(recovery)		2,350	(1,216)
Cash provided from/(used in) operating activities before change in working capital items		**3,377**	**(1,130)**
Change in non-cash working capital items:			
Trade and other receivables		(372)	141
Prepaid expenses and deposits		(57)	350
Inventories		(2,704)	734
Deferred costs		-	14
Accounts payable and accrued liabilities		1,185	48
Cash provided from operating activities		**1,429**	**157**
Financing activities			
Payment of finance lease obligations		-	(135)
Proceeds from gold forward sale, net of financing fees		6,650	-
Cash provided from/(used in) financing activities		**6,650**	**(135)**
Investing activities			
Expenditures on exploration and evaluation, net of recoveries		(2,911)	(4,437)
Expenditures on property, plant and equipment		(3,852)	(2,800)
Cash used in investing activities		**(6,763)**	**(7,237)**
Increase/(decrease) in cash and cash equivalents		1,316	(7,215)
Cash and cash equivalents at the beginning of the period		13,698	20,913
Cash and cash equivalents at the end of the period	**4**	**15,014**	**13,698**
Cash and cash equivalents consist of:			
Cash		14,710	4,062
Restricted cash		304	9,636
		15,014	**13,698**

Supplemental Cash Flow Information (Note 27)

1. Corporate Information and Nature of Operations

Monument Mining Limited ("Monument" or "the Company") is a Vancouver based gold producer, engaged in the operation of gold mines and acquisition, exploration and development of precious metals and other base metals mineral properties with a focus on gold. The Company is incorporated and domiciled under the Canada Business Corporations Act and listed on the Toronto Stock Venture Exchange ("TSX-V: MMY") and Frankfurt Stock Exchange ("FSE: D7Q1") with the head office located at 1100 Melville Street, Suite 1580, Vancouver, British Columbia, Canada V6E 4A6.

The Company's 100% owned Selinsing Gold Mine is located in Pahang State, Malaysia, and has been in commercial production since September 2010. The Company's exploration and development mineral assets are 100% owned through its subsidiaries, including the Selinsing gold portfolio in Pahang State, Malaysia comprised of the Selinsing, Buffalo Reef, Felda Land and Famehub projects (together "Selinsing"), and Murchison gold portfolio in Western Australia ("WA") comprised of the Burnakura, Tuckanarra and Gabanintha projects; and the Mengapur copper and iron portfolio ("Mengapur") in Pahang State, Malaysia.

The consolidated financial statements of the Company for the financial year ended June 30, 2018, comprising the Company and its subsidiaries, were authorized for issue in accordance with a resolution of the directors on September 26, 2018. These consolidated financial statements are presented in thousands of United States (US) dollars and all values are rounded to the nearest thousand dollars except per share amounts or where otherwise indicated.

2. Basis of Preparation

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

3. Significant Accounting Policies

a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) as of June 30, 2018 from their respective date of acquisition. Control exists over an investee when the Company is exposed, or has rights, to variable returns from its investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

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

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

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

		Interests holding as at	
Entity	Location	June 30, 2018	June 30, 2017
Polar Potential Sdn. Bhd.	Malaysia	100%	100%
Able Return Sdn. Bhd.	Malaysia	100%	100%
Selinsing Gold Mine Manager Sdn. Bhd.	Malaysia	100%	100%
Damar Consolidated Exploration Sdn. Bhd.	Malaysia	100%	100%
Famehub Venture Sdn. Bhd.	Malaysia	100%	100%
Monument Mengapur Sdn. Bhd.	Malaysia	100%	100%
Cermat Aman Sdn. Bhd.	Malaysia	100%	100%
Star Destiny Sdn. Bhd.	Malaysia	100%	100%
Primary Mining Sdn. Bhd.	Malaysia	100%	100%
Monument Australia Pty Ltd.	Australia	100%	100%
Monument Murchison Pty Ltd.	Australia	100%	100%
Monument Gold Operations Pty Ltd.	Australia	100%	100%

b) Foreign currencies

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

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

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

c) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and, where applicable, the initial estimation of any 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.

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

Buildings	10 years
Machinery, heavy equipment and components of plant	2-20 years
Administrative furniture and equipment	5-10 years
Computers	2-5 years
Vehicles	5-8 years

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

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

d) Mineral properties

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

Exploration and evaluation expenditures

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

Exploration and evaluation expenditure to any particular property are reclassified to mineral properties and mine development expenditures when technical and commercial viability for that property is established, or otherwise expensed when that property is abandoned or impaired. Exploration and evaluation expenditure for investigation over mineral properties prior to acquiring underlined mining rights are recorded as deferred cost and expensed when decision does not result in such acquisition. Exploration and evaluation expenditure that do not relate to any specific property are expensed as incurred.

The establishment of technical and commercial viability is assessed based on technical studies carried out in compliance with industry standards and regulatory requirements and is deemed to be achieved when the Company determines that the project will provide a satisfactory return relative to its perceived risks. Ore reserves and resources may be declared for undeveloped mining projects before its commercial viability has been fully determined. Evaluation costs may continue to be capitalized during the period between declaration of reserves and resources, and approval to mine as further work is undertaken in order to refine the development case to maximize the project's returns.

Mine development expenditures

A mineral property is under the development stage once the development of the property becomes commercially and technically viable. 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 commercial production are categorized as mine development expenditures. Development expenditures to this point including depreciation of related plant and equipment, and 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 in the manner intended by management.

Mine development expenditure is depreciated on a UOP basis over the productive life of the mine based on proven and probable reserves, and portion of measured, indicated, or inferred resources that are reasonably expected to be converted to proven and probable reserves.

Stripping costs incurred during the production phase of a mine are considered production costs and are included in the cost of inventory produced during the period in which stripping costs are incurred. Stripping costs incurred to prepare the ore body for extraction or to provide access to ore body that will be extracted in future periods and would not otherwise have been accessible are capitalized as mine development expenditure and depreciated on a UOP basis over the reserves and resource that directly benefit from the stripping activity. New infrastructure costs incurred during the production phase for future probable economic benefit are also capitalized to the related mineral property subject to depreciation on a UOP basis.

e) Impairment of non-financial assets

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

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

f) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less. Restricted cash consists of cash held on hand which shall not be released until certain conditions are met under contractual obligations or a court order.

g) Inventories

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

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

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

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

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

h) Intangible asset

Intangible assets are assessed for legal, regulatory, contractual, competitive or other factors to determine if the useful life is definite. Intangible assets with definite useful lives are measured at cost less accumulated amortization and accumulated impairment losses and are amortized on a straight-line basis through the life of underlined intangible assets.

i) Asset retirement obligation ("ARO")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the corresponding asset 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 plant or mining property asset.

