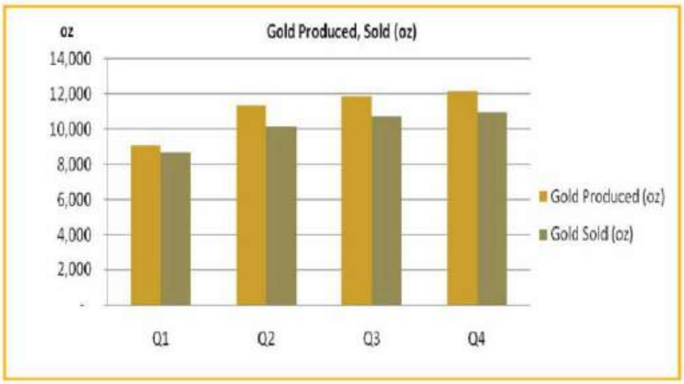
TSX-V:MMY
FSE: D7Q1

MONUMENT MINING LIMITED

EXECUTING THE NEXT STAGE OF **GROWTH**

• Annual Report June 30, 2011 •

Contents



oz
Gold Produced, Sold (oz)
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
Q1
Q2
Q3
Q4
Gold Produced (oz)
Gold Sold (oz)

Message of the President and CEO to Shareholders

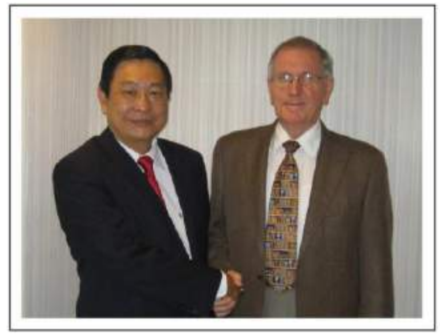
In the year under review our Company has established itself as a gold producer and announced it has commenced commercial production at the official opening of the Selinsing Gold Project in October 2010. The official opening was presided over by the Chief Minister of Pahang State Dato' Sri Di Raja Yang Amat Berhormat Dato' Sri Haji Adnan Bin Haji Jaakob and his Executive Council. The Company is extremely grateful for the assistance and cooperation received from the Malaysian State and Federal governments and all other agencies, without which this project would not have been built.

It has been an exciting year of gold production performance, with expansion plans being announced and an increase in exploration activity on land recently acquired. This exploration land will enable us to strive to build reserves and resources for long term operations and gold production from the capital facilities already established. A target of producing 40,000 ounces of gold in the 2011 year was set by the board and our team exceeded that target by 11% producing 44,438 ounces of gold at a cash cost of US$242 per ounce, amongst the lowest in the industry. This low cash cost together with the high gold prices has enabled the Company to build a comfortable cash reserve for expansion and other corporate building objectives to grow the Company, as shown on the balance sheet.

To expand the present gold production Monument has announced Phase III plant expansion plans to install a second ball mill and the associated increase in leach and general process capacity. At the same time construction to lift the tailings dam walls has commenced to increase the capacity in the first lift by 10 years additional life at the new throughput rate of 950,000 tonnes per year from commencement of the new plant in May 2012. This plant expansion will cost approximately $8,000,000 dollars or approximately two months free cash flow, and is presently well underway. Gold production from the expanded plant commencing July 2012 is targeted at least 50,000 ounces of gold and aimed at increasing up to 80,000 ounces of gold per year thereafter.

With operations now providing ongoing cash flow the Company is looking to substantially increase exploration activities in order to replace and increase reserves and resources. Adding to our two existing drill rigs we have purchased and recently taken delivery of two additional new drilling rigs. With a budget of in the ground exploration dollars totaling $3,400,000 in 2011 and an anticipated increase next year this investment is expected to yield exploration and geological data from which our objectives to increase our resource inventory will be met.

During the past year the Company announced it had entered into a binding Memorandum of Understanding (MOU) to acquire a 70% interest in the Mengapur Polymetalic Project in Pahang State. Subsequently in November, 2011 the Company signed the Definitive Acquisition Agreement. Should the Company proceed to acquire, permit and construct this project, it is anticipated this project will substantially increase gold and silver production for the Company in the coming years, and add revenue from copper and other metals, provided metal prices stay in the present price ranges experienced over the past 12 months. This project was targeted because of the potentially long mine life it could provide for the Company.



Monument has demonstrated it can identify, secure and develop resource projects and efficiently operate them to generate cash flow and profit. These are exciting times to build and grow a Company and we thank our hard working management team and staff throughout the Company, our board of directors and supportive major shareholders. We look forward to another exciting year in the gold mining industry!

R.F. Baldock

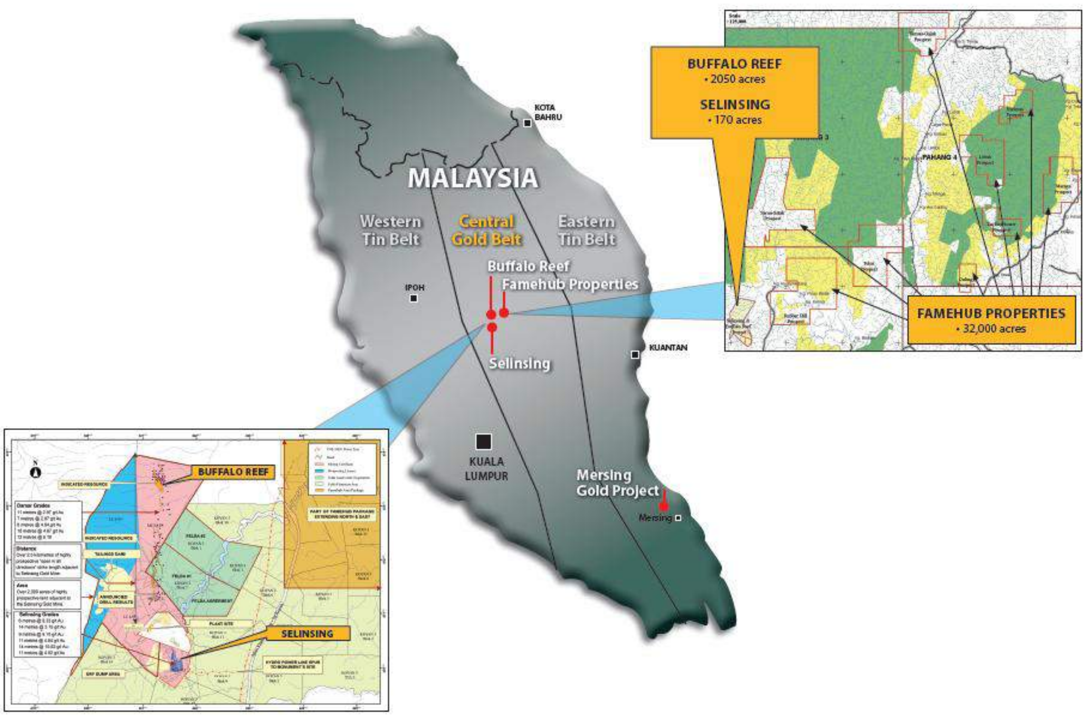
ROBERT. F. BALDOCK,
President and CEO

The Company

Monument, publicly traded on the TSX venture exchange in Canada (TSX-V – MMY) and the Frankfurt exchange in Germany (FSE- D7Q1), is a natural resource company engaged in acquisition, exploration and development of gold mineral properties as well as gold production including extraction and processing ores. The Company's head office is located in Vancouver, British Columbia, Canada. It operates through its wholly owned subsidiaries in Pahang State, Malaysia.

The primary business objective is to advance projects from exploration and development to production, and to increase gold mineral assets through acquisition of prospective exploration land and gold projects at advanced development stage. The Company also diversifies its business risk by acquiring other base metal projects which have large economic potential to its shareholders.

At the year ended June 30, 2011, the Company owns gold properties over 34,000 acres including Selinsing Gold Project, Damar Buffalo Reef Prospect, and Famehub properties, which are all located in Pahang State in the Central Gold Belt of Peninsular Malaysia. All properties hold gold resources with opportunity for extension. Subsequent to fiscal 2011, Monument has acquired 49% of the Mersing Gold Project under an earn-in agreement with the right to acquire up to 100% interest. Mersing contains 256 hectares of prospective land and is located in Jahore State, Malaysia. Monument also signed a Definitive Acquisition Agreement to acquire a 70% interest in the Mengapur Polymetalic Project in Malaysia subject to shareholders' and regulatory approvals.



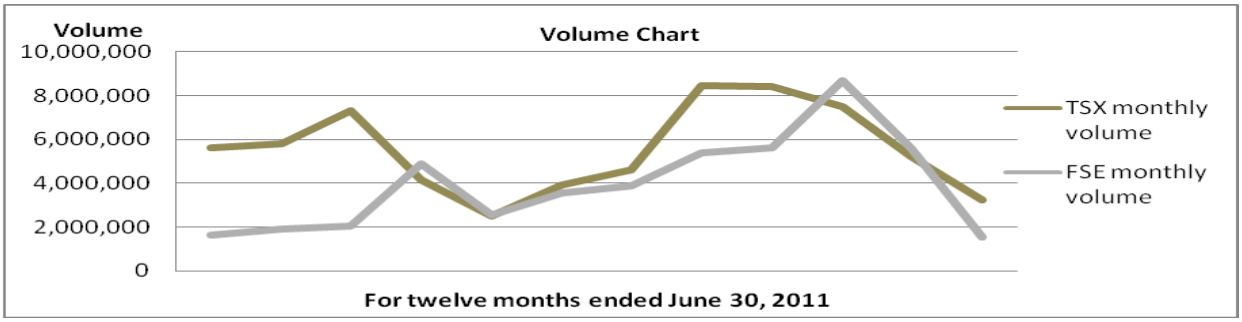
Growth Strategy

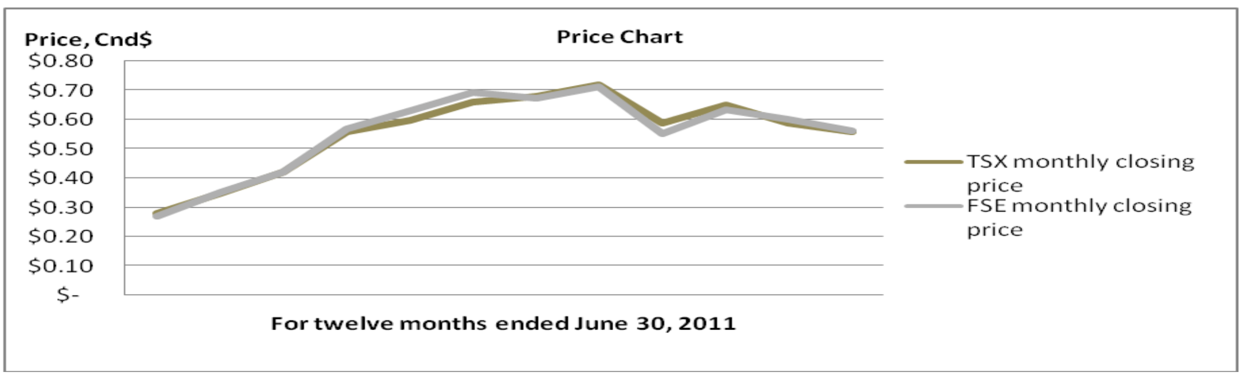
Monument's vision is to become a mid-tier producer through expansion and development of its pipeline of mineral assets, and acquisition of new resource properties in Southeast Asia to increase shareholder value. To achieve this, the Company outlines its strategies as (a) Sustainable gold production; (b) Industry low cash costs; (c) Disciplined growth; (d) Responsible partnerships with community and (e) Best practices for environmental stewardship.

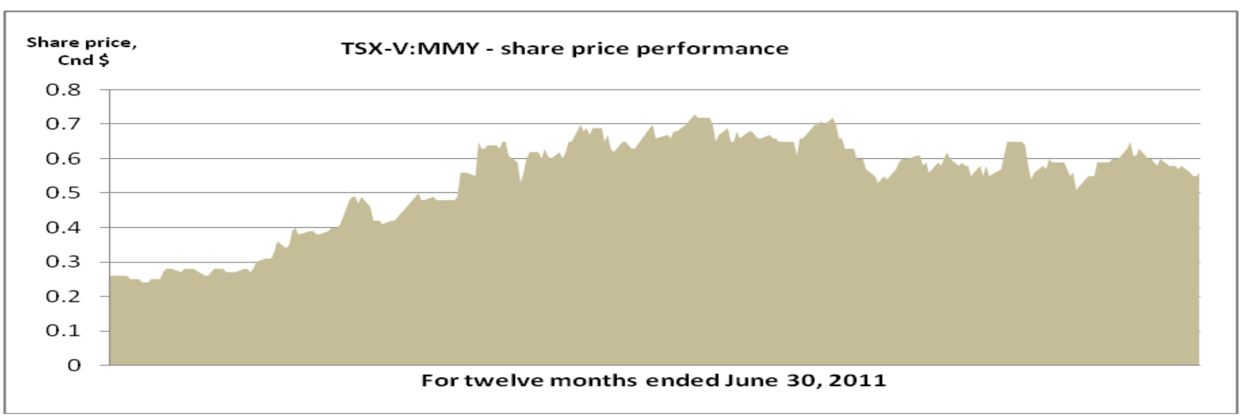
To execute these strategies, Monument has assembled a team of professionals with an in depth knowledge of mine construction, operating, and exploration experience, as well as accounting and finance experience. The Company's focus is to increase sustainable gold production at industry low cash costs while being a good corporate citizen to the community and the environment in which it operates.

Market Performance

Canada –TSX Venture Exchange (TSX-V): MMY **Germany-Frankfurt Stock Exchange (FSE): D7Q1**



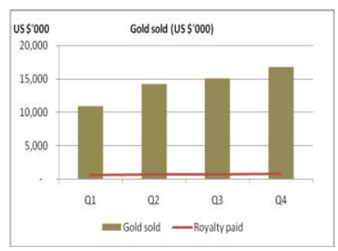


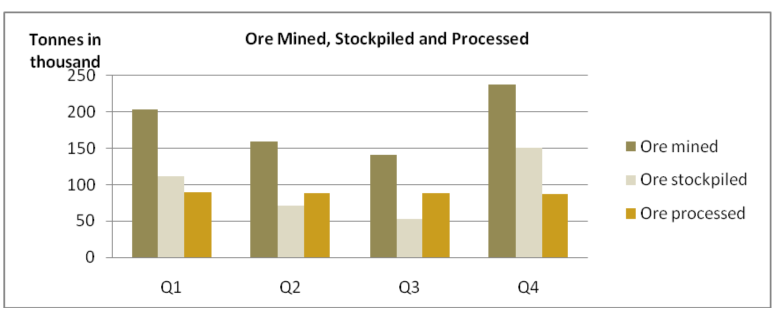


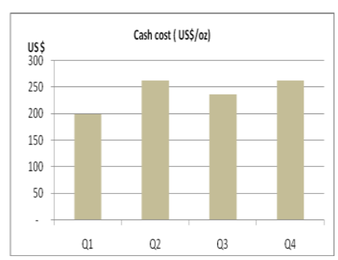
Operations

Fiscal 2011 was the first year of commercial production for the Company with gold production 10% higher than its projection. The increase in economic difficulties and uncertainty in global markets combined with inflation fears and low interest rates ignited the demand for gold driving the metal price to record levels. Fiscal 2011 started with the gold price closing at $1,243.50 USD on June 30th 2010 and ended with the gold price at $1,502.30 USD on June 30th 2011. The 20.8% rise in gold price during fiscal 2011 allowed the Company to further exceed its revenue expectations on top of the production and set new goals for 2012.

For the fiscal year ending June 30th, 2011, a total of 741,000 tonnes of ore was mined from the first open pit, of which 352,000 tonnes of ore was processed with an average gold recovery of 92.9%. A total 44,438 ounces of gold was produced at an average cash cost of $242 per ounce, an 11% increase in production compared to a projected 40,000 ounce of gold and a 31% decrease in cash cost per ounce compared to the estimate average cash cost of $317 per ounce for the first five year pit. A total of 40,438 ounce of gold was sold at an average price of $1,400 per ounce. Gross revenues for the year were $57 million and fiscal 2011 finished with the company having cash on hand of $49 million and a positive net working capital of $63 million. Income for the year was $35,374,349 net of operating and corporate expenses, or $0.21 per share, and a net income of $31,252,160 or $0.19 per share.







Gold Plant Phase III Expansion

At the middle of fiscal 2011, the Company proceeded with the Phase III expansion plan for the Selinsing gold treatment plant, under which the plant capacity will be upgraded from 400,000 TPA to 1,000,000 TPA. The expansion includes an additional milling, gravity and leach circuit, and requiring approximately $8.1 million to build. The expansion has a projected payback period of approximately two months cash flow and is scheduled to be in full operation by May 2012.

This plant expansion will not only provide an increase in production capability and operating efficiency but will also provide necessary operating flexibility for processing blended feed as the operations mature. Extensions to the ore zones identified by our exploration efforts along strike and down dip are likely to produce an increase in variability of ore types and our in-house design team has taken this into account.

In conjunction with the Phase III Gold Plant Expansion the Company is expanding the tailing storage facility (“TSF”), which once completed will accommodate 10 years of discharge for a total of 11 million tonnes. The upgraded TSF is projected at a cost of $1.3 million with completion in December 2011.

Resources & Exploration

In early fiscal 2011 the Company resumed its exploration program. The Company advanced its present exploration program targeting 116 drill holes totaling 18,390 metres over the Selinsing, Damar Buffalo Reef and Famehub properties.

Selinsing

The Selinsing Gold Mine Project which is in commercial production contains a resource comprised of an Indicated mineral resource of 4.82 million tonnes at 1.49 gpt Au, using a cutoff of 0.59 gpt Au for contained ounces of 231,000 ounces of gold, and an Inferred mineral resource of 10.32 million tonnes at a grade of 1.17 gpt Au for contained ounces of 388,000 ounces of gold at a similar cutoff grade. (The resource estimate was prepared by qualified person Mr. Michael Andrew of Snowden Mining Industry Consultants Pty Ltd. in a November 2007 technical report)

As of the end of June 2011, Selinsing exploration drilling included fifteen holes totaling 3,102 metres. The program was designed to convert the inferred resources outside and below the present mining pit outline at 400 metre Reduced Level (RL). The twenty metres spaced holes were drilled down 250 metres and intercepted the Selinsing “Deeps” mineralized structures at the 280 metres RL.