The Company's estimates are reviewed quarterly 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. The liability to settle the obligation is recognized on an undiscounted basis where management is unable to estimate a timeline for the related project and estimates the discounting effect as not material.

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.

j) Leases

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

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

Operating leases

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

Finance leases

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

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

k) Financial instruments

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents and trade and other receivables), financial assets at fair value through profit or loss (FVTPL) (marketable securities) and other financial liabilities (trade and other payables).

Loans and receivables are measured at amortized cost, using the effective interest method.

Fair value through profit or loss financial assets and liabilities are carried at fair value with changes in fair value recognized in the statement of profit and loss.

Other financial liabilities are carried at amortized cost, using the effective interest rate method.

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; and

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

Impairment of financial assets

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

l) Taxes

Current tax

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

Deferred tax

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

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

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

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

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

The Company recognizes the deferred tax asset regarding the temporary differences on the rehabilitation liability and the corresponding deferred tax liability regarding the temporary difference on the rehabilitation asset.

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

Royalties and revenue-based taxes

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

m) Share-based payments

The Company measures all equity-settled share – based awards made to employees, including stock options and restricted share units, based on the fair value of the options or the units on the date of grant. The grant date fair value of options or units is estimated using an option pricing model and is recognized as compensation expense over the vesting period, based on the number of options or units that are expected to vest. The corresponding increase is recognized in capital reserves. When options are exercised, or units are redeemed, the costs are transferred out of capital reserves where they were initially recorded and credited to share capital.

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

Share-based payments for restricted share units are determined using the market price at the date of grant and is amortized over the vesting periods as share-based compensation expense against capital reserves. Once units are redeemed, the cost of issuance of shares will be credited to share capital against capital reserves.

o) Loss per share

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

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

p) Revenue recognition

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

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

Insignificant amounts 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.

q) Segmented reporting

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

r) Gold forward sales transactions

Gold forward sales contracts are held for the purpose of delivering 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.

s) Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS as issued by the IASB requires management to make estimates and judgments that affect the amount reported in the financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and subject to measurement uncertainty. The effect on the financial statements of changes in such estimates in future reporting periods could be significant.

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

Purchase price allocation and valuation of deferred consideration assets

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

Ore reserves and mineral resource estimates

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

Ore reserves and mineral resource estimates include non-leachable sulphide material that cannot be processed through the plant in its current configuration. Recovery of gold from the non-leachable sulphide material is expected to be achieved through the successful implementation of a bio-leach circuit as outlined in the current Selinsing and Buffalo Reef NI43-101 Technical Report.

Depreciation and amortization and determining useful lives

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

Inventory valuation

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

Exploration and evaluation expenditures

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

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

Impairment of non-current assets

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

Provision for asset retirement obligations

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

Deferred taxes

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

Share-based payments

The computation amount of share-based compensation is not based on historical cost but is derived based on subjective assumptions input into appropriate option pricing model to determine fair value at granting and the reporting dates. The model requires management to make forecasts as to future events, including estimates of: expected price volatility, the average future hold period of options and units, and the appropriate risk-free rate of interest. Changes in these input assumptions can significantly affect the fair value estimate.

Share-based compensation incorporates an expected forfeiture rate, which is estimated based on historical forfeiture rates, and is adjusted if the actual forfeiture rate differs from the expected rate. The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm's length transaction, given that there is no market for these instruments and they are not transferable.

Title to mineral properties

Although the Company has taken steps to verify the title to its mineral properties, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to administrative delays common in Malaysia. Unregistered prior agreements or transfers and title may be affected by undetected defect.

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 are 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.

Functional currency

The Company is involved in the exploration, development and production of gold and base metal resources with continued operations that are heavily reliant on international economics such as the price and demand of gold and other commodities. The Company's resources, future sales and competitive forces are measured in USD and based on these factors the Company has determined the functional currency of all its entities to be USD.

t) New and amended standards and interpretations

Effective for future annual periods

IFRS 9 – Financial Instruments ("IFRS 9")

IFRS 9 will replace IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. It also introduces a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. The Company has assessed that this standard will not have any material impact on the consolidated financial statements in the next fiscal year.

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

IFRS 15 will replace IAS 18, "Revenue", IAS 11, "Construction Contracts", and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. The Company has assessed that this standard will not have any material impact on the consolidated financial statements in the next fiscal year.

IFRS 16 – Leases ("IFRS 16")

IFRS 16 will replace IAS 17, "Leases". The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and liability calculated using a prescribed methodology. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted. The Company is evaluating any potential impact of this standard.

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

4. Cash and Cash Equivalents

	June 30, 2018	June 30, 2017
	$	$
Cash and cash equivalents	14,710	4,062
Restricted cash	304	9,636
	15,014	13,698

As at June 30, 2018, the Company has restricted cash of $0.30 million (June 30, 2017: $9.64 million) representing issued letters of credit and fixed deposits as guarantees for utilities, custom duties and certain equipment (2017: $0.20 million). $9.44 million restricted cash presented as of June 30, 2017 was released in full from a custodian bank account in April 2018 (Note 22).

5. Trade and Other Receivables

	June 30, 2018	June 30, 2017
	$	$
Interest receivable	19	29
Goods and services tax receivable	661	301
Third Parties receivable (Note 9(c))	949	943
Other receivables	31	61
	1,660	1,334

Trade and other receivables are non-interest bearing. Third Parties receivable of $0.95 million (June 30, 2017: $0.94 million) are in relation to top soil iron production pursuant to the Harmonization Agreement (Note 9 (c)).

6. Income Tax Receivable

As of June 30, 2018, the income tax receivable balance of $0.38 million (June 30, 2017: $2.12 million) from fiscal 2017 has been offset by current year tax payable. The Company collected tax refunds from fiscal 2015 and fiscal 2016 totaling $1.88 million during the year.