The results at Selinsing indicate that the high grade shoots extend below the existing pit and are still open at depth. The on-going programs will continue to assess the gold distribution at depth with the data to be used to construct the new resource estimate. Current results are in line with the data from the Selinsing "Deeps" (Below the current pit limit) obtained from historic drilling campaigns conducted before the 2007 acquisition.

Damar Buffalo Reef

At the Company’s advanced resource property, Damar Buffalo Reef which is located directly north of the Selinsing property, a new National Instrument (NI 43-101) compliant resource estimate was prepared by Snowden Mining Industry Consultants in May 2011.

The NI 43-101 Report estimates the resources based on the RC drilling drill through 2008 to November 2010 totaling 11,880 meters from 165 holes. At a block cut-off grade of 0.5 g/t Au, the currently defined Buffalo Reef Indicated Mineral Resource is 2.30 million tonnes grading 2.24 g/t Au for a total of 165,500 ounces of Au. At the same Au block cut-off grade, the currently defined Inferred Mineral Resource is 1.36 million tonnes grading 1.31 g/t Au for a total of 57,300 ounces of Au. (The resource estimate was prepared by independent qualified persons Jean-Pierre Graindorge, BSc. at Snowden Mining Industry Consultants Pty Limited and Frank Wright, P. Eng.)

This NI 43-101 Compliant Technical Report shows a 20% increase in the gold deposit compared to the JORC compliant historical estimates. The announced drilling results indicated that the mineralization of the ore-body is continuing at a further 220 metres below the current open pit.

Famehub

Famehub is a grassroots exploration project located 2 km from Selinsing. Field work completed during the year at Famehub resulting in, a total of 402 trench samples, 794 soils samples, 297 stream samples and 10 rock chips collected. This field work was done in the area located between 8-15 km northeast from Selinsing and Buffalo Reef properties. From the data obtained in the Famehub acquisition, prospective drill targets have been selected.

To meet the increased drilling exploration programs, the Company upgraded its Reverse Circulation (RC) drill equipment to be capable of drilling both core and RC. In addition, the Company has purchased two new dual drilling capacity drill rigs to increase exploration program capabilities and to add more drill programs in the future. Construction of new core storage facilities and a drill workshop were also completed during the year.

Pipeline & Acquisitions

The Company's pipeline includes the producing gold mine, the advanced exploration gold project and grass root gold prospective properties. The Company is also seeking to add to its pipeline other base metal properties which have significant economic prospects that can add potential value to the shareholders.

This fiscal year the Company strategically acquired additional land adjacent to Selinsing and Damar in order to explore for potential gold resources to extend the life of the existing mine, and acquired new projects in addition to the Company's pipelines in Southeast Asia Region, particularly in Malaysia.

Famehub Properties

On September 13th 2010, the Company closed the Famehub Properties acquisition acquiring approximately 32,000 acres of prospective grassroots land 2 km north of the Selinsing Gold Mine. This acquisition included a package of technical information and an exploration database in respect to the subject property.

Mersing Gold Project

Subsequent to the year end, in September 2011 Monument announced an earn-in agreement with the right to earn up to 100% interest in the Mersing Gold Project, which is 256 hectares of prospective land, located in Jahore State, Malaysia. The Mersing Gold Project is about 300 km southeast of the Selinsing Gold Mine. Monument currently has a 49% interest in the Mersing Gold Project by initiating the first two year earn-in period. (More details on the Earn-in-agreement details can be found in our news release dated September 27th 2011.)

Mengapur Polymetalic Project

Subsequent to fiscal 2011, the Company entered the Definitive Acquisition Agreement to acquire a 70% interest in the Mengapur Polymetalic Project. The Mengapur Project is located in Pahang State, Malaysia, 16 km from the town of Sri Jaya and a major highway, approximately 75 km from the Malaysian port of Kuantan, and 130 km from the Company's wholly owned Selinsing Gold Mine.

Historical estimates of copper, gold and silver equivalent were published as a "Definitive Feasibility Study" (the "Study") in October 1990 by Normet Engineering Pty Ltd with James Askew Associates based on a 58,000 metre diamond drilling program costing approximately $40 million. The exploration program was carried out in the 1980's by the Malaysian Mining Corporation ("MMC"), a Malaysian government owned corporation. On November 25, 2011, a NI 43-101 Technical Report for the Mengapur Project was completed by Snowden Mining Industry Consultants, the Qualified Person, brought the historical data to the NI 43-101 standard. The report showed positive results.

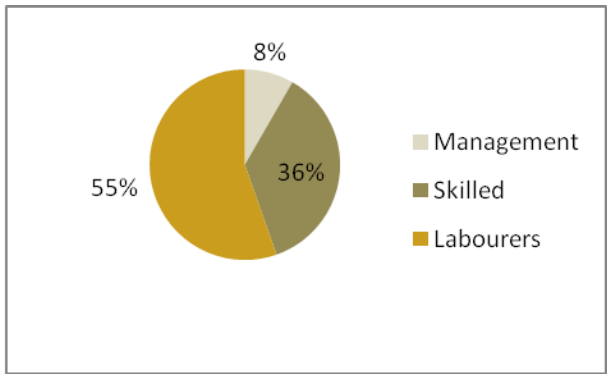
The Mengapur Project is expected to bring significant potential value to the shareholders of the Company and to the regional economy, as well as a new challenge to Monument management. The Company plans to invest significant capital to develop the Project including a resource update, an open pit mine design and design and development of a group of processing facilities based on base and precious metal production and other potential downstream products. The Company also plans to engage large drilling programs at the Mengapur region. As a result, the Company is expecting to become one of the major players to positively impact the local economy.

Responsible Mining

- ***People***

As at June 30th 2011, the Company had 196 employees at the Selinsing Mine in Malaysia and 8 at the head office in Vancouver, B.C. These people are responsible for the achievements the Company has made to date. Of the 196 employees in Malaysia, all are local Malaysian except for 2 foreign expatriates.

The Company has been dedicated since day one to having as many local people as possible to work and run the operations in Malaysia, and continue to attract and train the best local skilled work force for long term sustainable operations and for a long term commitment to the local community.



In fiscal year 2011 the company hired employees in all areas of the business to add depth to the mining operations and promoted some key employees at site to more senior positions with increased responsibility. Looking ahead the Company will be adding to the team to ensure the capacity to meet future business development objectives.

- ***Health & Safety***

The Company believes that many accidents and injuries can be prevented by a strong emphasis on safety procedures and training. The objective is a perfect health and safety workplace for Monument people. During the year there were no fatal injuries with only minor work related accidents. The mine continues the implementation of the safety program in place and continues to improve procedures for accident prevention. A Malaysian Department of Safety and Health ("DOSH") approved Medical Doctor has been retained for pre-employment and routine safety examinations. In 2011 a medical benefit plan was granted to employees with the necessary agency training.

- ***Environment***

Monument is committed to conducting business in an environmentally responsible manner. In fiscal 2011, the Company established environmental monitoring and control procedures in compliance with the Environmental Impact Assessment (EIA) plan approved by the Malaysian Government Department on the Environment (DOE) and the Mining Scheme adopted by the Department of Minerals and Geosciences (JMG). Sampling results for pH, Arsenic and Cyanide were reported to the authorities on a monthly basis, and as per third party audit conducted in the third quarter, are all in compliance. Weekly water samples are taken at the plant site for water quality control. Removal and disposal of scheduled and hazardous wastes was contracted to the Department of the Environment (DOE) registered contractors. Early in fiscal 2011 a hazardous chemical exposure risk assessment was completed.

- ***Community Initiatives***

Monument Mining has very strong community ties and is part of the local community in Malaysia. The company is committed to being a responsible gold producer and fosters positive developments in the community surrounding the operations. Selinsing Gold Mine is a major economic entity in the District of Kuala Lipis and the Company contributes through royalties, wages, taxes and procurement of goods and services in addition to addressing community needs and promoting sustainable socio-economic development.

In fiscal 2011, the Company paid $2.6 million in royalties to the Malaysian government from gold sales. Of the 196 employees at the Selinsing Mine site as of June 30th 2011, 194 were hired locally and live in the surrounding communities with their families.

Local community donations were made during the year including a donation to the Lipis Hospital for the organization of a health awareness program which includes free basic medical screening to the local community. New uniforms and boots were purchased by the Company and donated to the local members of the RELA agency. The Company also established an education fund to sponsor pre-qualified young students from local villages to obtain a University degree with a guaranteed job opportunity at the mine site after graduation.




1.1 Date

The following management discussion and analysis of Monument Mining Limited ("Monument" or the "Company") as of September 28, 2011 should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended June 30, 2011, which have been prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP) except:

NON-GAAP PERFORMANCE MEASURES

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

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

1.2 Overview

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

The Company's current 100% owned primary gold properties - Selinsing Gold Project ("Selinsing"), Buffalo Reef Prospect ("Buffalo Reef") and Famehub properties ("Famehub") - are located in the Central Gold Belt of Western Malaysia. All properties hold gold resources with opportunity for extension and lie in the same district as the operating Penjom Mine and Raub Gold Mine with each hosting more than one million ounces of gold resources.

Gold Production Summary

Fiscal 2011 started with the commercial production announcement in September 2010 for its Selinsing gold mine following successful commissioning of the newly built 400,000 tpa ("tonnes per annum") gold treatment plant. The plant in its first commercial production year processed 351,499 tonnes of open pit ores with an average gold recovery of 92.9%; a total 44,438 ounces of gold were produced at an average cash cost of $242 per ounce, an increase of 11% compared to its budgeted 40,000 ounce of gold production at cost of $317 per ounce; of total production 40,438 ounce of gold were sold at an average price of $1,400 per ounce.

At the middle of fiscal 2011, the Company had proceeded with the Phase III expansion plan for its Selinsing gold treatment plant, under which the plant capacity will be upgraded from 400,000 tpa to 1,000,000 tpa. The expansion includes an additional milling, gravity and Carbon In Leach ("CIL") circuit, requiring approximately $8.1 million in capital with a projected payback period of approximately two months. In conjunction with the plant expansion, the Company started a stage II tailing storage facility expansion in the fourth quarter accommodating 10 years discharge from the 1 million tonnes per annum gold treatment plant.

Acquisition and Exploration Summary

In early of fiscal 2011, in conjunction with completion of $13 million (CAD 13 million) financing, the Company resumed acquisition and exploration programs. It closed the previously announced Famehub Acquisition of 32,000 acres of prospective exploration lands (the "Famehub Properties") adjacent to the Selinsing gold mine with a corresponding data package; and strategically progressed to its twelve month exploration program in Pahang State, Malaysia, consisting of 116 drill holes totaling 18,390 meters over the Selinsing, Damar Buffalo Reef and Famehub properties.

During the year, the Company completed start-up work including re-organization of the drill team and upgrade and acquisition of drill rigs. At the Buffalo Reef, a NI 43-101 technical report was completed by Snowden Pty Ltd Australia indicating a 20% increase in the gold deposit compared to the JORC compliance historical estimates. At the Selinsing gold project, the Company completed 3,012 metres drilling for a total 15 drill holes. The results were announced subsequent to the year ended June 30, 2011 indicating that the mineralization is continuing at a further 220 metres below the current open pit. At Famehub, a total of 402 trench samples, 794 soils samples, 297 stream sample and 10 rock chips were collected located between 8-15 km north east of Selinsing and Buffalo Reef deposit.

In May 2011, the Company signed a Memorandum of Understanding (the "MOU") to acquire a 70% interest in the Mengapur Polymetalic Project in Malaysia located approximately 130 kilometers from Monument's wholly owned Selinsing gold mine. The historical estimates of copper, gold and silver equivalent were published as a "Definitive Feasibility Study" (the "Study") in October 1990 by Normet Engineering Pty Ltd with James Askew Associates based on a 58,000 meter diamond drilling program costing approximately $40 million. A three-month due diligence commenced on August 23, 2011 subsequent to the year ended June 30, 2011.

Annual Highlights

1. Key gold production statistics

Selinsing Gold Mine	Fiscal 2010	Q 1	Q2	Q3	Q4	Fiscal 2011
Operating results	30-Jun-10	30-Sep-10	31-Dec-10	31-Mar-11	30-Jun-11	30-Jun-11
Ore mined (tonnes)	662,330	203,150	159,681	140,736	237,342	740,909
Ore processed (tonnes)	272,120	89,834	87,845	87,780	86,540	351,999
Average ore head grade (g/t Au)	3.08	4.08	4.41	4.18	4.58	4.31
Process recovery rate	58.7%	90.0%	93.7%	93.7%	94.1%	92.9%
Gold production (ounces)	13,793	9,050	11,348	11,904	12,136	44,438
Gold sold (ounces)	13,793	8,650	10,148	10,704	10,936	40,438
Financial results						
Gold sales (US$) (subnote 4)	16,315,792	10,862,943	14,115,442	15,031,105	16,617,861	56,627,351
Per ounce data						
Cash cost per ounce	216	199	262	237	262	242
Average spot gold price (US$/oz)	1,089	1,227	1,367	1,386	1,506	1,372
Average realized gold price (US$/oz)	1,183	1,256	1,391	1,404	1,520	1,400

2. In August, 2010, the Company received TSX Venture Exchange acceptance of and closed the private placement of $8 million in convertible notes (the "Notes") and a $5 million forward sale of gold. Subsequently Famehub acquisition was closed adding 32,000 acres of prospective exploration land to Monument's project pipeline to north and east of the Selinsing gold mine.
3. On September 13, 2010, the Company closed Famehub acquisition acquiring 32,000 acres prospective land 2km north of the Selinsing gold mine
4. In September 2010, commercial production at the Selinsing gold mine was announced following successful commissioning of the newly built 400,000 tpa gold treatment plant. An official grand opening for the Selinsing gold mine was held at the mine site. The Chief Minister and his members of cabinet of Pahang State attended the official opening among approximately five hundred participants including local community leaders, suppliers, students and villagers, the Company's directors and officers, and other guests from Europe, Australia and Canada.
5. The Phase III expansion program for the gold treatment plant was announced and will increase the mill capacity to 1,000,000 tpa from 400,000 tpa, targeting to increase annual production from 40,000 ounces to over 80,000 ounces. Expansion of the tailing storage facility commenced in April 2011 to facilitate the increased production capacity and support tailing discharge from the plant for next ten (10) years.
6. During the fiscal year, following the announcement of an exploration budget, a total of 3,012 meters of diamond drilling from 15 drill holes have been completed at the Selinsing property. Drill results were released subsequent to the year end in July 2011 indicating that the high grade shoots extended below the existing pit and is still open at depth.
7. In May 2011, the NI43-101 technical report for Buffalo Reef was filed on SEDAR, which was prepared by independent qualified firm Snowden Pty Ltd Australia. The mineral resources classification schemes are consistent with CIM guidance. The report has updated the mineral resources at Buffalo Reef from JORC to NI43-101 standard and indicates 20% increase in gold deposit compared to historical estimates.
8. In May 2011, the Company signed a MOU to acquire a 70% interest in the Mengapur Polymetalic Project in Malaysia located approximately 130 kilometers from Monument's wholly owned Selinsing gold mine for consideration of $50 million. The acquisition is subject to three-months due diligence, updating resources, signing of a Definitive Sale and Purchase Agreement, financing, board and regulatory approvals and other conditions.

1.2.1 Property Agreements

Selinsing Gold Project

On June 25, 2007, through its wholly-owned Malaysian subsidiary, Polar Potential Sdn. Bhd., the Company acquired 100% of the Selinsing Gold Property including two mining concessions from Wira Mas Trust (the "Vendor"), together with a 100% interest in Able Return Sdn. Bhd., the former Trustee of Wira Mas Trust, a Malaysian company holding Malaysian Pioneer status which among other benefits provides a 5-year tax break from Malaysian Federal and other taxes. The property is located in Pahang State, Malaysia. The total acquisition cost of $30.3 million (CAD 29.2 million) was comprised of $3.6 million (CAD 3.5 million) cash, a promissory note of $9.3 million (CAD 9.0 million) fair valued at $8.4 million (CAD 8.1 million), the issuance of 31,400,009 fully paid treasury shares at an ascribed value of $0.47 (CAD 0.50) per share and 5,000,000 share purchase warrants.

During the year ended June 30, 2011, the Company acquired exploration rights for consideration of $102,921, covering prospective land that lies adjacent to the Selinsing operating open pit, which allows the exploration programs to be scheduled accordingly.

Damar Consolidated Exploration Sdn. Bhd.

Concurrently with the acquisition of the Selinsing Gold Project, the Company acquired 100% of the shares of Damar Consolidated Exploration Sdn. Bhd. ("Damar"), a company incorporated in Malaysia, from Avocet Mining PLC ("Avocet"), the parent company of Damar located in London, United Kingdom; thereby acquiring the Buffalo Reef property, which is contiguous and continuous with the Selinsing Gold Project for approximately 4.2 kilometers along the regional gold trend. A total of $1.81 million (CAD 1.75 million) cash, 15,000,000 fully paid treasury shares at $0.47 (CAD 0.50) per share and 7,500,000 share purchase warrants were paid as consideration to acquire 100% of the Damar shares and an Avocet promissory note payable of $1.78 million (CAD 1.72 million).

During the year ended June 30, 2011, the Company acquired exploration rights for consideration of $35,090, covering prospective land that lies adjacent to the Buffalo Reef, which allows the exploration programs to be scheduled accordingly.

Acquisition of Famehub Properties

On August 13, 2010, the "Agreement of Purchase and Sale of Shares" (the "Famehub Acquisition Agreement") was signed, according to which the Company would acquire the land package held by Famehub Ventures Sdn. Bhd. ("Famehub") through its wholly owned subsidiary, Damar Consolidated Exploration Sdn Bhd, by purchasing 100% of the issued and outstanding Famehub shares (the "Famehub acquisition"). Total consideration of $4,884,634 (CAD 5,000,000) for the Famehub acquisition consists of $1,477,734 (CAD 1,500,000) in cash and 14 million fully paid and non-assessable common shares of the Company valued at $3,406,900 (CAD 3,500,000).

The Famehub acquisition closed on September 13, 2010, upon receipt of the TSX-Venture Exchange's acceptance and an independent technical report from Snowden Consulting Group (Australia) (Sedar filed November 22, 2010).

Acquisition of a 70% of interests in the Mengapur Polymetalic Project

On May 31, 2011, the Company, through its wholly owned subsidiary Monument Mengapur Sdn. Bhd. (formerly "Orifer Asia Sdn. Bhd.") in Malaysia, has entered into a binding Memorandum of Understanding (the "MOU") with Malaco Mining Sdn. Bhd ("Malaco") and Malaco's wholly owned subsidiary Cermat Aman Sdn. Bhd.("CASB"), both incorporated in Malaysia, to acquire the Mengapur Polymetalic Project (the "Mengapur Project" or the "Project") located in Pahang State, Malaysia. The acquisition remains subject to due diligence, updating of historical resource and reserve estimates, signing of a Definitive Sale and Purchase Agreement, financing, board and regulatory approvals and other conditions. Upon completion of the acquisition, Monument would hold a 70% pre-financing interest in the Project.

The Mengapur Project is located in Central Malaysia in the State of Pahang and was first discovered by a drilling program carried out by the Geological Survey of Malaysia. The Mengapur Project is located 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. Historical economic and resource estimates on the Mengapur Project were completed and published as a "Definitive Feasibility Study" (the "Study") in October 1990 by Normet Engineering Pty Ltd with James Askew Associates completing the ore reserve and resource estimates, both of Perth Western Australia.

The Study contains 10 volumes of comprehensive supporting documents which resulted from a 10 year, 58,000 meter diamond drilling program costing approximately $40 million. The exploration program was carried out by the Malaysian Mining Corporation ("MMC"), a Malaysian government owned corporation. The resource and reserve estimates reported in the Study are historic and are considered to provide an indication of the potential of the project based on historic assumptions used to modify the resource to a reserve, therefore should not be considered as Mineral Resources and Mineral Reserves as defined in the CIM guidelines.

The Study reported the historic estimates in the following tables at an equivalent Cu grade cut-off (EQV Cu) of 0.34% based on historic price and recovery assumptions, but it did not state whether the historic reserve estimate is inclusive or exclusive of the historic resource estimate:

Mengapur Project Historic estimates as at October 1990:

		Tonnes (Million t)	EQV Cu (%)	S (%)	Cu (%)	Au (g/t)	Ag (g/t)
Sulphide	Proven	26.467	0.803	9.20	0.31	0.25	2.46
	Probable	38.324	0.691	8.23	0.24	0.19	2.68
Total		64.800	0.737	8.67	0.27	0.21	2.59

		Tonnes (Million t)	EQV Cu (%)	S (%)	Cu (%)	Au (g/t)	Ag (g/t)
Oxide	Measured	4.866	0.419	0.00	0.47	0.05	27.82
	Indicated	16.406	0.557	0.00	0.64	0.12	26.45
Sub-total		21.272	0.525	0.00	0.60	0.10	26.76
Sulphide	Measured	63.438	0.661	7.622	0.25	0.18	3.30
	Indicated	130.699	0.579	7.040	0.19	0.13	3.85
Sub-total		203.137	0.605	7.222	0.21	0.15	3.68
TOTAL		224.409	0.597	6.54	0.25	0.46	8.86

Equivalent Cu % is based on the following assumptions:

Recoveries for Cu, Au , Ag, and S of 76.6%, 47%, 48% and 82% respectively and commodity prices in US$/kg of 1.37 Cu, 4,107 Au, 65 Ag and 0.09 S and a combined mining and process cost of US$ 4.45/ tonne.

The Study stated in its resource section: "As this report forms part of a bankable document, the United States Securities and Exchange Commission (SEC) definitions and guidance on ore reserves and resources are used." The Company considers the Study to be relevant as it will be further reviewed and upgraded as part of the due diligence program as noted below; however, it is a historic document completed prior to the introduction of National Instrument 43-101 ("NI 43-101") standards and should not be relied upon. Monument is not treating the historical estimate as current mineral resources or mineral reserves as those terms are defined in NI 43-101. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves under NI 43-101.

The Study proposed construction of a process facility, roaster and supporting infrastructure and other supplemental processing facilities (together the "Plant Facilities"). According to the Study, the Plant Facilities were expected to provide capacity for the treatment of 2,500,000 tons per year for a mine life of 23 years. Other activities including further acquisitions and area exploration could further increase this mine life as the resource was found to be open in all directions. In addition, the Plant Facilities could also produce other by-products such as 600,000 tons of sulfuric acid per year or downstream products as indicated by the Study such as fertilizer for the Malaysian and other palm oil industry participants in neighboring South East Asian countries. Any economic data from the historic feasibility study is included in this MD&A only for background information. This data must be considered out of date and is not intended to suggest any current economic viability.

The consideration for acquiring the Mengapur Project will be comprised of a cash payment of $50,000,000 and the issuance of a share parcel equivalent to a 30% interest in Monument Mengapur Sdn. Bhd. In conjunction with the acquisition, the Company has signed a Mandate with Deutsche Bank Global Mining Finance of London UK ("the Bank") to assist in the funding of the acquisition and subsequent build out of the project and study the possibility of additional stock exchange listings in appropriate jurisdictions. The acquisition of the Mengapur Project will be an arm's length transaction.

In conjunction with the intended acquisition, the Company has approached Snowden Mining Industry Consultants Pty Ltd ("Snowden") to undertake a critical review and update of the Study. Snowden will also produce an updated "Summary Report" within a three month period with updated metal prices and present cost information as a part of the due diligence process. As a part of this updated study, Snowden will review the resource and reserve estimates contained in the Study. The due diligence was commenced at the end of August 2011, subsequent to the year ended June 30, 2011.

Mersing Project

On September 14, 2011, subsequent to the year end, the Company has entered into an Earn-In Agreement with a Malaysian company, Emas Kehidupan Sdn. Bhd. ("EK") and its 30% joint venture partners, under which Monument has the right to earn up to a 100% interest in the Gunung Arong Gold Prospect (the "Mersing Gold Project") through its wholly owned Malaysian subsidiary Damar Consolidated Exploration Sdn. Bhd.

The Mersing Gold Project is held through mining certificate #1221 ("MC 1221") for 256 hectares of prospective land, located approximately 30 kilometers north-west of Mersing Town in Jahore State, Malaysia.

The original Malaysian Geological Survey identified a widespread geochemical anomaly that follows the north-west regional structural trend running for more than 30 kilometers, commencing near the beach at Kampung Sri Pantai running inland toward the Mersing Gold Project. The presence of widespread quartz veining within the highly deformed metasediments, sulphide mineralization and free gold showing in the vein material, and the evidence of substantial alluvial mining and processing activities indicate that the Mersing Gold Project has potential to host primary gold mineralization. To date, the area has not been systematically explored for its primary gold potential and no production details are available.

Exploration at the Mersing Gold Project will provide an opportunity to understand the geological nature of gold mineralization within the Mersing district and, if successful, will create an opportunity for further discovery along the structural trend as defined by the Mineral and Geosciences Department of Jahore State. The Company has been investigating on this property for over two and a half years including field visits since 2008.

Monument will initiate the first two year earn-in period by paying CAD 500,000 cash and, subject to TSX Venture Exchange acceptance, issuing 1,500,000 fully paid Monument shares to the vendors in exchange for 70% of the shares in EK (which holds a 70% interest in the Mersing Gold Project), and accordingly a 49% interest in the Mersing Gold Project. Initiation of the first two-year earn-in period results in an exploration obligation totalling CAD 2,000,000 to be completed within two years.

The Company has the right to earn a further 21% interest in the Mersing Gold Project by making either, at the option of the vendors, a further CAD 1,500,000 cash payment to the vendors or by issuing 2,500,000 fully paid Monument shares to the vendors in order to acquire the remaining 30% of the issued EK shares bringing its interest in the Mersing Gold Project to 70%. Initiation of the second two-year earn-in period results in a further exploration obligation totalling CAD 2,000,000 to be completed by Monument within two years.

Upon reaching a 70% ownership level in the Mersing Gold Project, the Company has the right, over the following 180 day period, to buy out the remaining 30% interest achieving 100% ownership in the Mersing Gold Project. The consideration of buy-out will be based on an independent valuation and be paid in cash or by issuing shares of Monument at the option of the vendors. Throughout these arrangements, Monument will be the sole operator and manager of the Mersing Gold Project.

On September 26, 2011, the Company initiated the first earn-in-period by issuing 1,500,000 fully paid common shares of the Company and $486,239 (CAD 500,000) in cash to vendors in exchange for 70% shares in EK, in turn, 49% interest in the Mersing Gold Project.

1.2.2 Projects Update

Selinsing Gold Project

Resources

The Selinsing Gold Project ("Selinsing Project") is located at Bukit Selinsing near Sungai Koyan, approximately 65 km north of Raub and 40 km west of Kuala Lipis on the lineament known as the Raub Bentong Suture, at approximately 04015'00"N latitude, 101047'10"E longitude. The resources of the Selinsing Gold Project are comprised of an indicated mineral resource of 3,630,000 tonnes at 1.76 gpt, using a cutoff of 0.75 gpt for contained ounces of 205,000 ounces of gold, and an inferred mineral resource of 7,690,000 tonnes at a grade of 1.34 gpt for contained ounces of 330,000 ounces of gold at a similar cutoff grade. It is a near surface open pitable resource that metallurgical test work indicates and subsequent mill production records confirm recovery between 92% and 95%.

Mine Development

Selinsing mine development commenced in October 2008 and was completed in the first quarter of fiscal 2011, including the mine site and camp development, the 1,200 tpd gold treatment plant construction and the tailing storage facility development with capacity to store a 16 month tailing discharge from the processing plant. The plant was fully commissioned and achieved commercial production in September 2010. The cost of plant construction and mine development totaled $18 million (CAD 17 million), comprised of $21 million (CAD 20 million) expenditures, offset by $3 million (CAD 3 million) revenue generated from gold sales prior to commercial production. The approximate $3 million (CAD 3 million) overrun resulted primarily from the delay in delivery and replacement of the CIL agitators.

Production

First year commercial operation produced 44,438 ounces of gold, 11% higher than projected mainly due to higher feed grade and recovery of the ore materials compared to the budget. Mining and processing operating results as at June 30, 2011 are provided as follows:

	Year ended, Jun 30, 2010	Three months, Sep 30, 2010	Three months, Dec 31, 2010	Three months, Mar 31, 2011	Three months, Jun 30, 2011	Year ended, Jun 30, 2011
Mining						
Ore mined (tonnes)	662,330	203,150	159,681	140,736	237,342	740,909
Waste removed (tonnes)	2,326,502	615,937	649,584	741,109	700,968	2,707,598
Stripping ratio	3.51	3.03	4.07	5.27	2.95	3.65
Ore stockpiled (tonnes)	387,545	499,589	570,719	623,130	773,432	773,432
Process						
Crushed ore (tonnes)	274,786	91,106	88,552	88,325	87,038	355,021
Ore processed (tonnes)	272,120	89,834	87,845	87,780	86,540	351,999
Average mill feed grade (g/t)	3.08	4.08	4.41	4.18	4.58	4.31
Process recovery rate	58.7%	90.0%	93.7%	93.7%	94.1%	92.9%
Gold produced (oz)	13,793	9,050	11,348	11,904	12,136	44,438
Gold sold (oz)	13,793	8,650	10,148	10,704	10,936	40,438
Gold sales (in 000's)	16,316	10,863	14,115	15,031	16,618	56,627
Cash cost (US$/oz) (1) –						
Mining	64	49	52	56	53	53
Processing	90	89	140	107	138	120
Royalties	62	61	68	69	76	69
Operations	-	-	2	5	(5)	-
Total cash cost (US$/oz)	216	199	262	237	262	242

(1) Total cash cost includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties, and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs. The Company pays 5% of gross revenue as a royalty to Malaysian government.

Project Development and Phase III Expansion

Phase III expansion of the gold plant estimated at $8.1 million is aimed to increase capacity of the gold treatment processing plant from 400,000 tpa to 1,000,000 tpa through installation of an additional crusher, a primary ball mill, three leach tanks, and other improvement to the gold room, detox circuit, tailing pipelines and pumping system. As of June 30, 2011, the Company completed major engineering and metallurgical design work and engaged pre-qualified contractors in supplying critical heavy equipment such as a new ball mill and leach agitators. Total costs incurred to June 30, 2011 were $252,600 and a total of $626,847 was paid in advance to suppliers to initiate the contract work.

The Company also committed $1.3 million to expand tailing storage facility ("TSF"). The construction involves raising the existing dam height 12 metres to give an estimated total tailings storage capacity of 4.6 million tones. Construction is expected to be completed in December 2011. The increased capacity will support 10 years of tailings discharge from the expanded processing capacity resulting from the phase III gold processing plant expansion targeting completion in May 2012. The design of the expanded TSF allows for the walls to be further raised another 16 metres to its final height which will further increase the storage capacity to 11.0 million tonnes.

Exploration

On September 22, 2010, the Company initiated an exploration program including 22 drill holes comprising 1,000m RC drilling and 3,000m diamond drilling budgeted at $0.6 million (CAD 0.6 million). The drill program is aimed to increase the reserves by converting the inferred gold resources below the present Selinsing open pit outline.

As of the end of June 30, 2011, a total of 3,012 metres in 15 drill holes were drilled at Selinsing for total cost in amount of $524,139. The 20 metres spaced drill holes are up to 250 metres deep and are designed to intercept the mineralized structure 220 metres below surface at 280 metres Reduced Level ("RL"). This is below the existing planned pit depth.

A total of 922 samples were sent to SGS (Malaysia) Sdn. Bhd., an accredited laboratory which complies with requirements of ISO/IEC 1725:2005, for preparation and analysis. The sampling is of half NQ and half HQ diamond drill core with maximum sample intervals of 1.5 metres. Quality assurance and quality control ("QAQC") is maintained through the submission of certified reference materials and blanks. Coarse split duplicates are collected and analyzed, but assays are pending. Sample recoveries are good to excellent.

The significant results (>1 g/t Au) obtained from the first six holes drilled are outlined in the news release announced on July 26, 2011 subsequent to the year end (refer to www.seder.com. The information in this news release as it relates to the Selinsing exploration drilling results was compiled by Monument; and reviewed by Mr. Roderick Carlson, an independent qualified person as defined under National Instrument 43-101. Mr. Carlson is a Member of the Australasian Institute of Geoscientists and a full-time employee of Snowden Mining Industry Consultants, who has sufficient experience relevant to the style of mineralization and type of deposit under consideration.

The results indicate that high grade shoots extend below the existing pit and is still open at depth. The on-going programs will continue to assess the gold distribution at depth with the data to be used to construct the new resource estimate. Current results are in line with the data from the Selinsing "Deeps" (below the current pit limit) obtained from historic drilling campaigns conducted before the 2007 acquisition.

Environment, Safety and Health

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

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

During fiscal 2011, the Company established environmental monitoring and control procedures in compliance with the Environmental Impact Assessment (EIA) plan approved by DOE, and the Mining Scheme adopted by JMG. Sampling results for pH, Arsenic and Cyanide were reported to the authorities on a monthly basis and, as per third party audit conducted in the third quarter, are all in compliance.

Water quality samples were taken weekly at the plant's detoxification ponds, ore and waste dump, and site drainage runoff sedimentation ponds, in addition to mining pit dewatering to identify areas for water quality control. Mitigation practices included clay capping dumps, excavation of sedimentation ponds and runoff diversion ditches some lined with limestone for low pH neutralization and water flow energy dissipation. Contracts were assigned to DOE registered contractors for removal and disposal of scheduled and hazardous wastes at prescribed locations.

A DOSH approved Medical Doctor was retained for pre-employment and routine examination, while silica pulmonary, and mercury, lead and arsenic blood tests were initiated. Documentation for cyanide handling and storage, emergency drills, spills and clean up, as well as waste disposal and community awareness were submitted to DOSH. Early in the year a hazardous chemicals exposure risk assessment was completed identifying and implementing control measures such as improved ventilation, dust suppression and better personal protective equipment and awareness. A comprehensive medical benefit plan was granted to employees and training was provided by insurance brokers to all staff.

Community Relations

The Company committed to be a good citizen and responsible gold producer to the country and the local community. During the first year of commercial production, royalties of $2,581,322 were submitted to the government. The Company provided the locals with more than 150 hundred job opportunities, and the majority of processing consumables and spare parts were supplied locally.

During the year, the Company made donations to support local communities in amount of $39,765 including uniforms to 58 RELA members of Mukim Ulu Jelai, Pahang. A handover ceremony was held in the town hall in Sungai Koyan. The uniforms were presented by the Local MP, Dato'. Hj Wan Rosdi Bin Wan Ismail. A donation was also given to Lipis Hospital for organizing the Health Awareness program in Sungai Koyan community. The program involves free basic medical screening to the local community and blood donations by the general public and Selinsing staff.

The Company extended Monument's participation with the Geological Department of Tasmania University in the Centre of Ore Deposit Studies ("CODES") Program covering the central gold belt of Peninsular Malaysia for another three years. Data obtained from the study will be donated to Malaysian government. As a result, the Company will have exclusive right to use the geological data for three years. Further, the Company has established an education fund to sponsor pre-qualified young students from local villages to obtain university degrees with guaranteed job opportunity at the mine site.

Buffalo Reef Prospect

Resources

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

The Buffalo Reef deposit had only historical estimated resources upon acquisition in 2007. In quarter three, Snowden Pty Ltd Australia was engaged to update the mineral resources at Buffalo Reef to convert the inferred resources into the measured and indicated category, and to update the JORC Code compliant gold resources to NI 43-101 standards. During the year the NI 43-101 report was completed and filed under SEDAR. The NI43-101 report estimates the resources based on the RC drilling through 2008 to November 2010 totalling 11,880 meters from 165 holes. At a block cut-off grade of 0.5 g/t Au, the currently defined Buffalo Reef Indicated Mineral Resource is 2.30 million tonnes grading 2.24 g/t Au for a total of 165,500 ounces of Au. At the same Au block cut-off grade, the currently defined Inferred Mineral Resource is 1.36 million tonnes grading 1.31 g/t Au for a total of 57,300 ounces of Au.