7. Inventories

	June 30, 2018	June 30, 2017
	$	$
Current assets		
Mine operating supplies	1,572	1,164
Stockpiled ore	6,361	6,246
Tailings reclaim	322	453
Work in progress	1,018	3,792
Finished goods	7,582	261
	16,855	11,916
Non-current assets		
Stockpiled ore (a)	5,994	9,755
	22,849	21,671

The costs of inventory that were incurred and recorded against cost of gold sold during the year ended June 30, 2018 was $15.53 million (Fiscal 2017: $15.46 million).

(a) The portion of the ore stockpile that is to be processed more than 12 months from the reporting date is classified as non-current inventory. As at June 30, 2018, non-current assets include ore stockpiled of 595,023 tonnes (June 30, 2017: 1,058,838 tonnes).

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

8. Property, Plant and Equipment

	Mineral Properties (a)	Buildings, plant and equipment	Construction in Progress (b)	Total
	$	$	$	$
Cost				
As at June 30, 2016	**47,580**	**44,794**	**2,971**	**95,345**
Addition	664	533	1,183	2,380
Change in ARO provision	(66)	(2)	-	(68)
Disposal	-	(59)	-	(59)
Impairment on long-lived assets	-	-	(817)	(817)
Reclassification	-	-	(11)	(11)
As at June 30, 2017	**48,178**	**45,266**	**3,326**	**96,770**
Addition	825	274	1,130	2,229
Change in ARO provision	106	(17)	-	89
Acquisition	1,614	-	-	1,614
Transfer from exploration and evaluation	2,982	-	-	2,982
As at June 30, 2018	**53,705**	**45,523**	**4,456**	**103,684**
Accumulated depreciation				
As at June 30, 2016	**(36,978)**	**(18,093)**	**-**	**(55,071)**
Charge for the period	(4,625)	(2,526)	-	(7,151)
As at June 30, 2017	**(41,603)**	**(20,619)**	**-**	**(62,222)**
Charge for the period	(1,325)	(2,250)	-	(3,575)
As at June 30, 2018	**(42,928)**	**(22,869)**	**-**	**(65,797)**
Net book value				
As at June 30, 2016	10,602	26,701	2,971	40,274
As at June 30, 2017	6,575	24,647	3,326	34,548
As at June 30, 2018	10,777	22,654	4,456	37,887

a) Included under mineral properties is the Selinsing Gold Mine in Pahang State, Malaysia, which is subject to depletion on a unit of production basis.

<u>Acquisition</u>

The $1.61 million for acquisition expenditure was comprised of $1.39 million to the land owners and $0.22 million incidental cost in exchange of exclusive mining rights over Felda Block 7 proprietary mining leases. Felda Block 7 is adjacent east of Buffalo Reef as the extension of the BRC oxide ore body, and nearby existing gold process plant.

<u>Transfer from exploration and evaluation</u>

In October 2017, total costs of $2.98 million were transferred from exploration and evaluation properties to mineral properties based on the commencement of production at Felda Block 7 (Note 9 (a)).

b) Included under Construction in Progress are the Selinsing Phase IV plant upgrades at Selinsing Gold Mine in Malaysia and the Burnakura Project crushing plant upgrade in Western Australia. Construction expenditures are not subject to depreciation until it is available for use.

As of June 30, 2018, total expenditures were $4.46 million, comprised of $2.90 million (June 30, 2017: $1.79 million) for the Selinsing Phase IV plant upgrades with $1.10 million incurred in the current year, $0.03 million for Selinsing TSF upgrade (June 30, 2017: $nil) and $1.53 million (June 30, 2017: $1.53 million) for the Burnakura crushing plant upgrade.

In the year ended June 30, 2017, the Company has determined that a bio-leach sulphide treatment technology can deliver the best overall performance and economic recoveries in relation to Selinsing and Buffalo Reef ore characteristics. As a result, an impairment charge of $0.82 million was recognized for Intec costs (Note 23).

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

9. Exploration and Evaluation

	Selinsing Gold Portfolio	Murchison Gold Portfolio	Mengapur Copper and Iron Portfolio	Total
	$	$	$	$
	Note 9 (a)	Note 9 (b)	Note 9 (c)	
Balance, June 30, 2016	**25,734**	**25,601**	**119,133**	**170,468**
Acquisition costs	312	-	-	312
Assay and analysis	323	38	-	361
Drilling	106	26	-	132
Geological	434	315	16	765
Metallurgical	2	107	-	109
Plant maintenance	-	192	-	192
Site activities	517	876	718	2,111
Share-based compensation	89	-	24	113
Asset retirement obligations	-	13	(23)	(10)
Property fees	-	229	-	229
Impairment loss	-	(77)	-	(77)
Balance, June 30, 2017	**27,517**	**27,320**	**119,868**	**174,705**
Transfer to mineral properties	(2,982)	-	-	(2,982)
Acquisition costs	-	75	-	75
Assay and analysis	140	-	-	140
Drilling	244	401	-	645
Geological	210	165	76	451
Metallurgical	2	2	-	4
Plant maintenance	-	190	-	190
Site activities	433	671	579	1,683
Share-based compensation	32	-	29	61
Asset retirement obligations	-	8	(509)	(501)
Property fees	-	231	-	231
Mine development	-	392	-	392
Balance, June 30, 2018	**25,596**	**29,455**	**120,043**	**175,094**

a) Selinsing Gold Portfolio

The Company has a 100% interest in the Selinsing Gold Exploration and Evaluation Portfolio including Selinsing Deep, a part of Buffalo Reef, Felda Land and Famehub, which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Mine is located. As of June 30, 2018, the Selinsing Gold Portfolio totalled $25.60 million that was comprised of $2.11 million for Selinsing Deep, $16.09 million for Buffalo Reef, $2.20 million for Peranggih, $0.13 million for Felda Land and $5.05 million for Famehub. In October 2017, exploration and evaluation costs of $2.98 million were transferred to mineral properties under property, plant and equipment.

Selinsing Deep

The Company acquired a 100% interest in the Selinsing Gold Project in 2007 through its 100% owned subsidiary Able Return Sdn. Bhd. and since then some deposits across those projects have been placed into a production and have been classified to property, plant and equipment (Note 8(a)) except Selinsing Deep, underneath these deposits. Continuing expenditure on Selinsing Deep is recorded against exploration and evaluation with expenditures of $0.03 million incurred in the year ended June 30, 2018.