The Mineral Resource is summarized in the table 1.1 Buffalo Reef Mineral Resources report, as at May 2011, reported above a 0.5 g/t Au cut-off grade:

Classification	Oxidation State	Zone	Tonnes Kt	Au g/t	Au Oz
Indicated	Oxide	South	272	2.35	20,500
		Central	32	1.62	1,700
		North	159	1.57	8,000
	Sulphide	South	1,298	2.66	111,300
		Central	246	1.36	10,700
		North	291	1.42	13,300
	Total (Indicated)		2,298	2.24	165,500
Inferred	Oxide	South	125	1.23	4,900
		Central	52	1.44	2,400
		North	26	2.79	2,400
	Sulphide	South	411	1.36	17,900
		Central	548	1.07	18,800
		North	201	1.69	10,900
	Total (Inferred)		1,363	1.31	57,300

An historic estimate undertaken in accordance with the JORC code reported the Buffalo Reef property contains a Indicated Resource of 1,944,000 tonnes grading 2.49 gpt Au and an Inferred Resource of 568,000 tonnes grading 1.62 gpt Au in oxide + transitional and sulphide materials, using a 0.5 gpt Au cut-off. A NI-43-101 Summary Report on the Buffalo Reef Project written by Orequest Consultants and filed on SEDAR on June 19, 2007 confirms the merits of the Buffalo Reef Project. Comparing to the historical estimates, the NI43-101 report represents 6.36% increase in gold content for Indicated Resource and 93.58% increase for Inferred Resource. The increase in the Inferred Resource is mostly located across the boundary into the Felda Block 7 where no drilling work has been carried out as yet. The Company has since reached agreement with the owners to be able to access and carry out further exploration.

Snowden considers that this resource estimate is appropriate for use in a Scoping Study or a Pre-Feasibility Study or a preliminary Assessment.

At the same time, the NI43-101 report contains preliminary metallurgical test work results. Historic test work conducted by Avocet Mining PLC, the previous owner of Buffalo Reef, indicated that the oxide zone showed reasonable metallurgical recovery rates for gold by direct cyanidation. However, the sulphide mineralization at Buffalo Reef was classified as refractory to direct cyanidation procedures. This prompted the Company to commence test work programs in 2010 and preliminary metallurgical studies completed by Monument in 2011 have shown promising results using roasting or bioleaching to pre-treat material from Buffalo Reef. These test work programs are ongoing and the Company is encouraged with results to date; and oxide ore is expected to be treated with the existing Selinsing processing plant.

Giving the advanced state of exploration at the Buffalo Reef deposit, future activities will focus on infill drilling to increase the level of confidence in the geological interpretation and resource estimation. To facilitate this, Monument is securing additional land for further resources definition drilling. Additionally, diamond core drilling will be required to provide material for bulk density measurement and metallurgical test work, along with geotechnical data.

The NI43-101 technical report dated May 2011 is prepared by independent qualified persons Jean-Pierre Graindorge, BSc from Snowden Mining Industry Consultants Pty Limited and Frank Wright, P. Eng. Information in this report that relates to in-situ Mineral Resource estimates is reported under the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines. The May 2011 estimate was carried out under the supervision of Mr. Michael Andrew who is a full time employee of Snowden Mining Industry Consultants Pty Ltd. Mr. Andrew is a member of the Australian Institute of Mining and Metallurgy (MAusIMM), and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Qualified Person as defined by the Code. Mr. Andrew consents to the inclusion in this section of MD&A of the matters based on his information in the form and context in which it appears.

Exploration

Prior to fiscal 2010, the Company completed two drilling programs in 2008 and 2009 for 11,871 meters of reverse circulation drilling ("RC drilling") with 1,400 meters of diamond drilling pending at the South, Central and Northern Zone of Buffalo Reef. The assay results were announced by the Company through a series of news releases with a positive outlook confirming historic drill results (refer to www.sedar.com). Based on the results from the drill program, the historical resources were updated to NI 43-101 compliant resources in May 2011.

On September 22, 2010, the Company initiated a drill program which includes 33 drill holes comprising 2,500m of RC drilling and 3,200m of diamond drilling, budgeted at $0.8 million. The drill program is an extension of the previous 11,871m of shallow RC drilling programs completed in 2008. It is aimed to convert the inferred resources to measured and indicated resources under NI 43-101 standards. Metallurgical and recovery test work has also been carried out on the Buffalo Reef ore as part of the ongoing development program.

During fiscal 2011, the Company upgraded its existing RC rig into the multipurpose drilling machine which had the capacity to undertake both the reverse circulation and diamond drilling work. Two additional drill rigs were ordered and were delivered subsequent to the end of the year to enhance its exploration capacity. A new exploration office was built to accommodate the newly recruited exploration personnel and core storing and handling facilities were constructed. Upgrading of the workshop to support the ongoing exploration activities continued into the 2012 fiscal year.

Famehub Properties

The Famehub area is located in the Pahang State of Malaysia approximately 15km northwest of the town of Kuala Lipis and 2km north of the Selinsing Gold mine.

On September 13, 2010, through its wholly owned subsidiary Damar, the exploration arm of Monument's Malaysian group of companies, the Company acquired the Famehub Property by purchasing 100% of the issued and outstanding shares of Famehub Venture Sdn. Bhd. ("Famehub"), a company incorporated in Malaysia. Famehub has rights to approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef along the trend and east of the Selinsing gold mine. Famehub also owns a package of technical information and exploration database in respect to the subject property. The full purchase price for the Famehub acquisition is $1.5 million in cash and 14 million common shares of the Company. The Company has started preparation to for its exploration programs, targeting the consolidation of its Selinsing and Buffalo Reef properties together with the Famehub Property around the newly constructed producing Selinsing gold mine in order to extend the life of the mine through increased resources situated nearby.

The Famehub area is in an early stage of exploration. It consists of nine separate exploration prospects. Extensive stream sediment and soil sampling campaigns have been completed by the previous owners with minimal drilling conducted to date. The results of the geochemical sampling included in the database obtained by the Company indicate anomalous gold grades are present in the Famehub properties. Follow up exploration work is required to define the extents of any potential gold mineralization (refer to "Preliminary Assessment of Exploration Tenements, Malaysia, NI 43-101 Technical Report", August 2010, prepared by Snowden Group Australia and filed on www.sedar.com

Data obtained from the acquisition allows the Company to quickly focus on prospective drill targets and assess the potential of the newly acquired ground through targeted exploration. The initial 12 month program includes trenching and 61 drill holes comprising of 7,440m of RC drilling and 1,500m of diamond drilling and is budgeted at $1.6 million (CAD 1.6 million). The program is aimed to generate targets for future drilling.

During the year, field work was carried out at Panau, Serau and Tekai prospects. A total of 402 trench samples, 794 soils samples, 297 stream sample and 10 rock chips were collected from these area which located between 8-15 km north east from Selinsing and Buffalo Reef deposit.

1.3 Selected Annual Financial Information

BALANCE SHEET	June 30, 2011	June 30, 2010	June 30, 2009
Current assets	$ 68,116,284	$ 10,599,467	$ 5,388,260
Other assets	52,443,687	52,934,019	48,891,680
Total assets	120,559,971	63,533,486	54,279,940
Current liabilities	4,919,497	3,637,939	1,815,034
Other liabilities	19,610,948	3,137,344	196,822
Shareholders' equity	96,029,526	56,758,203	53,629,732
Total liabilities and shareholders' equity	120,559,971	63,533,486	55,641,588
Working capital	$ 63,196,787	$ 6,961,528	$ 3,573,226

1.4 Results of Operations

	Three months ended June 30,		Year ended June 30,	
	2011	2010	2011	2010
Revenue	$ 16,617,861	$ -	$ 52,379,851	$ -
Cost of Gold Sold	2,867,143	-	9,134,079	-
	$ 13,750,718	$ -	$ 43,245,772	$ -
Depletion and amortization	(1,133,064)	-	(2,528,611)	-
Income from mining operations	$ 12,617,654	$ -	$ 40,717,161	$ -
Corporate expenses	(2,231,282)	(521,228)	(5,342,812)	(2,635,390)
Income before other items	$ 10,386,372	$ (521,228)	$ 35,374,349	$ (2,635,390)
Other income (loss)	494,578	(117,247)	(4,122,189)	(399,448)
Net income (loss) for the period	$ 10,880,950	$ (638,475)	$ 31,252,160	$ (3,034,838)
Earnings (loss) per share (EPS), basic	$ 0.06	$ (0.00)	$ 0.19	$ (0.02)
Weighted average number of common shares	173,948,235	156,115,028	168,732,680	156,003,110
Fully diluted earnings (loss) per share	$ 0.06	$ (0.00)	$ 0.17	$ (0.02)
Fully diluted number of common shares	192,320,033	156,115,028	182,355,516	156,003,110

<u>Summary</u>

The operating results of the Company reflect its income from operations, on-going corporate business development, administrative costs and other income or expenses such as interest, accretion expense, fair value gains or losses on derivative liabilities and foreign exchange gains or losses.

For the year ended June 30, 2011, commercial production from the Selinsing Gold Project generated an income of $35,374,349 net of operating and corporate expenses, or $0.21 per share, which was increased by a change in fair value on a gold forward contract of $1,602,306 and interest income of $104,946 and offset by other losses mainly due to changes in fair value on derivative liabilities of $4,759,797 estimated using Black-Scholes financial mode and indicated foreign exchange forward contract spot rates; and accretion expense of $1,145,509 all of which resulted in a net income of $31,252,160, or $0.19 per share, compared to a net loss of $3,034,838, or ($0.02) per share, reported for the corresponding period in fiscal 2010.

<u>Sales, Cost of Goods Sold and Gross Margin from Mining Operations</u>

Revenue from the sale of metals is recognized in the financial statements when the following conditions are met: persuasive evidence of an arrangement exists; title and risk passes to buyer, the price is fixed or determinable; and collectability is reasonably assured. Incidental revenues from the sale of silver by-products are classified within cost of sales.

For the year ended June 30, 2011, the Company had recognized gold sales of $52,379,851, produced 44,438 ounces of gold and sold 40,438 ounces of gold at an average realized price of $1,400 per ounce. Gold sales for July 2010 and August 2010 of $4,247,500 and related production costs were capitalized against the Selinsing Gold Property and construction of the gold treatment plant. As at September 1, 2010, the Company completed the commissioning of the gold treatment plant and commenced full commercial production. Reported gold sales for the month of September 2010 were $6,615,443 from 5,150 ounces sold.

For the year ended June 30, 2011, cash cost of goods sold included results from September 1, 2010 to June 30, 2011 and amounted to $9,134,079 or $242/oz, comprised primarily of $2,126,370, or $53/oz for mining; $4,845,296, or $120/oz for processing; $2,791,167, or $69/oz for royalties; and $282,392 for operations, offset by silver by-product sales of $268,413, or $0/oz.

Accretion and Depletion

Other operating expenses included depletion and amortization of $1,133,064 and $2,528,611 for the three months and year ended June 30, 2011, respectively. Depletion began in September 2010, in conjunction with the commencement of commercial production.

Other Income

The Company earned $104,946 (2010 - $28,131) interest income generated from the cash and cash equivalents balance for the year ended June 30, 2011. The Company incurred a foreign exchange gain of $40,426 (2010 – $(418,714)) for the year ended June 30, 2011.

On August 11, 2010, the Company closed a $13 million (CAD 13 million) financing consisting of $8 million (CAD 8 million) in convertible notes and $5 million (CAD 5 million) from a forward gold sale. As of June 30, 2011, an $841,397 interest accretion expense on the convertible notes and a $4,759,797 loss as a result of the revaluation of derivative liabilities to fair value were charged to operations. As of June 30, 2011, $304,112 interest accretion expense was charged to operations relating to the forward gold sale.

On January 28, 2011, Monument entered into an "Agreement for Sale of Gold" (the "Gold Forward Contract") with Queenstake Resources USA, Ltd. a wholly owned subsidiary of Yukon Nevada Gold Corp. to pay $5,000,800 in advance to purchase 4,465 ounces of gold with a settlement date of June 30, 2011. Alternatively Monument may require a cash payment of $6,000,960 instead of delivery in gold. As at June 30, 2011, the 4,465 ounces from the Gold Forward Contract were received and the Company realized a gain of $1,602,306 on settlement. Of the 4,465 ounces received, 3,465 were sold for proceeds of $5,365,575. The remaining 1,000 ounces of gold bullion is carried as a temporary investment at cost, which is equal to its net realizable value at June 30, 2011.

Corporate Expenses

For the year ended June 30, 2011, corporate expenses of $5,342,812 (2010 - $2,635,390) comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance, project investigations and stock-based compensation. Excluding stock-based compensation expenses of $1,058,329 (2010 - $1,163,594), the Company incurred corporate expenses of $4,284,483 (2010 - $1,471,796).

For the year ended June 30, 2011, general and administration expenses increased by 178% to $2,681,055 from $965,190 in the same period of the prior year, and include salary expenses of $2,308,435 (2010 - $741,340) and office rent, general office expenses $372,620 (2010 - $223,850).The salaries and administrative expenses increased compared to the same period of the prior year due to increased compensation and bonuses.

For the year ended June 30, 2011, shareholder communications, conference and travel expenses totaled $222,500 increased by $98,509 from $123,991 in the same period of fiscal 2010, reflecting increased activities in investor relations, conferences and travel for corporate development. The Company participated in five trade shows over fiscal 2011 compared to one in the same period of fiscal 2010. The regulatory and filing expense was $57,553 in the year ended June 30, 2011, compared to $28,333 in the same period of fiscal 2010 primarily due to increased TSX Venture Exchange annual fees and other filing fees related to subsidiaries. Legal, accounting and audit expenses were $627,034 in the year ended June 30, 2011 compared to $222,929 in the same period of fiscal 2010, the increase reflects an auditor review for Q1 2011 and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation.

For the year ended June 30, 2011, $1,089,969 (2010 - $1,404,986) in stock-based compensation expenses was credited to contributed surplus, of which $1,058,329 (2010 - $1,163,594) was charged to operations, $31,640 (2010 - $241,392) was charged to inventory, exploration, mine development and construction of the plant.

For the year ended June 30, 2011, amortization and accretion on asset retirement obligation expenses increased by $145,768 to $163,091 from $17,323 in the same period of the prior year. The increase was mainly due to amortization on site buildings which were previously included under cost of sales.

1.5 Summary of Quarterly Results

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

	Sep. 30, 2009	Dec. 31, 2009	Mar. 31, 2010	Jun. 30, 2010	Sep. 30, 2010	Dec. 31, 2010	Mar. 31, 2011	Jun. 30, 2011
From Continued Operations	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Net income (loss)	(667,159)	(693,135)	(1,036,069)	(638,475)	528,745	5,734,256	14,108,209	10,880,950
Basic EPS	(0.00)	(0.00)	(0.01)	(0.00)	0.00	0.03	0.08	0.06
Diluted EPS	(0.00)	(0.00)	(0.01)	(0.00)	0.00	0.03	0.07	0.06

The operations produced positive income in fiscal 2011 since commercial production began in September 2010.

1.6 Liquidity and Financial Condition

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

The Company's cash and cash equivalent, including restricted cash balance as at June 30, 2011 was $49,166,526, increased by $45,269,380, from $3,897,146 as at June 30, 2010. For the year ended June 30, 2011, $38,927,836 was generated from operations; $12,857,124 was generated from financing activities; and $6,556,006 was spent on investing activities for the property, plant and equipment acquisitions offset by gold sales that were recorded in earnings and against mineral property development and construction of the gold treatment plant during commissioning period prior to September 2010.

For the year ended June 30, 2011, changes in non-cash working capital items amounted to a cash outflow of $1,364,285 compared to $4,360,503 in the same period of fiscal 2010. The cash outflow for the current period consisted of accounts receivable of $80,376, prepaid expenses and deposits of $404,409 and inventory of $4,964,811, offset by cash inflows on deferred business development costs of $101,217 and accounts payable and accrued liabilities of $3,984,094. The outflow for the same period in fiscal 2010 was due to accounts receivable of $3,876, prepaid expenses and deposits of $44,875 and inventory of $4,568,032, offset by cash inflow of $256,280 for accounts payable and accrued liabilities. The increase in non-cash working capital items was primarily due to the investment in inventory at Selinsing Gold Project, reflecting the purchase of mine operation supplies, mining expenditures to stockpile ore and milling process expenditure to extract gold from the ore. The resulting cash generated from operating activities was $38,927,836 compared to $6,210,793 cash used in the same period of fiscal 2010.

For the year ended June 30, 2011, the Company generated $12,857,124 (2010 – $(148,591)) from financing activities. The cash was generated from proceeds received from stock option and warrant exercises of $1,866,578 (2010 - $nil), proceeds of $7,653,600 (2010 - $nil) on the issuance convertible notes and $4,783,500 (2010 - $nil) on a forward gold sale offset by related financing costs of $1,435,904 (2010 - $133,604) and $10,650 (2010 - $13,878) for capital leases.

For the year ended June 30, 2011, investment in gold bullion, mineral property development, construction and other capital assets resulted in a cash outflow of $6,556,006 (2010 – $(4,181,768)). Construction and other capital expenditure comprised of $3,587,145 (2010 - $7,782,350), which included $879,447 (2010 - $13,113) of costs and deposits for construction on the Phase III plant expansion and $491,406 (2010 - $nil) for tailing storage facility expansion. Mineral properties development and acquisition costs of $6,937,594 which was offset by net profits from gold sales of $3,604,767 charged to mineral properties during July and August, 2010 for a net of $3,332,827 (2010 – $(11,964,118)). The Company purchased a gold bullion forward contract for $5,000,800 (2010 - $nil) and received $5,365,575 on the disposition of gold bullion that was delivered.

As at June 30, 2011, the Company had a positive working capital of $63,196,787 compared to $6,961,528 as at June 30, 2010, the increase of $56,235,259 was a direct result of gold sales and the close of a $13 million financing. Accounts payable increased to $4,903,751 at June 30, 2011 from $3,624,057 at June 30, 2010 primarily attributed to timing difference.

For the year ended June 30, 2011, shareholders' equity increased by $39,271,323 primarily due to net income generated from operations of $31,252,160, shares issued for the Famehub Acquisition at a value of $3,406,900, shares issued for the exercise of stock options and warrants for proceeds of $2,188,250, an increase of $5,377,692 in contributed surplus due to warrants issued on the forward gold sale, a fair value increment on the warrants extension and stock-based compensation. The increase in shareholders' equity was offset by accumulated other comprehensive loss of $1,326,894 due to the change in functional currency from CAD to US dollar. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital assets upgrades, etc.