Buffalo Reef

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a company incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef tenement property interests. Some deposits at Buffalo Reef have been placed into production and are recorded under property, plant and equipment (Note 8(a)). Exploration and evaluation expenditures of $0.08 million were incurred for Buffalo Reef in the year ended June 30, 2018.

Peranggih

The Peranggih area is located about 10km north of the Selinsing Gold Mine and is in the same regional shearing structure as the Selinsing and Buffalo Reef gold deposits. Exploration and evaluation expenditures of $0.95 million were incurred for Peranggih in the year ended June 30, 2018.

Felda Land

The Company acquired exclusive irrevocable exploration licenses over 896 acres of Felda Land through a subsidiary Able Return Sdn Bhd from settlers – individual owners of blocks on the Felda Land, with consent from Federal Land Development Authority ("FELDA"). The Felda Land is located east and south adjacent to Selinsing and Buffalo Reef, gazetted as a group settlement area covering 3,920 acres of land. Pursuant to these agreements with settlers, certain portions of Felda Land shall be converted to mining leases upon exploration success at the Company's discretion, subject to regulatory approval. The exclusive mining permits will be automatically assigned for mining to the Company in event of approval of the mining leases obtained by those settlers.

In October 2017, a portion of Federal land ("Felda Block 7") has converted into proprietary mining leases upon closing the Felda Block 7 transaction, the related exploration and evaluation expenditures of $2.98 million were accordingly transferred to mineral properties (Note 8(a)).

Famehub

On August 13, 2010, the Company acquired a 100% interest in Famehub Venture Sdn. Bhd. ("Famehub"), a company incorporated in Malaysia to purchase a land package consisting of approximately 32,000 acres of prospective exploration land as well as the associated data base. This land is located to the east of the Selinsing Gold project and the Buffalo Reef prospect. No exploration and evaluation expenditures were incurred in the current fiscal period for Famehub.

b) Murchison Gold Portfolio

The Company has a 100% interest in the Murchison Gold Portfolio which consists of the Burnakura, Gabanintha, and Tuckanarra gold properties, located in the Murchison Mineral Field, a highly prospective historical gold province within the Murchison District of Western Australia. Burnakura and Gabanintha are located 40 km southeast of Meekatharra, WA and 765 km northeast of Perth, WA. Tuckanarra is located approximately 40 km south west of Burnakura. As of June 30, 2018, the Murchison Gold Portfolio totalled $29.46 million and was comprised of $22.94 million ($8.41 million for acquisition and $14.53 million for exploration and development) for Burnakura, $3.10 million ($2.92 million for acquisition and $0.18 million for exploration) for Gabanintha and $3.41 million ($3.13 million for acquisition and $0.28 million for exploration) for Tuckanarra.

Burnakura

In February 2014, Monument acquired the Burnakura Gold Project and Gabanintha Gold Project that includes a number of mining and exploration tenements and lease applications and a fully operational gold processing plant, a newly developed camp site and all necessary infrastructure.

Exploration and evaluation expenditures of $1.99 million were incurred in the year ended June 30, 2018 for Burnakura including $0.19 million for plant maintenance, $0.97 million for continuous resource definition and economic study, $0.18 million property fees and $0.65 million for camp maintenance.

Gabanintha

Gabanintha Gold Project was acquired in conjunction with Burnakura, containing a number of prospective tenements located 20 km to the east of Burnakura. Exploration and evaluation expenditures of $0.04 million were incurred in the year ended June 30, 2018 for Gabanintha.

Tuckanarra

In November 2014, Monument acquired, free and clear of any encumbrances, a 100% interest in Tuckanarra consisting of two exploration licenses, six prospecting licenses and a mining lease covering a total of 416 square km and containing approximately 100,000 historical indicated and inferred Joint Ore Reserves Committee (JORC) compliant ounces of gold. Exploration and evaluation expenditures of $0.03 million and acquisition transaction costs of $0.08 million were incurred in the year ended June 30, 2018 for Tuckanarra.

c) Mengapur Copper and Iron Portfolio

The Mengapur is located in Pahang State, Malaysia, approximately 130 kilometers from Monument's wholly-owned Selinsing Gold Mine near Sri Jaya, 12 kilometers from a highway and 75 kilometers from the Malaysian port of Kuantan. As of June 30, 2018, the Mengapur Copper and Iron Portfolio (the "Mengapur Project") totalled $120.04 million that was comprised of $109.05 million ($93.23 million for acquisition and $15.82 million for exploration and development) for Mengapur and $10.99 million for Star Destiny ($3.64 million for acquisition and $7.35 million for exploration).

Mengapur

In February and December 2012, the Company acquired a 100% interest in Cermat Aman Sdn. Bhd. ("CASB"), a Malaysian company, through Monument Mengapur Sdn. Bhd. ("MMSB"), its wholly-owned owned Malaysian subsidiary. As a result, the Company holds a 100% interest in the Mengapur, except certain free digging oxide magnetite material contained in top soil at the Mengapur Project (Note 14), which remained with the previous owner of the Mengapur, Malaco Mining Sdn. Bhd. and its group of companies and shareholders (collectively, "Malaco").

During fiscal 2018 the Company and Intec have entered into the Deed of Variation Agreement to the Head Agreement with intention to apply Intec Technology in testing sulphide copper metal recovery on site (Note 10). Based on confirmation drilling and exploration programs completed in previous years, the resource study on copper was resumed in the fourth quarter targeting delivery of a NI43-101 compliant resource report by the end of September 2018. Exploration and evaluation expenditures of $0.58 million were incurred in the current fiscal year for Mengapur site care and maintenance and the study, which includes $0.31 million of amortization.

MMSB is the exclusive operator of the Mengapur. It entered into a Harmonization Agreement with Phoenix Lake Sdn. Bhd. ("PLSB") and ZCM Minerals Sdn. Bhd. ("ZCM") (together the "Third Parties"). Pursuant to the Harmonization Agreement, the Third Parties have exclusive rights to mine near-surface oxide iron ores contained in top soil overburden at Area A and Area B under certain conditions, and to purchase the mined oxide iron ore material from MMSB for RM28 per tonne; MMSB has full right to protect its other mineral assets in the same top soil and continue developing access to sulfide and transitional resources. The Company carried out grade control and supervision over the mining operation, including collecting proceeds from Iron Ore sales on behalf of Malaco, with all operating costs incurred by MMSB to maintain iron ore operation site to be recovered in full.

The Third Parties have discontinued Iron Ore production since January 2015. The balance of $0.95 million is overdue by the Third Parties to the Operator (Note 5).

Star Destiny

On November 21, 2011, the Company acquired a 100% interest in Star Destiny Sdn. Bhd. ("Star Destiny") through its wholly owned Malaysian subsidiary; MMSB. Star Destiny holds an exploration permit covering a 750-hectare property in Pahang State, Malaysia, adjacent to the Mengapur.

The prospecting exploration permit for the Star Destiny prospect expired on September 23, 2012. No activities were carried at the operation site since. The Company submitted an application of renewal in November 2011 to the Pahang State authority; it also submitted two applications for mining licenses in 2009 and 2010 over sections of the same area. Another application for a mining lease over the prospecting land was also submitted in August 2012. The Company has yet to receive an official notification from the Pahang State authority in response to its applications and several inquiries regarding the title status. According to the Malaysia Mining Enactment 2007, the Company has considered its status quo for the Star Destiny tenement title remaining intact.

No exploration and evaluation expenditures were incurred in the current fiscal year for Star Destiny.

10. Intangible Asset

On February 6, 2015, pursuant to the Heads of Agreement entered by Monument and Intec International Projects Pty Ltd ("Intec"), the Company was granted an interim license to exploit the Intec patented technology at the Company's alpha sites in Malaysia. Subject to success of the trial commercialization testwork and certain conditions, Monument will obtain a full license to treat sulphide gold or copper materials using Intec technology across designated territories including Australia and South East Asia countries

The consideration of 14 million fully paid Monument common shares was issued to Intec at CAD$0.25 per share for aggregated deemed value of CAD$3.50 million, which has been valued according to IFRS 2 "Share-based Payments" at the closing date market price of CAD$0.10 per share for aggregate cost of $1.12 million (CAD$1.40 million).

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

The following table includes total transaction costs including $0.15 million incurred in due diligence:

	Total
	$
Shares issued for Intec License	1,118
Due diligence costs	154
	1,272

The cost of acquisition and conversion of the interim license to a full license, should testwork be successful, are recorded in intangible assets with impairment testing at each reporting date. Once the full license is granted, the cost will be amortized over the life of the license on a straight-line basis. If the Company decides not to use Intec technology, the balance of the intangible asset would be removed against earnings.

On August 29, 2017, pursuant to the Deed of Variation Agreement with Intec to the Heads of Agreement, Monument has released 7,000,000 common shares from escrow to Intec. The terms of escrow period have been extended to January 16, 2022 for the remaining 7,000,000 common shares.

11. Deferred Financing Costs

As at June 30, 2018, deferred costs of $0.10 million (June 30, 2017: $0.10 million) comprised of financing expenditure for the Burnakura project, as described in the following table:

	June 30, 2018	June 30, 2017
	$	$
Project financing	103	103

Upon completion of the underlined transaction the expenditure will be capitalized; or charged to earnings if the underlying transactions are abandoned.

12. Capital Management

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

The Company is sensitive to changes in commodity prices and foreign exchange. The Company's policy is to not hedge gold sales. The Company's capital management policy has not changed in the 2018 fiscal year.

The Company's objectives when managing capital are to:

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

Other than restricted cash (Note 4) the Company is not subject to any externally imposed capital restrictions. Monument has the ability to adjust its capital structure by issuing new equity, issuing new debt, and by selling or acquiring assets. The Company can also control how much capital is returned to shareholders through dividends and share buybacks.

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

	June 30, 2018	June 30, 2017
	$	$
Total equity attributable to shareholders	227,744	232,059
Total borrowings	-	-
	227,744	232,059
Less: cash and cash equivalents	(15,014)	(13,698)
Total capital	212,730	218,361

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

13. Financial Instruments and Financial Risk

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents, restricted cash and trade and other receivables) and other financial liabilities (accounts payable and accrued liabilities).

a) Fair value measurement

The carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables and other financial liabilities – accounts payable and accrued liabilities are considered reasonable approximations of their fair values due to the short-term nature of these instruments.

The Company does not have any financial assets or financial liabilities measured for fair value on a recurring basis.

b) Risk exposures and responses

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

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

Foreign currency risk

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

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

	June 30, 2018			June 30, 2017		
	$	$	$	$	$	$
(in 000's, US dollar equivalent)	AUD	RM	CAD	AUD	RM	CAD
Financial instrument – assets						
Cash and cash equivalents	291	1,159	91	114	370	97
Restricted cash	-	302	2	-	194	-
Trade and other receivable	30	952	18	1	1,017	15
Financial instruments – liabilities						
Accounts payable and accrued liabilities	615	4,591	1,383	150	4,671	149

The Company has not hedged any of its foreign currency risks.

Based on the above net exposures as at June 30, 2018 and assuming that all other variables remain constant, a 5% depreciation or appreciation of the RM against the US dollar would result in an increase/decrease of approximately $0.11 million (June 30, 2017: $0.15 million) in the Company's net income, a 5% depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately $0.06 million (June 30, 2017: increase/decrease $nil) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately $0.02 million (June 30, 2017: increase/decrease $nil) in net income.

Price risk

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

Interest rate risk

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

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

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

Credit risk

The Company's credit risk on trade receivables is negligible.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents (Note 4). The maximum exposure to credit risk is the carrying amounts at June 30, 2018. The amount of $1.47 million (June 30, 2017: $10.06 million) is held with a Malaysian financial institution, $0.29 million with an Australian financial institution (June 30, 2017: $0.11 million) and $13.25 million (June 30, 2017: $3.52 million) is held with Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through budgeting and forecasting cash flows to ensure it has sufficient cash to meet its short-term requirements for operations, business development and other contractual obligations. The Company's cash and cash equivalents are highly liquid and immediately available on demand for the Company's use. The table below summarizes the maturity profile of the Company's non-derivative financial liabilities as at June 30, 2018.