1.7 Capital Resources

The Company's capital resources as at June 30, 2011 included cash and cash equivalents. The Company's primary sources of funding are though equity financing through the issuance of stock, debt financing and cash flow generated from the sale of gold. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital asset upgrades and working capital.

Convertible Note and Forward Sale of Gold

On August 11, 2010, a financing totaling CAD 13 million was closed and comprised of the private placement of $7,653,600 (CAD 8,000,000) in convertible notes (the "Notes") and a $4,753,500 (CAD 5,000,000) forward sale of gold (the "Forward Sale").

The Notes have a term of five years and one day from the date of the issuance and must be repaid by the Company at the end of the term in cash at 121.67% of the principal amount. Any early repayment of the Notes will result in a pro-rata adjustment of this repayment amount. The holders of the Notes (the "Noteholders") may, at any time, convert the Notes into units at a price of $0.38 (CAD 0.40) per unit with each unit comprising one common share of the Company and one common share purchase warrant. Each whole share purchase warrant is exercisable at $0.48 (CAD 0.50) per share, expiring five years from the date of issuance of the Notes.

In connection with the issuance of the Notes, the Company entered into gold option agreements with each of the Noteholders (the "Option Agreements") whereby the Noteholders have the option to acquire gold from the Company up to an amount equal to the balance of the Note outstanding at the price greater of: (i) $1,000 per ounce; and (ii) the gold price in US dollars as set by the London PM Fix and converted to Canadian dollars at the noon rate of exchange published by the Bank of Canada on the maturity date of the Notes, less a 5% discount. In addition, as an inducement to enter into the subscription agreement for the Notes, the Company granted the Noteholders the option to purchase an aggregate of 5,714 ounces of gold at a price of $1,000 (or CAD 1,000) per ounce and 2,857 ounces of gold at a price of $1,250 (or CAD 1,250) per ounce at any time during the term of the Notes commencing 18 months after closing.

The closing of the Forward Sale resulted in the advance of $4,783,500 (CAD 5 million) to Monument. Repayment of the advance will be made in gold of 5,000 ounces with adjustment reflecting foreign exchange fluctuations between Canadian and US dollars. The Forward Sale has a term of five years and one day. Warrants for the purchase of 5 million common shares with the same terms as described in connection with the Notes above were issued to the lender on closing. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

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

A finder's fee and a financial advisory fee together totaling 10% were paid in cash in connection with the issuance of the Notes and the closing of the Forward Sale.

The Notes, any securities issued upon conversion thereof, the warrants issued in connection with the Forward Sale and any shares issued upon conversion thereof are subject to a hold period and may not be traded in Canada until December 12, 2010, except as permitted by applicable Canadian securities laws and the TSX Venture Exchange.

The funds are for the planned exploration programs; closing the acquisition of a prospective exploration property adjacent to the Selinsing gold project where the Company's gold treatment plant is located; and for the gold treatment plant extension with a second mill. With the additional funding, the Company expects to be able to increase gold resources and enhance gold production through increased plant throughput.

Famehub Acquisition

On September 13, 2010, the Company acquired the Famehub Property by purchasing 100% of the issued and outstanding shares of Famehub Venture Sdn Bhd ("Famehub") for $1.5 million in cash and 14 million common shares of the Company (refer to 1.2.1 Property Agreement).

Extension of Share Purchase Warrants

On February 3, 2011, the TSX Venture Exchange consented for the Company to extend the term of 68,055,000 common share purchase warrants for 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012. All other terms of the warrants remain intact including the exercise price.

As of the date of the Company's application to the TSX Venture Exchange, 2,065,000 of these warrants have been exercised, leaving 68,055,000 warrants unexercised. An incremental fair value of $2,953,678 was recognized against retained earnings and contributed surplus for the warrant extension. The fair value of the extended warrants was estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.33%, volatility of 53.24%, expected life of 1.46 years and no expected dividends. The fair value of the warrants prior to extension was estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.07%, volatility of 57.82%, expected life of 0.46 years and no expected dividends.

Contractual Obligations

As at June 30, 2011, the Company has aggregate contractual obligations totaling $22,801,099, as follows:

	1 year	2 years	3 years	4-5 years	Total
Operating leases	$ 26,758	$ 13,929	$ 4,817	$ 2,915	$ 48,419
Capital leases (note 10)	15,746	16,657	15,600	-	48,003
Accounts payable and accrued liabilities	4,903,751	-	-	-	4,903,751
Convertible notes (note 11)	-	-	-	10,091,796	10,091,796
Asset retirement obligations (note 19)	54,648	132,480	256,945	487,394	931,467
Mineral property fees	130,404	7,132	7,132	14,264	158,932
Purchase commitments	6,618,731	-	-	-	6,618,731
	$ 11,750,038	$ 170,198	$ 284,494	$ 10,596,369	$ 22,801,099

Included in purchase commitments are consumables, spare parts for production, exploration, the Phase III plant construction, tailings expansion and property fees.

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

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

1.8 Off Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Refer to note 14 of the audited consolidated financial statements as at June 30, 2011.

1.10 Fourth Quarter

Summary

The operating results of the Company reflect its income from operations, on-going corporate business development, administrative costs and other income or expenses such as interest, accretion expense, fair value gains or losses on derivative liabilities and foreign exchange gains or losses.

For the three months ended June 30, 2011, commercial production from the Selinsing Gold Project, generated an income of $10,880,950, or $0.06 per share, net of operating and corporate expenses, which was mainly increased by other gains due to changes in fair value on derivative liabilities of $826,720 estimated using Black-Scholes financial model and fair value on a gold forward contract of $129,102, offset by foreign exchange loss of $213,887 and accretion expense of $312,560 that resulted in a net income of $10,880,950, or $0.06 per share, compared to a net loss of $638,475, or $(0.00) per share, reported for the corresponding period in fiscal 2010.

Sales, Cost of Goods Sold and Gross Margin from Mining Operations

Revenue from the sale of metals is recognized in the financial statements when the following conditions are met: persuasive evidence of an arrangement exists; title and risk passes to buyer, the price is fixed or determinable; and collectability is reasonably assured. Incidental revenues from the sale of silver by-products are classified within cost of sales.

For the three months ended June 30, 2011, the Company had gold sales of $16,617,862, produced 12,136 ounces of gold and sold 10,936 ounces of gold at an average realized price of $1,520.

For the three months ended June 30, 2011, cash cost of goods sold amounted to $2,867,144 or $262/oz, comprised primarily of $589,833, or $53/oz for mining; $1,506,594, or $138/oz for processing; $827,765, or $76/oz for royalties, and $75,275, offset by silver sales of $132,323, or $(5)/oz for operations.

Accretion and Depletion

Other operating expenses included depletion and accretion of $1,133,064 for the three months ended June 30, 2011. Depletion began in September 2010, in conjunction with the commencement of commercial production.

Other Income

The Company earned $32,702 (2010 - $1,376) interest income generated from the cash and cash equivalents balance for the three months ended June 30, 2011. The Company incurred a foreign exchange loss of $213,932 (2010 – $124,519) for the three months ended June 30, 2011.

On August 11, 2010, the Company closed a $13 million (CAD 13 million) financing consisting of $8 million (CAD 8 million) in convertible notes and $5 million (CAD 5 million) from a forward gold sale. As of June 30, 2011, $841,397 interest accretion expense and $4,759,797 loss was charged to operations as a result of the revaluation of derivative liabilities to fair value on the convertible notes. As of June 30, 2011, $304,112 interest accretion expense was charged to operations relating to the forward gold sale.

On January 28, 2011, Monument entered into an "Agreement for Sale of Gold" (the "Gold Forward Contract") with Queenstake Resources USA, Ltd. a wholly owned subsidiary of Yukon Nevada Gold Corp. to pay $5,000,800 in advance to purchase 4,465 ounces of gold with a settlement date of June 30, 2011. Alternatively Monument may require a cash payment of $6,000,960 instead of delivery in gold. As at June 30, 2011, the 4,465 ounces from the Gold Forward Contract were received and the Company realized a gain of $1,602,306 on settlement. of the 4,465 ounces received, 3,465 were sold for proceeds of $5,365,575. The remaining 1,000 ounces of gold bullion is carried as a temporary investment at cost.

Corporate Expenses

For the three months ended June 30, 2011, corporate expenses of $2,231,282 (2010 - $521,228) comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance, project investigations and stock-based compensation. Excluding stock-based compensation expenses of $219,299 (2010 - $114,535), the Company incurred corporate expenses of $2,011,983 (2010 - $406,693).

For the three months ended June 30, 2011, general and administration expenses increased by 861% to $1,778,566 from $278,861 in the same period of the prior year, and include salary expenses of $1,684,676 (2010 - $232,834) and office rent, general office expenses $93,890 (2010 - $46,027). The salaries and administrative expenses increased compared to the same period of the prior year due to increased compensation and bonuses, which were based on individual performance, the Company's success and market trends.

For the three months ended June 30, 2011 shareholder communications, conference and travel expenses totaled $103,150, increased by $49,618 from $53,532 in the same quarter of fiscal 2010, reflecting increased activities in investor relations, conferences and travel for corporate development. The regulatory and filing expense was $13,165 in the fourth quarter of fiscal 2011 compared to $2,187 in the same period of fiscal 2010 primarily due an increase in TSX Venture Exchange annual fees. Legal, accounting and audit expenses were $140,163 in the fourth quarter of fiscal 2011 compared to $67,904 in fiscal 2010, the increase is mainly due to an increase in audit fees and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation.

For the three months ended June 30, 2011, $222,694 (2010 - $148,179) in stock-based compensation expenses was credited to contributed surplus, of which $219,299 (2010 - $114,535) was charged to operations, $3,395 (2010 - $33,644) was charged to inventory cost, exploration, mine development and construction of the plant.

For the three months ended June 30, 2011, amortization and accretion on asset retirement obligation expenses decreased by $71,559 to $(67,350) from $4,209 in the same period of the prior year. The decrease was due to a reclass of asset retirement obligation expenses to cost of sales.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

Refer to note 2(c) of the audited consolidated financial statements as at June 30, 2011.

1.13 Changes in Accounting Policies including Initial Adoption

Change in functional and reporting currency

Effective July 1, 2010, the Company changed its reporting currency and functional currency for its all operations to the United States dollar (US) from Canadian Dollar (CAD). The adoption of the US dollar as the unit of measure of the Company's operations reflects the transition from an exploration company to a mine operator and the resulting shift in operational exposure to the US dollar as the Company's sales are of products quoted in US dollars.

Prior to July 1, 2010, the Company reported its annual and quarterly consolidated financial statements with notes in CAD which also was used as the unit of measure of its all foreign and Canadian operations. In making the change in reporting and functional currency, the Company follows the recommendations of the Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA) set forth in EIC–130 – "Translation Method when the Reporting Currency Differs from the Measured Currency or there is a Change in the Reporting Currency.

In accordance with EIC – 130, the Company is required to translate all amounts presented for comparative purposes into US dollars using the current rate method whereby all revenues, expenses and cash flows are translated at average rates that were in effect during these periods and all assets and liabilities are translated at the closing rate in effect at the end of these periods. Equity transactions have been translated at historic rates. The exchange difference resulting from the translation is included in accumulated other comprehensive income (loss) presented in shareholders' equity.

Business combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace former Section 1581," Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value. In addition, the definition of a business is expanded and is described as an integrated set of business activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

In August 2009, the CICA issued certain amendments to Section 3251 "Equity". The amendments apply to entities that have adopted Section 1602. The amendments require separate presentation on the statement of operations and comprehensive income of income attributable to owners of the Company and those attributable to non-controlling interests. The amendments also require that non-controlling interests be presented separately as a component of equity.

International Financial Reporting Standards

The Canadian Accounting Board has confirmed January 1, 2011 as the date that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises. As a result, the Company will report under IFRS for interim and annual periods beginning July 1, 2011, with comparative information for the year ended June 30, 2011 restated under IFRS. Adoption of IFRS as Canadian GAAP requires the Company to make certain accounting policy choices and could materially impact its reported financial position and results of operations

The Company has preceded transition from current Canadian GAAP to IFRS. The action plan for conversion is as follows:

1. Identify differences in Canadian GAAP versus IFRS at July 1, 2010. This has been completed.
2. Evaluate IFRS accounting policy choices/exemptions available at July 1, 2010. This has been completed.
3. Select IFRS accounting policies. This has been completed.
4. Quantify differences at July 1, 2010 and prepare IFRS opening balance at July 1, 2010. This has been completed.
5. Prepare interim and annual financial statements with related discussion and notes under IFRS for fiscal 2011. The interim financial statements have been drafted; full conversion is expected to be completed during the first quarter of fiscal 2012 while compiling the interim financial statements under IFRS for the period ended September 30, 2011.

IFRS 1 - "First Time Adoption of International Financial Reporting Standards ("IFRS 1") requires the Company to apply IFRS effective at the end of its first IFRS reporting period retrospectively, which will be the financial statements as at September 30, 2011, with specific mandatory exemptions and a limited number of optional exemptions.

IFRS introduces a number of changes to the format and disclosure of financial statements, some of which are mandatory and will have an impact on the presentation of the Company's financial statements. The underlying principle of IFRS 1 disclosures is that the Company explain how the transition from Canadian GAAP to IFRS has affected its financial position. IFRS 1 will impact the presentation of the Company's financial statements as at September 30, 2011, as the following items will be specifically included:

- a reconciliation of equity previously reported under Canadian GAAP to equity under IFRS at July 1, 2010 and June 30, 2011 for the first IFRS financial statements;
- a reconciliation of the total comprehensive income and shareholders' equity previously reported under Canadian GAAP to IFRS at July 1, 2010 and June 30, 2011;
- more extensive disclosures for transactions that will be considered to be Related Party transactions under IFRS than under Canadian GAAP. These disclosures include: relationships between parent and subsidiary companies; key management personnel compensation in total and for each of the following categories: short term employee benefits; post employment benefits; other long term benefits; termination benefits, and share based payments
- more extensive disclosure relating to assets per Operating Segments (whereas currently under Canadian GAAP the Company reports on segmental basis).

Significant first-time adoption optional exemptions chosen by the Company relate to the following:

1. **Business combination**: IFRS 1 gives an optional exemption that allows an entity to carry forward its previous Canadian GAAP accounting for business combinations prior to the transition date. The Company will not restate any business combination retroactive and will apply the requirements of IFRS 3 prospectively from July 1, 2010.
2. **Asset retirement obligation** ("ARO"), included in the cost of property, plant and equipment: The Company will adjust ARO prospectively from July 1, 2010.
3. **Cumulative translation differences.** IFRS 1 permits cumulative translation gain and losses to be reset to zero at the transition date. This provides relief from determining cumulative translation differences in accordance with International Accounting Standard ("IAS") 21.
4. **Mandatory exception for estimates.** IFRS estimates as at July 1, 2010 are consistent with the estimates as at the same date in conformity with Canadian GAAP.

Other change of accounting standard that has impact on the Company's financial results includes:

Related party transactions: CICA 3840 contains requirements for measuring related party transactions. IAS 24 does not deal with the measurement of related party transactions. The Company will adjust its past related party transactions accordingly from July 1, 2011.

Change in functional currency: With change of functional currency, the current method applies under both CGAAP and IFRS; however, under IFRS a simple approach is used to translate assets, liabilities, equity and the income statement (and cash flow statement) at the spot rate; under CGAAP, the equity items are translated at the historical rates.

As of June 30, 2010, the impact on conversion from Canadian GAAP to IFRS is initially quantified as follows:

	CGAAP in US functional currency	Asset retirement obligation	Related parties transaction	IFRS unaudited pro-forma
Total current assets	10,599,467	-	-	10,599,467
Total assets	63,533,486	1,120,117	2,514,055	67,167,658
Total current liabilities	3,637,939	-	-	3,637,939
Total liabilities	6,775,283	1,120,117	-	7,895,400
Equity	56,758,203	-	2,514,055	59,272,258

1) Functional Currency: The Company has changed its functional currency from Canadian dollar to United States dollar on July 1, 2010 for all subsidiaries and the parent company. Under CGAAP, EIC-130, assets and liabilities were translated at the spot rate and equity, revenues and expenses translated at historical or average rate with unrealized foreign exchange differences on consolidation being recognized in other comprehensive income. Under IFRS, IAS 21, the June 30, 2010 spot rates were used to translate assets, liabilities, equity, revenue and expenses. This resulted in a decrease in accumulated other comprehensive loss of $1,326,894 off set by corresponding changes in retained earnings, contributed surplus and other equity accounts bringing total changes in shareholders' equity to $nil.

2) Assets Retirement Obligation: Monument had been using a 10% discount rate under CGAAP, but under IFRS the pre-tax rate (Bank of Canada rate for a zero rated bond for 10 years) of 3.06% at June 30, 2010 will be used. As of June 30, 2010, the liability has increased by $1,120,117 from $2,419,940 (RM$7,834,058) under CGAAP to $3,540,057 (RM$11,460,205) under IFRS.

3) Related Party Transaction: During the year ended June 30, 2009, Monument purchased a ball mill from Avocet Mining LLP, a previous shareholder of the Company, for consideration of $3,052,726 (CAD 3,250,001) by issuing Monument's equity. Due to a lack of observable market, the transaction has been measured at the carrying amount. Under CGAAP, the Company recorded the cost of the ball mill at the book value provided by its previous owner of $706,135 (CAD 712,673) and included the difference in deficit, but under IFRS the recorded cost of the ball mill is equal to the consideration paid. The adjusting entry under IFRS includes a $2,514,055 charge to deficit which includes $2,347,591 (CAD 2,537,328) for the cost of the ball mill and $167,464 in foreign exchange loss.

As a result of the above assessment, the IFRS conversion is not expected to have significant effect on the Company's business activities, internal controls and overall financial results. However, the accounting bodies responsible for issuing IFRS standards have significant ongoing projects that could impact the Company's financial statements as at July 1, 2011. The Company will continue to monitor and assess the impact.