	June 30, 2018		June 30, 2017	
	$	$	$	$
	Current	Non-Current	Current	Non-Current
	<1 year	1-3 years	<1 year	1-3 years
Non derivative liabilities				
Accounts payable and accrued liabilities	5,791	797	4,970	-

14. Accounts Payable and Accrued Liabilities

	June 30, 2018	June 30, 2017
	$	$
Current liabilities		
Trade payables	4,110	3,770
Employment payables and accruals	652	232
Third Party payable (Note 9(c))	1,029	968
	5,791	4,970
Non-current liabilities		
Accrued liabilities (Note 25)	797	-
	6,588	4,970

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest-bearing and are normally settled on 30-day terms.
- Employment payables and accruals include a legacy payment (Notes 25), vacation, employment benefits and related withholding taxes.
- Third Party payable in the amount of $1.03 million (June 30, 2017: $0.97 million) is pending receipt of the Third Parties payment in relation to the third parties' iron ore operations at the Mengapur (Note 9(c)).

15. Asset Retirement Obligations

The Company's ARO as of June 30, 2018 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 cash flows required to settle the Company's obligations before discount is estimated to be $11.34 million (June 30, 2017: $11.12 million), comprised of $10.19 million (June 30, 2017: $9.92 million) for Malaysian projects and $1.15 million (June 30, 2017: $1.20 million) for the Western Australia Projects.

As at June 30, 2018 the present value of the Company's ARO was $10.08 million (June 30, 2017: $9.79 million), comprised of $5.23 million (June 30, 2017: $4.64 million) for Selinsing gold portfolio using a pre-tax risk-free rate of 4.06% (June 30, 2017: 3.98%) and an inflation rate of 0.80% (June 30, 2017: 3.60%); $1.11 million (June 30, 2017: $1.13 million) for the Murchison gold portfolio using a pre-tax risk-free rate of 1.50% (June 30, 2017: 1.50%) and an inflation rate of 1.90% (June 30, 2017: 2.10%); and $3.74 million (June 30, 2017: $4.02 million) for Mengapur recorded at cost.

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

Significant reclamation and closure activities include land rehabilitation, slope stabilization, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities.

The following is an analysis of the asset retirement obligations:

	June 30, 2018	June 30, 2017
	$	$
Opening balance	9,790	10,232
Accretion expense	214	196
Reassessment of liabilities	(429)	(95)
Foreign currency exchange loss/(gain)	506	(543)
Closing balance	10,081	9,790

16. Deferred Revenue

The Company entered into a $7.00 million gold forward sale transaction with Concept Capital Management ("CCM" or the "Purchaser"). Pursuant to the Sale of Gold Agreements, the Company received a $7.00 million prepayment and committed to deliver a total 8,676 ounces of gold to the Purchaser over a 36-month period commencing January 23, 2019 through its subsidiary Monument Murchison Pty Ltd (the "Seller").

In addition, on the same pro-rata delivery terms, CCM has the option to purchase additional ounces of gold at 620 ounces per unit for $0.50 million up to 3,720 ounces for a total $3.00 million to be prepaid to the Seller, not later than one month before the first Delivery Date.

The gold forward sale is guaranteed by the Company and its Malaysian subsidiary, Able Return Sdn Bhd, and is secured by certain assets of the Company.

As of June 30, 2018, included in deferred revenue of $6.65 million are the $7.00 million gold prepayments, offset by the $0.35 million Agent fees. Revenue will be recognized on deliveries of the gold ounces to CCM.

17. Income Tax

The reconciliation of income tax provision computed at statutory rates of 27% (2017: 26%) to the reported income tax provision is as follows:

	June 30, 2018	June 30, 2017
	$	$
Income tax recovery computed at statutory rates	1,162	1,797
Lower effective rate attributable to Malaysian income	(69)	(88)
Non-deductible expenses	(686)	(622)
Change in unrecognized deferred tax assets	(809)	(822)
Unutilized tax losses	(56)	(34)
Non-taxable (income)/loss	3	(9)
Non-business income	(3)	(7)
Income tax recovery/(expense)	(458)	215
Income tax expense consists of the following:		
Current income tax provision	(475)	(531)
Deferred income tax provision	17	746
Income tax recovery/(expense)	(458)	215

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

Deferred tax assets and liabilities have been calculated using the following enacted corporate income tax rates: Canada at 27% (2017: 26%), Malaysia at 24% (2017: 24%) and Australia at 27.5% (2017: 27.5%). Significant components of recognized deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	June 30, 2018	June 30, 2017
	$	$
Deferred tax liabilities:		
Mineral property interests	(4,609)	(4,029)
Property, plant and equipment	(1,378)	(1,505)
	(5,987)	(5,534)
Deferred tax assets:		
Property, plant and equipment	-	54
Mineral property interests	2,833	2,497
	2,833	2,551
Net deferred tax liabilities	(3,154)	(2,983)

Unrecognized deferred tax assets are as follows:

	June 30, 2018	June 30, 2017
	$	$
Unrecognized deferred tax assets:		
Loss carry forwards	13,372	15,231
	13,372	15,231

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

At June 30, 2018, the Company has non-capital loss carryforwards for tax purposes that are available to reduce future taxable income in Canada of $38.85 million (2017: $37.74 million). The losses expire as follows:

	Total
	$
2031	2,780
2032	3,232
2033	9,779
2034	12,242
2035	-
2036	6,440
2037	3,269
2038	1,106
	38,848

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

18. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Common shares

Issued and outstanding:

	Number of shares	Value assigned
		$
Balance, June 30, 2016 and June 30, 2017	**322,718,030**	**117,172**
RSUs redeemed	1,600,001	85
Balance, June 30, 2018	**324,318,031**	**117,257**

19. Capital Reserves

	June 30, 2018	June 30, 2017
	$	$
Warrants (a)	2,612	2,612
Options (b)	10,303	10,303
Restricted share units (c)	1,002	653
	13,917	**13,568**

a) Share purchase warrants

As at June 30, 2018 and 2017 there were no warrants outstanding.

b) Stock options

At the Annual General Meeting of Shareholders (“AGM”) held on December 15, 2016, the Company’s shareholders approved an Amended 5% Fixed Stock Option Plan (the “2016 Stock Option Plan”) to replace the Company's 2015 15% Fixed Stock Option Plan. The total number of shares reserved for issuance under the 2016 Stock Option Plan is 16,210,905. As a result, 13,043,666 stock options were voluntarily forfeited by Management under the new plan.

At June 30, 2018, there were 11,940,406 common shares available for future grant under the 2016 Stock Option Plan, comprised of 16,210,905 reserved for issuance, of which 4,070,499 stock options were exercised to date and 200,000 stock options are granted and outstanding.

The general terms of stock options granted under the 2016 Stock Option Plan include a life of stock options up to ten years and a vesting period up to two years.

	Number of common shares under option plan	Weighted average exercise price
		CAD$
Balance, June 30, 2016	**13,493,666**	**0.34**
Forfeited/expired	(13,293,666)	0.34
Balance, June 30, 2017 and June 30, 2018	**200,000**	**0.33**

The following table summarizes the stock options outstanding at June 30, 2018:

	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$
0.33	200,000	04-Sep-18	0.18	200,000	0.33

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

The following table summarizes the stock options outstanding at June 30, 2017:

	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$**
0.33	200,000	04-Sep-18	1.18	200,000	0.33

c) Restricted share units

At the AGM held on December 15, 2016, the Company's shareholders approved a fixed 10% restricted Share unit plan (the "RSU Plan"). Under the RSU Plan, the total number of shares reserved for grant is 32,421,800. At June 30, 2018, there were 11,378,134 common shares available for future grant.

Restricted share units outstanding	Number of common shares
Balance, June 30, 2016	-
Granted	21,043,666
Balance, June 30, 2017	**21,043,666**
Redeemed	(1,600,001)
Balance, June 30, 2018	**19,443,665**

Of 21,043,666 granted under the RSU Plan, 19,243,666 units for $0.99 million was vested immediately and can be redeemed any time within three years from the grating date; the remaining 1,800,000 units for $0.11 million are subject to vesting terms over a three-year period equally from the granting date. The underlying fair value is amortized over the corresponding vesting periods as compensation expenses against capital reserves. Once vested and units are redeemed, the cost of issuance of shares will be credited to share capital against capital reserves. For the year ended June 30, 2018, $0.43 million (2017: $0.65 million) has been expensed and allocated to production expense and exploration expenditure against capital reserves and $0.09 million (2017: $nil) was credited to share capital for 1,600,001 RSUs redeemed.

20. Production Costs

	For the year ended June 30,	
	2018	**2017**
	$	**$**
Mining	2,197	2,497
Processing	7,498	8,474
Royalties	1,363	868
Operations, net of silver recovery	45	151
	11,103	11,990

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

21. Corporate Expenses

	For the year ended June 30,	
	2018	2017
	$	$
Office and general expenses	123	183
Rent and utilities	76	68
Salaries and wages	2,874	1,483
Share-based compensation	318	536
Legal, accounting and audit	823	890
Shareholders communication	140	203
Travel	98	154
Regulatory compliance and filing	59	63
Project investigation and financing	8	756
Amortization	8	11
	4,527	4,347

22. Legal Settlement

The 5% JV interest claim against certain tenements at the Selinsing Gold Mine had been filed by Selinsing Mining Sdn Bhd ("SMSB") in 2012 against Monument and two of its Malaysian subsidiaries. Monument denied that SMSB has any joint venture interest in the Selinsing Gold Mine and vigorously defended this claim which had no merit.

A full trial of the matter was held on March 22 and 23, 2018 during which a settlement was reached, and a Consent Order subsequently recorded in the Shah Alam High Court in Malaysia. The terms of the settlement are, among others:

- SMSB affirms that the Joint Venture Agreement dated July 2, 2017 is not valid and enforceable against Monument and its related subsidiaries;
- SMSB, Kesit Pty Ltd. and Peter Kestel along with their agents, employees and successors will not in any way interfere or lodge any complaints with any local or foreign authorities regarding management and/or the business of Monument or its subsidiaries and agents;
- The parties shall have no further claims against each other or their respective past, current and future directors, officers and employees in Malaysia or outside Malaysia;
- The $9.44 million deposited in a custodian bank account will be released to Monument; and
- Monument will pay $3.00 million to SMSB in consideration for the settlement.

All conditions to the settlement have been met and the cases are now closed, the $9.44 million restricted cash was released to the Company and $3.00 million was paid to SMSB, recorded as legal settlement expense against Other Loss.

23. Impairment Loss

The Company assessed potential impairment on assets as at the period end and determined the following impairment loss:

	For the year ended June 30,	
	2018	2017
	$	$
Impairment loss on Intec (a)	-	(817)
Impairment loss on exploration and evaluation	-	(77)
	-	(894)

(a) The Company determined that a bio-leach sulphide treatment technology can deliver the best overall performance and economic recoveries for the Selinsing Sulphide Project. As a result, an impairment charge of $0.82 million was recognized for Intec sulphide gold testwork previously recorded against construction in progress in property, plant and equipment (Note 8).

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

24. Loss Per Share

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

	For the year ended June 30,	
	2018	**2017**
Net loss for the year	**$ (4,749)**	**$ (7,205)**
Basic weighted average number of common shares outstanding	315,727,984	308,718,030
Diluted weighted average number of common share outstanding	315,727,984	308,718,030
Basic loss per share	$ (0.02)	$ (0.02)
Diluted loss per share	$ (0.02)	$ (0.02)

All options are potentially dilutive in the year ended June 30, 2018 and 2017 but excluded from the calculation of diluted earnings per share are those for which the average market prices below the exercise price.

Under the “Deed of Variation” to the "Heads of Agreement" executed on February 14, 2015, the terms of escrow period have been extended to January 16, 2022 and the Company agreed to release 7,000,000 million shares from escrow. The remaining 7,000,000 shares in escrow with Intec have been excluded from the weighted average number of shares outstanding because these shares are to be earned subject to success of the trial commercialization testwork and certain milestones, unearned shares upon termination will be returned to treasury (Note 10).

25. Related Party Transactions

Key management personnel

The Company’s related parties include key management, who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly: five directors (executive and non-executive), the Chief Executive Officer (“CEO”), the Chief Financial Officer and the Vice President of Business Development who directly reports to the CEO.

The remuneration of the key management of the Company as defined above including salaries and director fees is as follows:

	For the year ended June 30,	
	2018	**2017**
	$	**$**
Salaries	1,068	1,051
Legacy payment	1,593	-
Directors’ fees	148	189
Share-based payments	373	647
	3,182	1,887

Amounts due to related parties as at June 30, 2018 were a $1.19 million (June 30, 2017: $nil) legacy payment included in accrued liabilities with $0.39 million as current liabilities (Note 14) and $0.80 million as non-current liabilities, due to the CEO change announced January 2, 2018, and $0.04 million (June 30, 2017: $nil) relating to director fees. The directors’ fees are paid on a quarterly basis. The unpaid amounts due to directors are recorded against accrued liabilities, unsecured and bear no interest.