1.14 Financial Instruments and Other instruments

a. Financial Assets and Liabilities

The Company's financial instruments consist of cash and cash equivalents, restricted cash, investments, accounts receivable (excluding refundable taxes), accounts payable and accrued liabilities, convertible notes, conversion feature and FX Component.

The Company has classified its cash and cash equivalent and restricted cash as held-for-trading. Accounts receivable (excluding refundable taxes) are classified as loans and receivables. Accounts payable and accrued liabilities and convertible notes are classified as other financial liabilities. Conversion feature and FX Component are classified as derivative liabilities.

Subsequent to initial recognition using the relative fair value method, convertible notes are carried at amortized cost using the effective interest method, Conversion Feature is adjusted to fair value estimated using the Black Scholes option pricing model, and FX Component is adjusted to fair value using indicative foreign exchange forward contract spot rate (note 11(a)).

The carrying amounts of cash and cash equivalents, restricted cash, investments, accounts receivable (excluding refundable taxes) and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

b. Financial Instrument Risk Exposure

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

(i) Market risk

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

Currency risk

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

As at June 30, 2011 and June 30, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in Malaysian ringgit:

	June 30, 2011		June 30, 2010	
In thousands	RM	US	RM	US
Cash and cash equivalents	614	203	383	118
Restricted cash	312	103	565	175
Accounts receivable (excluding refundable taxes)	66	22	8	2
Accounts payable and accrued liabilities	(9,452)	(3,131)	(10,464)	(3,232)

Based on the above net exposures as at June 30, 2011, and assuming that all other variables remain constant, a 5% depreciation or appreciation of the Malaysian ringgit against the U.S. dollar would result in an increase/decrease of approximately $83,000 (2010 – $143,000) in the Company's net income (loss).

As at June 30, 2011 and June 30, 2010, the Company is exposed to foreign currency risk through the following assets denominated in CAD$ dollars:

	June 30, 2011		June 30, 2010	
In thousands	CAD$	US$	CAD$	US$
Cash and cash equivalents	9,585	9,938	310	321
Accounts receivable (excluding refundable taxes)	10	10	3	3
Accounts payable and accrued liabilities	(59)	(61)	(3,343)	(3,466)

Based on the above net exposures as at June 30, 2011, and assuming that all other variables remain constant, a 5% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase/decrease of approximately $494,000 (2010 – $142,000) in the Company's net income (loss).

On August 11, 2010, the Company received net proceeds of $11,001,196 from the convertible notes and forward gold sale. The contracts contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged any of its gold sales. The derivative components associated to foreign currency fluctuation are fair valued at each period and gains or losses are recorded to its income (refer to note 11).

Other 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. On August 11, 2010, the Company issued the convertible notes which contain derivative liabilities. The Company values such derivate liabilities at fair market price using the Black-Scholes option pricing model and record gains and losses to other income.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk with respect to its cash equivalents and convertible notes. However, this risk is limited because of the short-term maturity of these instruments. The Company's interest rate sensitivity analysis suggests they are not exposed to significant interest rate risk.

(ii) Credit risk

Credit risk is the risk of a loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

The Company's credit risk is attributable to its liquid financial assets. The Company established an investment policy to avoid any investments other than government t-bills, term deposits guaranteed by major Canadian financial institutions, or term deposits at major Malaysian banks which are guaranteed by the Malaysian government. The Company's accounts receivable includes $1,843,416 (June 30, 2010 – $1,814,529) due from a single Australian Government-owned refinery in Western Australia. Credit risk on this receivable is negligible and the balance was collected subsequent to year-end.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents and restricted cash as $33,763,473 (June 30, 2010 - $3,634,437) is held with a single Malaysian financial institution. The remaining $15,403,053 (June 30, 2010 - $262,709) is held with various Canadian financial institutions.

(iii) Liquidity risk

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

The Company has funded its mine development, processing plant extension and exploration through shares issuances, convertible notes and a forward gold sale. To meet its repayment obligations and sale commitment, the Company is required to deposit gold on a monthly basis as collateral.

Contractual obligated cash flow maturities of financial liabilities as at June 30, 2011 are as follows:

	Total	under 3 months	4 to 12 months	1 to 5 Years
Accounts payable and accrued liabilities	$ 4,903,751	$ 4,903,751	$ -	$ -
Convertible notes	$ 10,091,796	$ -	$ -	$ 10,091,796

Contractual obligated cash flow maturities of financial liabilities as at June 30, 2010 are as follows:

	Total	under 3 months	4 to 12 months	1 to 5 Years
Accounts payable and accrued liabilities	$ 3,624,057	$ 3,086,519	$ 537,538	$ -

1.15 Outstanding Share Data

The following details the share capital structure as at September28, 2011, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry date	Price	Number of securities	Total
Common shares				183,986,864
Stock options	July 5, 2012	$ 0.47	2,900,000	
	August 15, 2013	$ 0.38	13,160,000	
	December 5, 2013	$ 0.20	1,459,167	
	December 5, 2013	$ 0.31	230,000	
	December 5, 2013	$ 0.39	400,000	
	February 9, 2014	$ 0.21	300,000	
	July 29, 2012	$ 0.28	500,000	
	December 17, 2014	$ 0.36	30,000	
	June 8, 2013	$ 0.29	1,600,000	
	June 10, 2015	$ 0.29	500,000	
	September 29, 2015	$ 0.40	3,000,000	
	November 30, 2015	$ 0.58	600,000	
	January 27, 2016	$ 0.68	120,000	
	July 28, 2016	$ 0.65	150,000	
	August 29, 2016	$ 0.62	150,000	25,099,167
Warrants	July 21, 2012	$ 0.50	67,325,000	
	August 12, 2015	$ 0.48	5,000,000	72,325,000

1.16 Risks and Uncertainties

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

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

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

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

Title to mineral property interests

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

Realization of assets

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

Reserves and resource estimates

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

Profitability from Production

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

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

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

Environmental

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

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

Additional funding for building project pipelines

The Company continues seeking new acquisition targets so as to increase its resource base. Additional capital may be required from time to time to fund such acquisitions and development in order to fulfill its business strategy. The additional capital may come from public market, debt financing and cash flow generated from current production, where largely influenced by integrated world and regional economy which are out off the Company's control. The management have been successfully mitigated those risks in the past through exercise of due care, experiences and knowledge; however, those factors do not guarantee such risks will be successfully mitigated into the future.

Foreign Operations

The Company's properties are located in Malaysia, South-East Asia. Malaysia had a history of tin mines and currently has some gold mine operations at the central gold belt in Pahang State. In 2010, the increase in revenue from gold mine operations has brought mining to the government's attention. The Company has been received strong support from the local, state and federal government.

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

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

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

1.17 Disclosure Controls and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

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

An evaluation of the effectiveness of the design and operation of disclosure controls and procedures was conducted as of June 30, 2011, by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company's management, including the CEO and CFO, or persons performing similar functions.

Internal Control over Financial Reporting

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

The Company's management, including the CEO and CFO, has evaluated the effectiveness of the internal controls over financial reporting. Based on this evaluation, management has concluded that internal controls over financial reporting were designed effectively as of June 30, 2011.

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

Inventory control:

The Company's Inventory system is operated manually, therefore, is exposed to risk of human errors and is not considered as efficient. Inventory software was purchased but the development has not been completed. The Company plans to allocate resources subsequent to the year end in completing the design work and implement it with adequate on-site training.

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

Caution on Forward-Looking Statements

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

Consolidated Financial Statements of

MONUMENT MINING LIMITED

(Expressed in US dollars)

Years ended June 30, 2011 and 2010

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Monument Mining Limited have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

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

The Audit Committee of the Board of Directors has reviewed the consolidated financial statements with management and the external auditors. Smythe Ratcliffe LLP, an independent firm of chartered accountants appointed as external auditors by the shareholders, have audited the consolidated financial statements and their report is included herein.

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

Vancouver, British Columbia

September 27, 2011

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MONUMENT MINING LIMITED

We have audited the accompanying consolidated financial statements of Monument Mining Limited, which comprise the balance sheets as at June 30, 2011 and 2010, and the statements of operations, earnings and accumulated other comprehensive loss, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 audits 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 financial position of Monument Mining Limited as at June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia

September 27, 2011

7th Floor 355 Burrard St
Vancouver, BC V6C 2G8

Tel: 604 687 1231
Fax: 604 688 4675
smytheratcliffe.com

MONUMENT MINING LIMITED

Consolidated Balance Sheets (note 1)

(Expressed in U.S. dollars)

		June 30, 2011		June 30, 2010
Assets				
Current				
Cash and cash equivalents	$	49,063,026	$	3,722,746
Restricted cash (note 4)		103,500		174,400
Gold bullion (note 5)		1,505,490		-
Accounts receivable		1,924,131		1,843,755
Prepaid expenses and deposits		492,994		88,585
Inventory (note 6)		15,027,143		4,769,981
		68,116,284		10,599,467
Restricted inventory (notes 6 and 11(c))		1,109,619		-
Property, plant and equipment (note 8)		31,052,036		16,982,912
Mineral properties (note 9)		20,065,745		35,724,585
Deferred costs (note 14)		216,287		226,522
		52,443,687		52,934,019
	$	120,559,971	$	63,533,486
Liabilities and Shareholders' Equity				
Current				
Accounts payable and accrued liabilities	$	4,903,751	$	3,624,057
Current portion of capital lease obligations (note 10)		15,746		13,882
		4,919,497		3,637,939
Capital lease obligations (note 10)		32,257		44,771
Convertible notes (note 11(a))		5,290,009		-
Gold forward contract (note 11(b)		2,896,772		-
Derivative liabilities (note 11(a))		8,087,040		-
Asset retirement obligation (note 19)		2,583,970		2,419,940
Future income tax (note 20)		720,900		672,633
		24,530,445		6,775,283
Shareholders' equity				
Share capital (note 12)		64,518,798		58,923,649
Contributed surplus (note 12(e))		13,002,921		7,625,229
Accumulated other comprehensive loss (note 3)		(1,326,894)		(1,326,894)
Retained earnings (deficit)		19,834,701		(8,463,781)
		96,029,526		56,758,203
	$	120,559,971	$	63,533,486

(1) Commitments (note 16)

(2) Subsequent Events (note 22)

Approved on behalf of the Board:

"Robert Baldock" — Robert Baldock, Director

"George Brazier" — George Brazier, Director

See accompanying notes to consolidated financial statements.

MONUMENT MINING LIMITED

Consolidated Statements of Operations, Earnings and Accumulated Other Comprehensive Loss
(Expressed in U.S. dollars)

	For the years ended June 30, 2011	2010
Revenue		
Gold sales	$ 52,379,851	$ -
Cost of goods sold	9,134,079	-
	43,245,772	-
Depletion and amortization	2,528,611	-
Income from mining operations	40,717,161	-
Expenses		
General and administration	2,681,055	965,190
Stock-based compensation (note 12(d))	1,058,329	1,163,594
Legal, accounting and audit	627,034	222,929
Travel	343,146	114,030
Shareholder communications	222,500	123,991
Project investigation	190,104	-
Amortization	163,091	17,323
Regulatory compliance and filing	57,553	28,333
	5,342,812	2,635,390
Income (loss) before other items	35,374,349	(2,635,390)
Other income (loss)		
Interest income	104,946	28,131
Foreign currency exchange gain (loss)	40,426	(418,714)
Change in fair value of forward contract	-	(14,647)
Gain on forward contract (note 5)	1,602,306	
Gain on disposal of fixed assets	14,862	-
Accretion expense (note 11)	(1,145,509)	-
Gain (Loss) on derivative liabilities (note 11)	(4,759,797)	-
Income (loss) before taxes	31,231,583	(3,040,620)
Current income tax	(1,023)	(759)
Future income tax recoveries	21,600	6,541
Net income (loss) for the year	31,252,160	(3,034,838)
Other comprehesive loss		
Unrealized loss on translation to U.S. dollar reporting currency	-	(1,326,894)
Net income (loss) and comprehensive income (loss) for the period	$ 31,252,160	$ (4,361,732)
Earnings (loss) per share, basic (note 13)	$ 0.19	$ (0.02)
Earnings (loss) per share, diluted (note 13)	0.17	(0.02)
Deficit, Beginning of the year	(8,463,781)	(5,428,943)
Warrant extension (note 12(c))	(2,953,678)	-
Net income (loss) for the year	31,252,160	(3,034,838)
Retained earnings (deficit), End of the year	$ 19,834,701	$ (8,463,781)
Accumulated other comprehensive loss, Beginning of the year	(1,326,894)	-
Other comprehensive loss for the year (note 3)	-	(1,326,894)
Accumulated other comprehensive loss, End of the year	$ (1,326,894)	$ (1,326,894)

MONUMENT MINING LIMITED

Consolidated Statements of Cash Flows

(Expressed in U.S. dollars)

	For the years ended June 30, 2011	2010
Operating Activities		
Net income (loss) for the year	$ 31,252,160	$ (3,034,838)
Items not involving cash		
Unrealized foreign exchange loss (gain)	929,774	(14,685)
Unrealized foreign exchange loss (gain) on cash	(40,426)	15,279
Stock-based compensation	1,058,329	1,163,594
Gain on forward contract	(1,602,306)	9,578
Accretion expense on convertible notes	841,397	-
Accretion expense on gold forward sale	304,112	-
Loss on derivative liabilities	4,759,797	-
Accretion expense on asset retirement	259,463	-
Provision (recovery) for future income tax	48,267	(6,541)
Amortization	2,481,554	17,323
	40,292,121	(1,850,290)
Change in non-cash working capital items		
Accounts receivable	(80,376)	(3,876)
Prepaid expenses and deposits	(404,409)	(44,875)
Inventory	(4,964,811)	(4,568,032)
Deferred business development costs	101,217	-
Accounts payable and accrued liabilities	3,984,094	256,280
	(1,364,285)	(4,360,503)
Cash provided by (used in) operating activities	38,927,836	(6,210,793)
Financing Activities		
Proceeds from exercise of stock options and warrants	1,866,578	-
Cost of share issuance for debt settlement	-	(1,109)
Proceeds from convertible notes	7,653,600	-
Proceeds from forward gold sale	4,783,500	-
Transaction costs on convertible notes and forward gold sale	(1,435,904)	(133,604)
Payment of capital lease obligation	(10,650)	(13,878)
Cash provided by (used in) financing activities	12,857,124	(148,591)
Investing Activities		
Expenditures on mineral properties, net of recoveries	(3,332,827)	11,964,118
Expenditures on property, plant and equipment, net of recoveries	(3,587,145)	(7,782,350)
Purchase of gold bullion	(5,000,800)	-
Proceeds from disposition of gold bullion	5,365,575	-
Reclamation of asset retirment obligation	(809)	-
Cash provided by (used in) investing activities	(6,556,006)	4,181,768
Foreign exchange effect on U.S. currency reporting translation	-	282,723
Foreign exchange effect on cash	40,426	(15,279)
Increase in cash and cash equivalents	45,269,380	(1,910,172)
Cash and cash equivalents, beginning of the year	3,897,146	5,807,318
Cash and cash equivalents, end of the year	$ 49,166,526	$ 3,897,146
Cash and cash equivalents consist of:		
Cash	$ 39,219,375	$ 3,520,594
Cash equivalents	9,843,651	202,152
Restricted cash	103,500	174,400
	$ 49,166,526	$ 3,897,146

Supplemental Cash Flow Information (note 17)

See accompanying notes to consolidated financial statements.

1. Organization and Nature of Operations

Monument Mining Limited (the "Company") is a natural resource company engaged in the acquisition, exploration, development and operation of gold mineral property interests. Its primary activities include gold production on the open pit mine at the 100% owned Selinsing Gold Project ("Selinsing") and exploration on the 100% owned Selinsing, Damar Buffalo Reef gold mineral properties and Famehub prospects (note 9). The Company's head office is located in Vancouver, BC, Canada. Its gold project operations, exploration and development activities are carried out in Malaysia through its wholly owned integrated subsidiaries.

Effective September 1, 2010, the Company completed commissioning of a gold treatment plant and achieved commercial production at the Selinsing Gold Mine, and subsequently closed the acquisition of the Famehub properties and initiated new exploration programs on all its Malaysian mineral properties.

Upon the attainment of commercial production, the Company started to record proceeds from the sale of gold as revenues and associated expenses as cost of goods sold against operations instead of charging them against mineral properties and construction in progress. Further, given the Company achieved commercial production, the Company reclassified construction in progress costs to their respective property, plant and equipment classes, reclassified accumulated exploration and development costs on the Selinsing Gold Property from mineral properties to property, plant and equipment and started to amortize the corresponding amounts in accordance with the Company's amortization policy.

2. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

a. Basis of presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned integrated Malaysian subsidiaries: Polar Potential Sdn. Bhd., Able Return Sdn. Bhd., Selinsing Gold Mine Manager Sdn. Bhd., Damar Consolidated Exploration Sdn. Bhd., Famehub Ventures Sdn. Bhd. and Monument Mengapur Sdn. Bhd. All material intercompany balances and transactions have been eliminated on consolidation.

<u>Change in functional and reporting currency</u>

Effective July 1, 2010, the Company changed its reporting currency and functional currency for its all operations to the United States dollar (US) from Canadian Dollar (CAD). The adoption of the US dollar as the unit of measure of the Company's operations reflects the transition from an exploration company to a mine operator and the resulting shift in operational exposure to the US dollar as the Company's sales are of products quoted in US dollars.

Prior to July 1, 2010, the Company reported its annual and quarterly consolidated financial statements with notes in CAD which also was used as the unit of measure of its all foreign and Canadian operations. In making the change in reporting and functional currency, the Company follows the recommendations of the Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA) set forth in EIC–130 – "Translation Method when the Reporting Currency Differs from the Measured Currency or there is a Change in the Reporting Currency."

In accordance with EIC – 130, the Company is required to translate all amounts presented for comparative purposes into US dollars using the current rate method whereby all revenues, expenses and cash flows are translated at average rates that were in effect during these periods and all assets and liabilities are translated at the closing rate in effect at the end of these periods. Equity transactions have been translated at historic rates. The exchange difference resulting from the translation is included in accumulated other comprehensive income (loss) presented in shareholders' equity.