26. Commitments and Contingencies

	2019	**2020**	**2021**	**2022**	**2023**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Operating leases	116	116	121	117	47	517
Mineral property obligations	1,003	894	1,059	956	1,008	4,920
Purchase commitments	670	-	-	-	-	670
	1,789	**1,010**	**1,180**	**1,073**	**1,055**	**6,107**

Operating leases relate to premise leases including offices and accommodations for both administration and operations. Mineral property obligations include compulsory exploration expenditures and levies pursuant to relevant government regulations to keep tenements in good standing. Purchase commitments are mainly related to operations carried out at the mine sites in Malaysia and Western Australia.

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

In addition to commitments outlined in the above table, the Company has committed to deliver 8,676 ounces of gold over a 36-month period commencing on January 23, 2019 relating to the gold forward sale (Note 16).

27. Supplemental Cash Flow Information

	For the year ended June 30,	
	2018	**2017**
	$	**$**
Interest received	53	35
Net income tax refund/(paid)	1,857	(1,046)
Non-cash working capital, financing and investing activities:		
Share-based compensation charged to mineral properties	91	89
Amortization charged to mineral properties	430	521
Amortization inherent in inventory	9,616	11,143
Expenditures on mineral properties in accounts payable	616	203
Plant and equipment costs included in accounts payable	105	84

28. Segment Disclosures

The Company operates primarily in the gold mining industry and its major product is gold. Its activities include gold production, acquisition, exploration and development of gold and other base metal properties. The Company's mining operations are in Malaysia. Other than the exploration area segment, no operating segments have been aggregated to form reportable operating segments.

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

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

a) Operating segments

June 30, 2018	**Mine Operations**	**Exploration and Evaluation (Gold)**	**Exploration and Evaluation (Polymetallic)**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**
Balance sheet					
Current assets	19,071	482	1,092	13,290	**33,935**
Property, plant and equipment	24,166	5,596	8,121	4	**37,887**
Exploration and evaluation	-	55,051	120,043	-	**175,094**
Total assets	49,231	61,130	129,255	14,669	**254,285**
Total liabilities	12,741	1,673	4,817	7,310	**26,541**

June 30, 2017	**Mine Operations**	**Exploration and Evaluation (Gold)**	**Exploration and Evaluation (Polymetallic)**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**
Balance sheet					
Current assets	24,491	240	1,105	3,583	**29,419**
Property, plant and equipment	20,386	5,610	8,544	8	**34,548**
Exploration and evaluation	-	54,837	119,868	-	**174,705**
Total assets	54,632	60,688	129,517	4,965	**249,802**
Total liabilities	11,133	1,282	5,027	301	**17,743**

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

For the year ended June 30, 2018	**Mine Operations**	**Exploration and Evaluation (Gold)**	**Exploration and Evaluation (Polymetallic)**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**
Income statement					
Revenue	19,250	-	-	-	**19,250**
Income from mining operations	3,478	-	-	-	**3,478**
Corporate expenses	-	-	-	(4,527)	**(4,527)**
Other income, (expenses) and (loss)	(2,606)	63	(390)	(309)	**(3,242)**
Tax expense	(458)	-	-	-	**(458)**
Net income/(loss)	414	63	(390)	(4,836)	**(4,749)**

For the year ended June 30, 2017	**Mine Operations**	**Exploration and Evaluation (Gold)**	**Exploration and Evaluation (Polymetallic)**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**
Income statement					
Revenue	15,719	-	-	-	**15,719**
Loss from mining operations	(942)	-	-	-	**(942)**
Corporate expenses	-	-	-	(4,347)	**(4,347)**
Other income, (expenses) and (loss)	(2,294)	359	(218)	22	**(2,131)**
Tax recovery	215	-	-	-	**215**
Net income/(loss)	(3,021)	359	(218)	(4,325)	**(7,205)**

b) Geographical area information

The Company operates in three geographic areas – Australia, Malaysia and Canada. Revenues are generated 100% in Malaysia and sold to a single customer in the US.

June 30, 2018	**Australia**	**Malaysia**	**Canada**	**Total**
	$	**$**	**$**	**$**
Balance sheet				
Current assets	425	20,220	13,290	**33,935**
Property, plant and equipment	5,596	32,287	4	**37,887**
Exploration and evaluation	29,455	145,639	-	**175,094**
Total assets	35,477	204,139	14,669	**254,285**
Total liabilities	8,323	17,558	660	**26,541**

June 30, 2017	**Australia**	**Malaysia**	**Canada**	**Total**
	$	**$**	**$**	**$**
Balance sheet				
Current assets	146	25,690	3,583	**29,419**
Property, plant and equipment	5,610	28,930	8	**34,548**
Exploration and evaluation	27,320	147,385	-	**174,705**
Total assets	33,076	211,761	4,965	**249,802**
Total liabilities	1,282	16,161	300	**17,743**

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

For the year ended June 30, 2018	Australia $	Malaysia $	Canada $	Total $
Income statement				
Revenue	-	19,250	-	**19,250**
Income from mining operations	-	3,478	-	**3,478**
Corporate expenses	(53)	(2,754)	(1,720)	**(4,527)**
Other income, (expenses) and (loss)	63	(2,995)	(310)	**(3,242)**
Tax expense	-	(458)	-	**(458)**
Net income/(loss)	10	(2,729)	(2,030)	**(4,749)**

For the year ended June 30, 2017	Australia $	Malaysia $	Canada $	Total $
Income statement				
Revenue	-	15,719	-	**15,719**
Loss from mining operations	-	(942)	-	**(942)**
Corporate expenses	(32)	(1,471)	(2,844)	**(4,347)**
Other income, (expenses) and (loss)	(218)	(1,936)	23	**(2,131)**
Tax recovery	-	215	-	**215**
Net loss	(250)	(4,134)	(2,821)	**(7,205)**

29. Subsequent Events

Share Capital

Subsequent to the year ended June 30, 2018, there were 200,000 stock purchase options that expired, bringing the total outstanding stock purchase options to nil.