The change in functional and reporting currency resulted in the following impact on the July 1, 2010, opening consolidated balance sheet with $1,326,894 foreign exchange loss on consolidation charged to accumulated other comprehensive loss in equity:

	Reported at July 1, 2010, in CAD	Functional currency change	Reported at July 1, 2010 in US dollar functional currency
Total current assets	10,999,920	(400,453)	10,599,467
Total assets	64,585,598	(1,052,112)	63,533,486
Total current liabilities	3,859,014	(221,075)	3,637,939
Total liabilities	7,189,033	(413,750)	6,775,283
Equity	57,396,565	(638,362)	56,758,203

b. Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on the management's experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Significant estimates made in the preparation of these financial statements include ore reserves and resource estimates, unit-of-production depreciation, exploration and evaluation expenditures determining accrued liabilities, valuation of inventory, to determine the carrying value of mineral property interests, estimates of useful lives of plant and equipment, estimates required to determine whether impairment of long lived assets is required, determination of asset retirement obligations and environmental obligations, estimations made in determining fair value of gold forward contracts, assumptions used in calculating fair-value of Agents' options, share purchase warrants and stock-based compensation, allocation of proceeds between common shares and warrants in unit offerings, valuation allowance for future income tax assets and determination of fair values of financial instruments. While management believes the estimates are reasonable, actual results could differ from those estimates used in the preparation of the financial statements and could impact future results of operations and cash flows.

c. Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments, with an original term to maturity of three months or less, that are readily convertible to known amounts of cash.

d. Gold bullion

Investments in gold bullion held are valued at the lower of average cost and net realizable value.

e. Inventory

Inventory components include supplies, stockpiled ore, work in progress and finished goods. All inventories are recorded at the lower of cost and net realizable value determined by reference to current resource pricing. The stated value of all inventories includes direct mining and processing costs, and attributable overhead and depreciation. 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 for obsolescence.

Supplies inventory consists of consumables and spare parts used in mining and processing operations and are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less applicable selling costs.

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

<u>Work in progress</u> represents gold in the processing circuit that has not completed the production process. Work in progress is recorded at average cost. Costs include direct labour, mine-site overhead, and depreciation and depletion on Selinsing mine equipment, processing plant and mineral properties.

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

f. Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and related 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, the initial estimation of asset retirement obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The amortization begins when the asset is substantially put into service.

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

Buildings	50 years
Machineries, heavy equipment and components of plant	2 – 20 years
Administrative furniture and equipment	10 years
Computers	2-5 years
Vehicles (including vehicles under capital lease)	5 years

Amortization expenses from production property and plant are inventoried; amortization from equipment used in exploration and development of mineral property interests are capitalized under mineral properties in development; amortization from administration capital assets are charged against operations.

g. Impairment of long-lived assets

The Company reviews and evaluates the carrying value of its operating mine, development and exploration properties for impairment whenever events or changes in circumstances indicate that the carrying amounts of related assets or group of assets might not be recoverable. Whenever the total estimated future cash flows on an undiscounted basis of a property is less that the carrying amount of the property, the impairment loss is recorded. The amount of loss is measured as the excess of the carrying value of the asset over its fair value. All long-lived assets at a particular operation are combined for purpose of estimated future cash flows.

Fair value may be determined based on values of recent transactions involving sale of similar properties for exploration properties or through a discounted cash flow analysis based on a life-of-mine plan.

h. Mineral property interests

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property interest acquisition costs and exploration and development expenditures, net of any recoveries. These deferred expenditures will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, abandoned or when impairment in value is determined to have occurred.

Mineral property interest acquisition costs include the cash consideration, 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.

During the development of a mine, prior to the commencement of production, costs incurred to remove overburden and other mine waste materials in order to access the ore body at Selinsing open pit operations ("stripping costs") are capitalized to the related property and depleted over the productive life of the mine using the unit-of-production method. During the production phase of a mine, stripping costs are accounted for as variable production costs and included in the cost of inventory produced during the period except for stripping costs incurred to provide access to sources of reserves that will be produced in future periods and would not otherwise have been accessible, which are capitalized to the cost of mineral property interests and depleted on a unit-of-production method over the reserves that directly benefit from the stripping activity.

When a mine construction project moves into the production stage, the capitalization of certain mine costs ceases and costs are either charged to inventory or expensed. Mining costs incurred to stockpile ores for production are charged to inventory.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionees, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

i. Income taxes

Income taxes are accounted for using the liability method. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax bases. The amount of future income tax assets recognized is limited to the extent that they are considered, more likely than not, to be realized. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

j. Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year.

Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings (loss) per share assumes that the deemed proceeds received from the exercise of stock options, agents' 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. The dilutive effect of convertible securities is determined using the "if converted" method. Common share equivalents consisting of stock options, warrants and convertible securities are not considered in the computation of diluted earnings (loss) per share where their effect would be anti-dilutive.

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.

k. Stock-based compensation

The Company accounts for stock purchase options granted to directors, employees and consultants and other stock-based payments using the fair value based method. Under this method, compensation expense for options granted is determined based on estimated fair values of the options using the Black-Scholes option pricing model. For employees and directors, the fair value of the options is measured at the time of grant. For non-employees the fair value of the options is measured at the time of grant if they are fully vested and non-forfeitable, or the earlier of the date the performance is completed or the performance commitment is reached. The cost is recognized over the vesting or service period of the respective options and, with a corresponding increase to contributed surplus, is either capitalized to mineral property interests for grants to individuals working directly on mineral projects, capitalized to construction costs for grants to individuals working directly on construction of Selinsing, charged to inventory for grants to individuals working directly on mining or processing activities, or charged against operations otherwise. When stock options are exercised, the corresponding fair value is transferred from contributed surplus to share capital.

l. Asset retirement obligation ("ARO")

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is initially recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on the basis and at rates consistent with the corresponding asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period or capitalized to the cost of the corresponding assets until the assets are substantially put into use. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

m. Revenue recognition

The Company's operations produce gold in dore form, which is refined to pure gold bullion prior to sale primarily in the London spot market or under gold sale contracts. Revenue from the sale of metals is recognized in the financial statements when the following conditions are met: persuasive evidence of an arrangement exists; title and risk passes to buyer, the price is fixed or determinable; and collectability is reasonably assured.

Revenue from gold sales is charged against construction when generated from commissioning of the plant; to mineral properties when generated from pre-commercial production; and to operations when generated from commercial production. Revenue generated from by-product such as silver is recognized in the same manner, however, is credited to the cost of goods sold when its percentage of revenue is less than 5% of total revenue.

n. Foreign currency translation

Monetary assets and liabilities are translated into US dollars at exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rates prevailing at the time of acquisition or assumption unless such items are carried at market, in which case they are translated at the exchange rates in effect at the balance sheet date. Interest income and operating expenses are translated at the exchange rates prevailing on the transaction date. Gains or losses on translation are recorded in the statement of operations.

o. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, forward contracts, accounts receivable (excluding refundable taxes), accounts payable and accrued liabilities, convertible notes and derivative liabilities.

The Company's financial instruments are classified into one of five categories: held-for-trading (cash and cash equivalents, restricted cash, derivative liabilities), held-to-maturity investments, loans and receivables (accounts receivable (excluding refundable taxes)), available-for-sale financial assets or other financial liabilities (accounts payable and accrued liabilities, convertible notes). The conversion feature of convertible notes and its foreign exchange component are classified as derivative liability. All financial instruments are measured at fair value on initial recognition and recorded on the balance sheet. Subsequent measurement and changes in fair value depend on their initial classification as follows: held-for-trading financial assets and liabilities are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income. The Company does not have any financial instruments classified as available-for-sale financial assets. Receivables and other financial liabilities are measured at amortized cost.

Transaction costs that are directly attributable to the acquisition or issuance of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

On initial recognition of convertible notes, the Company allocates the proceeds on hybrid instruments between the debt and equity components by first allocating the proceeds to the debt components with any residual value being allocated to the equity components. Where an instrument includes multiple debt components, proceeds are allocated amongst those components using the relative fair value method. Transaction costs are allocated between the various components pro-rata consistent with proceeds.

Subsequent to initial recognition, convertible notes are carried at amortized cost using the effective interest method, Conversion Feature is adjusted to fair value estimated using the Black Scholes option pricing model, and FX Component is adjusted to fair value using indicative foreign exchange forward contract spot rate.

Derivatives are adjusted to fair value at each reporting period with the corresponding gain or loss reported in the consolidated statement of operations. The corresponding transaction costs are expensed against operations during the period the transaction closed.

The value of any equity component remains unchanged in future periods except upon the exercise of warrants when the value is reclassified to share capital. The corresponding transaction costs are recorded against the equity component.

The carrying amounts of cash and cash equivalents, restricted cash, investments, accounts receivable and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments

The Company employs foreign exchange forward contracts from time to time to mitigate the risk of changes in currency exchange rates. The Company does not apply hedge accounting and accordingly changes in fair value of the contracts are recorded in net income in the period they occur. The fair value of those contracts is estimated by reference to quoted market prices for actual or similar instruments where available.

p. Warrants

Unit issuances that include a common share and warrant are bifurcated into the share and warrant component for accounting purposes. The share and warrant components are bifurcated by allocating unit proceeds equal to the market price of the Company's stock to the share component and the residual amount of the unit proceeds to the warrant component. The warrant component is recorded in contributed surplus and is transferred to capital stock upon exercise of the underlying warrant.

q. Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date.

Capital leases, which transfer to the Company substantially all rights and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction in lease liabilities so as to achieve a constant rate of interest of the remaining balance of liability. Finance charges are recognized in cost of goods sold in statement of operations.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainly that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognized as an operating expense in the statement of operations on a straight-line basis over the lease term.

3. Recent pronouncements

Business combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace former Section 1581," Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value. In addition, the definition of a business is expanded and is described as an integrated set of business activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

In August 2009, the CICA issued certain amendments to Section 3251 "Equity". The amendments apply to entities that have adopted Section 1602. The amendments require separate presentation on the statement of operations and comprehensive income of income attributable to owners of the Company and those attributable to non-controlling interests. The amendments also require that non-controlling interests be presented separately as a component of equity.

The Company early adopted these sections as of July 1, 2010 with no significant impact on the consolidated financial statements.

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Board has confirmed January 1, 2011 as the date that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises. As a result, the Company will report under IFRS for interim and annual periods beginning July 1, 2011, with comparative information for the year ended June 30, 2011 restated under IFRS. Adoption of IFRS as Canadian GAAP requires the Company to make certain accounting policy choices and could materially impact its reported financial position and results of operations.

4. Restricted Cash

	June 30, 2011	June 30, 2010
Bank Guarantee for customs clearance (a)	$ -	$ 15,394
Letter of Credit and payment guarantee for equipment (b)	103,500	159,006
	$ 103,500	$ 174,400

As at June 30, 2011:

a. The Company fulfilled the bank guarantee obligation during fiscal 2011 that was held to meet customs clearance requirements (June 30, 2010 - $15,394).

b. The Company has entered into agreements restricting cash of $103,500 (June 30, 2010 - $159,006) for payment on supplies and equipment.

5. Gold Bullion

On January 28, 2011, the Company entered into an "Agreement for Sale of Gold" (the "Gold Forward Contract") with Queenstake Resources USA, Ltd. a wholly owned subsidiary of Yukon Nevada Gold Corp. to pay $5,000,800 in advance to purchase 4,465 ounces of gold with a settlement date of June 30, 2011. Alternatively, the Company may require a cash payment of $6,000,960 instead of delivery in gold. The Gold Forward Contract was further guaranteed by "Escrow Agreement" under which Monument is entitled to receive 1,000,000 common shares of Yukon Nevada Gold Corp upon default of the Gold Forward Contract. Yukon-Nevada Gold Corp. is considered to be a related party by virtue of common management and common directors.

As at June 30, 2011, the 4,465 ounces from the Gold Forward Contract were received and the Company realized a gain of $1,602,306 on settlement of the contract. Of the 4,465 ounces received, as of June 30, 2011, 3,465 were sold for proceeds of $5,365,575. The remaining 1,000 ounces of gold is carried as a temporary investment at cost.

6. Inventory

	June 30, 2011	June 30, 2010
Mine operating supplies	$ 942,383	$ 424,629
Stockpiled ore	11,282,007	2,199,104
Material discharged from ball mill for CIL process	1,949,689	1,905,911
Work in progress	853,064	240,337
Finished goods	1,109,619	-
	$ 16,136,762	$ 4,769,981
Less: restricted finished goods (note 11)	1,109,619	-
	$ 15,027,143	$ 4,769,981

7. Financial Instruments

a. Financial Assets and Liabilities

The carrying values of financial assets by category at June 30, 2011 and June 30, 2010 are as follows:

Financial assets	Held-for-trading		Loans and receivables	
	2011	2010	2011	2010
Cash and cash equivalents	$ 49,063,026	$ 3,722,746	$ -	$ -
Restricted cash	103,500	174,400	-	-
Accounts receivable (excluding refundable taxes)	-	-	1,924,131	1,843,755
	$ 49,166,526	$ 3,897,146	$ 1,924,131	$ 1,843,755

The Company's cash equivalents bear interest at rates of 1.20% to 1.38% (2010 – 0.60% to Prime less 2.00%) and mature on February 27, 2012 (2010 - July 14, 2010 and September 12, 2010).

The carrying values of financial liabilities by category at June 30, 2011 and June 30, 2010 are as follows:

Financial liabilities	Held for trading		Other liabilities	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
Convertible notes	$ -	$ -	$ 5,290,009	$ -
Derivative liabilities	8,087,040	-	-	-
Accounts payable and accrued liabilities	-	-	4,903,751	3,624,057
	$ 8,087,040	$ -	$ 10,193,760	$ 3,624,057

Cash and cash equivalents, restricted cash and accounts receivable are classified as Level 2 within the fair value hierarchy. The following table sets forth the Company's financial liabilities measured at fair value by level within the fair value hierarchy at June 30, 2011 (June 30, 2010 - $Nil):

	Level 1	Level 2	Level 3	Total
Derivative liabilities	-	-	8,087,040	8,087,040

b. Financial Instrument Risk Exposure

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

(i) Market risk

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

Currency risk

Concurrently with the adoption of the US dollar as the functional currency, effective July 1, 2010, the Company exposure to currency risk is to the extent the financial instruments held by the Company are not denominated in US dollars. Prior to July 1, 2010, as the functional currency was the Canadian dollar, the Company's exposure to foreign currency risk was to the extent financial instruments were not denominated in Canadian dollars.

As at June 30, 2011 and June 30, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in Malaysian ringgit (RM):

	June 30, 2011		June 30, 2010	
In thousands	RM	US	RM	US
Cash and cash equivalents	614	203	383	118
Restricted cash	312	103	565	175
Accounts receivable (excluding refundable taxes)	66	22	8	2
Accounts payable and accrued liabilities	(9,452)	(3,131)	(10,464)	(3,232)

Based on the above net exposures as at June 30, 2011, 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 $83,000 (2010 – $143,000) in the Company's net earnings (losses).

As at June 30, 2011, the Company is exposed to foreign currency risk through the following assets denominated in CAD dollars:

	June 30, 2011	
In thousands	CAD	US
Cash and cash equivalents	9,585	9,938
Accounts receivable (excluding refundable taxes)	10	10
Accounts payable and accrued liabilities	(59)	(61)

Based on the above net exposures as at June 30, 2011, and assuming that all other variables remain constant, a 5% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $494,000 (2010 – $142,000) in the Company's net earnings (losses).

In August, 2010, the Company received net proceeds of $11,001,196 from the convertible notes and forward gold sale. The contracts contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged against the foreign currency risk exposure. The derivative components associated to foreign currency fluctuation are adjusted to fair value at each period and gains or losses are recorded to the statement of operations (refer to note 11).

Commodity and other price risk

The Company is exposed to the risk of fluctuation in prevailing commodity prices on gold it produces. 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. On August 11, 2010, the Company issued the convertible notes which contain derivative liabilities. The Company values such derivative liabilities at fair market price using the Black-Scholes option pricing model with reference to the volatility of its own stock estimated using historical closing market prices and record gains and losses to other income. Assuming that all other variables remain constant, a 5% depreciation or appreciation of the Company's share market price would result in an increase/decrease of approximately $400,000 in the Company's net earnings (losses).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk with respect to its cash equivalents and convertible notes.

This risk is limited with respect to cash equivalents due to the short-term to maturity. The convertible note bears interest at fixed rate (refer note 11 (a)) and is carried at amortized cost and as such is not exposed to interest rate risk.

(ii) Credit risk

Credit risk is the risk of a loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

The Company's credit risk is attributable to its liquid financial assets. The Company established an investment policy to avoid any investments other than government t-bills, term deposits guaranteed by major Canadian financial institutions, or term deposits at major Malaysian banks which are guaranteed by the Malaysian government. The Company's accounts receivable includes $1,843,416 (June 30, 2010 – $1,814,529) due from a single Australian Government-owned refinery in Western Australia. Credit risk on this receivable is negligible and the balance was collected subsequent to year-end.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents and restricted cash as $33,763,473 (June 30, 2010 - $3,634,437) is held with a single Malaysian financial institution. The remaining $15,403,053 (June 30, 2010 - $262,709) is held with various Canadian financial institutions.

(iii) Liquidity risk

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

The Company has funded its mine development, processing plant extension and exploration through shares issuances, convertible notes and a forward gold sale. To meet its repayment obligations and sale commitment, the Company is required to deposit gold on a monthly basis as collateral.

Contractual obligated cash flow maturities of financial liabilities as at June 30, 2011 are as follows:

	Total	under 3 months	4 to 12 months	1 to 3 Years	4 to 5 Years
Accounts payable and accrued liabilities	$ 4,963,751	$ 4,963,751	$ -	$ -	$ -
Convertible notes	$ 10,091,796	$ -	$ -	$ -	$ 10,091,796

Contractual obligated cash flow maturities of financial liabilities as at June 30, 2010 are as follows:

	Total	under 3 months	4 to 12 months	1 to 3 Years	4 to 5 Years
Accounts payable and accrued liabilities	$ 3,624,057	$3,086,519	$ 537,538	$ -	$ -

8. Property, Plant and Equipment

	Cost	Accumulated amortization	Net book value, June 30, 2011	Cost	Accumulated amortization	Net book value, June 30, 2010
Selinsing Gold Open Pit Mine (note 9(a))	$ 20,784,408	$ 6,814,936	$ 13,969,472	$ -	$ -	$ -
Tailing storage facility construction in progress	491,406		491,406			
Buildings	967,026	40,552	926,474	713,893	20,309	693,585
Furniture and equipment	1,345,292	186,192	1,159,100	408,592	62,067	346,525
Computer	443,889	104,897	338,992	265,590	65,963	199,628
Vehicle	204,456	123,652	80,804	196,083	82,761	113,322
Leasehold improvements	20,630	3,067	17,563	-	-	-
Heavy equipment	1,652,879	167,455	1,485,424	1,226,079	-	1,226,079
Plant	13,404,232	1,700,878	11,703,354	14,597,622	206,961	14,390,660
Phase III plant expansion in progress	879,447	-	879,447	13,113	-	13,113
	$ 40,193,665	$ 9,141,629	$ 31,052,036	$17,420,973	$ 438,061	$ 16,982,912

Upon the attainment of commercial production, the Company reclassified construction in progress costs to their respective classes of property, plant and equipment and reclassified the Selinsing Gold Property from mineral properties to property, plant and equipment. Further, the Company started to amortize the corresponding assets in accordance with its amortization policy. The Selinsing Gold Property and processing plant are amortized on the unit-of-production basis over the expected life of the mine.

9. Mineral Properties

	Selinsing Gold (Development)	Buffalo Reef (Exploration)	Famehub (Exploration)	Total
June 30, 2009	$ 33,011,884	$ 11,989,357	$ -	$ 45,001,241
Assay and analysis	-	23,556	-	23,556
Asset retirement obligation	1,235,662	-	-	1,235,662
Drilling	-	21,165	-	21,165
Geological	-	81,842	-	81,842
Site activities	190,095	6,254	-	196,349
Environmental	21,750	-	-	21,750
Socio-economic	7,449	588	-	8,037
Property fees	59,970	899	-	60,869
Recoveries, net of costs	(14,012,697)	-	-	(14,012,697)
Stripping costs	361,757	-	-	361,757
Stock-based compensation (note 12(d))	48,205	109,592	-	157,797
Foreign exchange credited to OCI (note 2)	1,357,858	1,209,398	-	2,567,256
June 30, 2010	$ 22,281,933	$ 13,442,652	$ -	$ 35,724,585
Reclassification to property, plant and equipment	(22,281,933)	-	-	(22,281,933)
Acquisition costs	102,921	35,090	4,971,686	5,109,697
Assay and analysis	15,953	19,155	-	35,108
Drilling	515,824	32,576	-	548,400
Geological	119,909	295,912	2,905	418,726
Site activities	357,008	51,243	-	408,251
Metallurgical	77,658	-	-	77,658
Property fees	-	17,315	-	17,315
Stock-based compensation (note 12(d))	-	6,881	-	6,881
Incurred during the year	1,189,273	13,900,824	4,974,591	20,064,688
Deposits for mineral property expenditures		1,057		1,057
June 30, 2011	$ 1,189,273	$ 13,901,881	$ 4,974,591	$ 20,065,745

Title to mineral properties

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

Realization of assets

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

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

Environmental

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

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

a. Selinsing Gold Property

The property is located in Pahang State, Malaysia. The Company acquired a 100% interest in the Selinsing Gold Property in 2007 and since has developed a producing mine by building a 400,000 tonnes per annum capacity gold treatment plant consisting of a gravity circuit and a Carbon In Leach (CIL) circuit designed to operate simultaneously. As at September 1, 2010, the Company completed the commissioning of the gold treatment plant and commenced a production. Accordingly, the accumulated cost of $22,281,933 was transferred from mineral properties to property, plant and equipment (note 8) and the Company began amortizing the carrying value on the unit-of-production basis.

During the year ended June 30, 2011, the Company acquired exploration rights for consideration of $102,921, covering prospective land that lies adjacent to the Selinsing operating open pit. As a part of 12 month exploration program, the Company also spent $1,086,352 mainly for drilling, geological and site activities.

b. Buffalo Reef Prospect

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a wholly-owned subsidiary of Avocet Mining PLC (“Avocet”), incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef Tenement property interests, which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located.

The Company was obligated to fund a $400,000 exploration program on the Buffalo Reef Tenement over two years. Avocet is entitled to receive $12 per ounce of gold discovered on a notional 49% of the ounces discovered as a result of the $400,000 two-year post closing exploration program. In fiscal 2009, Avocet terminated the Company’s exploration payment obligation for consideration of $1.

During the year ended June 30, 2011, the Company acquired exploration rights for consideration of $35,090, covering prospective land that lies adjacent to the Buffalo Reef Prospect. A twelve month exploration program also recommenced at the Buffalo Reef Prospect. The Company also spent $416,201 in the period mainly on drilling activities of which $41,908 relates to the extension of Monument’s participation with the Geological Department of Tasmania University in the “Centre of Ore Deposit Studies” (“CODES”) Program covering the central gold belt of Peninsular Malaysia for another three year period.

c. Famehub Acquisition

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

On August 13, 2010, the parties entered into a formal “Agreement of Purchase and Sale of Shares” under which the Company agreed to purchase the above described assets, through its wholly owned subsidiary Damar Consolidated Exploration Sdn Bhd, by acquiring 100% of the issued and outstanding Famehub shares for cash of $1,477,734 (CAD 1,500,000) , of which a $51,106 (CAD 50,000) deposit was paid in 2009, and the issuance of 14,000,000 fully paid shares of the Company (the “Famehub Acquisition”). Although the Company acquired 100% of the issued and outstanding common shares of Famehub, the Famehub Acquisition does not meet the definition of a business under HB 1582; accordingly, the Famehub Acquisition was accounted for as an asset acquisition

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

The aggregated purchase price for the Famehub Acquisition was $4,982,115, paid as follows:

Cash	$ 1,477,734
Common shares	3,406,900
Transaction costs	97,481
	$ 4,982,115

The fair value of the Famehub assets acquired and liabilities assumed were as follows:

Cash	$ 1,815
Property, plant and equipment	48,375
Mineral properties	4,971,686
Accounts payable and accrued liabilities	(39,761)
	$ 4,982,115

10. Capital lease obligations

	June 30, 2011	June 30, 2010
2011	$ -	16,843
2012	18,061	16,843
2013	18,061	16,843
2014	16,045	14,967
Total minimum lease payments	52,167	65,496
Amount representing interest	(4,164)	(6,843)
Obligation under capital leases	48,003	58,653
Less: current portion	(15,746)	(13,882)
	$ 32,257	44,771

11. Convertible Notes and Forward Gold Sale

a. Convertible notes

On August 11, 2010, the Company closed a financing for $7,653,600 (CAD 8,000,000) from the issuance of convertible notes (the “Notes”). Net proceeds amounted to $6,752,822 after subtracting transaction costs totaling $900,778, of which $765,360 was for commission and $135,418 was for legal and regulatory fees.

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

In addition, as an inducement to enter into the subscription agreement for the Notes, the Company granted to the Noteholders the option to purchase an aggregate of 5,714 ounces of gold at a price of $1,000 USD or CAD equivalent per ounce and 2,857 ounces of gold at a price of $1,250 USD or CAD 1,250 per ounce at the discretion of the Noteholders at any time during the term of the Notes commencing 18 months after closing. Given the inducement can be exercised in USD or CAD at the discretion of the holder, the inducement contains a foreign exchange embedded derivative (the “FX Component”).

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

Upon initial recognition, the Company allocated the proceeds and transaction costs between the components using the relative fair value method as follows:

Allocation	Proceeds	Transaction costs
Convertible notes	$ 4,618,438	$ 543,560
Conversion Feature	2,646,790	311,510
FX Component	388,372	45,708
Total	$ 7,653,600	$ 900,778

Subsequent to initial recognition, the Notes are carried at amortized cost using the effective interest method based on a five year plus one day period at discount rate of 17%; the Conversion Feature is adjusted to fair value estimated using the Black Scholes option pricing model, and the FX Component is adjusted to fair value using indicative foreign exchange forward contract spot rate.

As at June 30, 2011, the Company estimated the fair values of the FX Component using the indicative foreign exchange forward contract spot rate of 1.026 and of the Conversion feature using the following assumptions:

Risk free rate	2.33%
Dividend rate	Nil
Expected life (years)	4.12
Volatility	86.06%

As of June 30, 2011 the continuity schedule of the Convertible Notes and associated derivative liabilities was set as follows:

	Aug. 11, 2010	Accretion Expense	Loss on conversion feature	Gain on FX Component	Foreign exchange loss	Jun. 30, 2011
Note	$ 4,074,877	$ 841,397	$ -	$ -	$ 373,735	$ 5,290,009
Derivative liability - Conversion Feature	2,646,790	-	5,440,250	-	-	8,087,040
Derivative liability - FX Component	388,372	-	-	(388,372)	-	-
Total	$ 7,110,039	$ 841,397	$5,440,250	$ (388,372)	$ 373,735	$13,377,049

b. Gold Forward Sale

On August 13, 2010, the Company entered into a forward sale agreement resulting in the advance of $4,783,500 (CAD5,000,000) to the Company. Net proceeds amounted to $4,248,375 after subtracting transaction costs in the amount of $535,125, of which $479,335 was for commission and $55,790 for legal and regulatory fees. The contract will be settled for 5,000 ounces of gold subject to adjustment for fluctuations in the CAD/USD foreign exchange rate (the "Forward Sale"). The Forward Sale has a term of five years plus one day. Warrants for the purchase of 5,000,000 common shares with the same terms as described in connection with the Units above were issued to the lender on closing. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

The gold sale under the Forward Sale is in accordance with the Company's expected purchase, sale and usage requirements and accordingly has been recorded as deferred revenue. The warrants meet the definition of equity given they entitle the holder to a residual interest in the Company.

Upon initial recognition, the Company first allocated the proceeds to the liability component based on the estimated fair value with the residual value being allocated to the equity component. Fair value was calculated using a 2.5% quarterly discount rate over five years. Transaction costs were allocated to the various components pro-rata as follows:

Allocation	Proceeds	Transaction costs
Gold forward contract	$ 2,919,231	$ 326,571
Warrants	1,864,269	208,554
Total	$ 4,783,500	$ 535,125

Subsequent to initial recognition, the gold forward contract is carried at amortized cost using the effective interest method based on a five years plus one day period at discount rate of 12%.

As of June 30, 2011 the continuity schedule of the gold forward contract was set as follows:

	August 11, 2010	Accretion Expense	June 30, 2011
Gold forward contract	$ 2,592,660	$ 304,112	$ 2,896,772

c. Security Pledge

The Company's obligations under the Convertible Notes and Forward Sale are secured by designated gold metal accounts. In connection with such security, the Company is required to deposit an aggregate of 397 ounces of gold per month from the end of the first month following the earlier of (i) commencement of commercial production of the gold treatment plant of the Company's Malaysian subsidiary for its gold production operation in Malaysia; and (ii) the date that is three months from the closing, up to a maximum 13,000 ounces of gold. As of June 30, 2011, a total 4,000 ounces of gold was transferred to restricted metal accounts and was included in restricted inventory (note 6).

12. Share Capital

a. Authorized

Unlimited common shares without par value

b. Issued and outstanding

Common shares	Shares	Amount
Balance, June 30, 2009	155,640,028	$ 58,801,934
Shares issued for debt settlement (note 12(b)(i))	475,000	122,788
Share issuance costs for debt settlement (note 12(b)(i))	-	(1,073)
Balance, June 30, 2010	156,115,028	$ 58,923,649
Shares issued for Famehub acquisition (note 12(b)(ii))	14,000,000	3,406,900
Shares issued from the exercise of stock options	1,451,833	513,949
Fair value of stock options exercised	-	321,671
Shares issued from the exercise of warrants	2,680,000	1,352,630
Balance, June 30, 2011	174,246,861	$ 64,518,798

(i) On September 25, 2009, the Company issued 475,000 common shares valued at $0.26 per share to settle a debt owing to Avocet in the amount of $122,788. The Company incurred transaction costs in the amount of $1,073 for filling fees related to the transaction.

(ii) On September 13, 2010, the Company issued 14,000,000 common shares valued at $0.24 per share for a total value of $3,406,900 to acquire the Famehub Properties (note 9(c)). The shares were subject to a four months hold period, which expired on January 13, 2011.

c. Warrants

The continuity of share purchase warrants is as follows:

Expiry date Exercise price	21-Jul-12 $0.50	12-Aug-11 $0.47	11-Aug-15 $0.48	Total outstanding and exercisable
Balance, June 30, 2009 and 2010	70,120,000	8,125,003	-	78,245,003
Issued (note 11(b))	-	-	5,000,000	5,000,000
Exercised	(2,680,000)	-	-	(2,680,000)
Balance, June 30, 2011	67,440,000	8,125,003	5,000,000	80,565,003

On August 11, 2010, the Company issued 5,000,000 common share purchase warrants in conjunction with the Gold Forward Sale (note 11(b)). Each share purchase warrant is exercisable at $0.48 per share, expiring five years from the date of issuance of the Notes. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

On February 3, 2011, the TSX Venture Exchange (TSXV) consented to extend the term of 68,055,000 common share purchase warrants for 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012. All other terms of those warrants remain intact including the exercise price. As of the date of the Company's application to the TSXV, 2,680,000 of these warrants have been exercised, leaving 67,440,000 warrants unexercised. An incremental fair value of $2,953,678 was recognized against retained earnings and contributed surplus for the warrant extension. The fair value of the extended warrants was estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.33%, volatility of 53.24%, expected life of 1.46 years and no expected dividends. The fair value of the warrants prior to extension was estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.07%, volatility of 57.82%, expected life of 0.46 years and no expected dividends.

d. Stock options

At the Annual General Shareholders' Meeting of the Company held on November 9, 2010, the 2010 Stock Option Plan was approved (the "2010 Plan") and replaced the 2009 Stock Option Plan. The 2010 Plan increased the maximum number of the Company's shares reserved for issuance pursuant to option granted under the plan to 28,941,000 from 22,126,000 with other terms intact. According to the 2010 Plan, the Company grants stock purchase options to its directors, officers, employees and consultants. The number of shares reserved for issuance under the 2010 Plan shall not exceed 17% of the total number of issued and outstanding shares on a non-diluted basis. The total number of stock options granted during the year together with previously granted stock options shall not exceed, on a non-diluted basis, 6% for any one Optionee; 15% for Insiders as a group, 2% for any one Consultant; 2% for all Eligible Persons who undertake Investor Relations Activities. As at June 30, 2011, 29,826,000 stock options have been granted of which 3,505,000 were forfeited, 70,000 expired and 1,451,833 have been exercised, leaving 24,799,167 stock options are still outstanding and 2,690,000 shares reserved and to be granted under the 2010 Plan.

Stock option activity is as follows:

	Number of common shares under option	Weighted average exercise price
Balance, June 30, 2009	19,676,000	$ 0.38
Granted	2,930,000	$ 0.29
Forfeited	(5,000)	$ 0.30
Balance, June 30, 2010	22,601,000	$ 0.37
Granted	3,920,000	$ 0.45
Forfeited and expired	(270,000)	$ 0.58
Exercised	(1,451,833)	$ 0.32
Balance, June 30, 2011	24,799,167	$ 0.38

During the year ended June 30, 2011, 3,920,000 options were granted to employees and a director (2010 – 2,930,000 options were granted to employees, consultants and a director).

The following table summarizes the stock options outstanding at June 30, 2011:

	Options outstanding			Options exercisable	
Exercise Price	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price
$ 0.47	2,900,000	Jul 05, 2012	1.02	2,900,000	$ 0.47
$ 0.38	13,160,000	Aug 15, 2013	2.13	12,910,000	$ 0.38
$ 0.20	1,459,167	Dec 05, 2013	2.44	1,459,167	$ 0.20
$ 0.31	230,000	Dec 05, 2013	2.44	230,000	$ 0.31
$ 0.39	400,000	Dec 05, 2013	2.44	400,000	$ 0.39
$ 0.21	300,000	Feb 09, 2014	2.62	300,000	$ 0.21
$ 0.28	500,000	Jul 29, 2012	1.08	500,000	$ 0.28
$ 0.36	30,000	Dec 17, 2014	3.47	15,000	$ 0.36
$ 0.29	1,600,000	Jun 08, 2013	1.94	700,000	$ 0.29
$ 0.29	500,000	Jun 10, 2015	3.95	250,000	$ 0.29
$ 0.40	3,000,000	Sep 29, 2015	4.25	1,000,000	$ 0.40
$ 0.58	600,000	Nov 30, 2015	4.42	-	-
$ 0.68	120,000	Jan 27, 2016	4.58	-	-
Total	24,799,167		2.36	20,664,167	$ 0.38

The following table summarizes the stock options outstanding at June 30, 2010:

	Options outstanding			Options exercisable	
Exercise Price	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price
$ 0.47	3,300,000	Jul 05, 2012	2.02	3,300,000	$ 0.47
$ 0.58	70,000	Feb 18, 2011	0.64	70,000	$ 0.58
$ 0.38	13,390,000	Aug 15, 2013	3.14	8,229,451	$ 0.38
$ 0.39	400,000	Dec 05, 2013	3.44	400,000	$ 0.39
$ 0.31	230,000	Dec 05, 2013	3.44	115,000	$ 0.31
$ 0.20	1,731,000	Dec 05, 2013	3.44	1,681,000	$ 0.20
$ 0.21	550,000	Feb 09, 2014	3.62	275,000	$ 0.21
$ 0.28	800,000	Jul 29, 2012	2.08	800,000	$ 0.28
$ 0.36	30,000	Dec 17, 2014	4.47	-	-
$ 0.29	1,600,000	Jun 08, 2013	2.94	-	-
$ 0.29	500,000	Jun 10, 2015	4.95	-	-
Total	22,601,000		3.00	14,870,451	$ 0.38

The exercise prices of all stock options granted during the period were equal to the closing market prices at the grant date. The options outstanding have various vesting dates that range from 0 to 3 years.

Using the Black-Scholes option pricing model with the assumptions noted below, the estimated fair value of all options recognized during years ended June 30, 2011 and 2010 have been reflected in the financial statements as follows:

	For the years ended June 30,	
	2011	2010
Mineral property exploration and development	$ 6,881	$ 157,797
Property, plant and equipment	7,664	83,595
Inventory	17,095	-
Administration and operation	1,058,329	1,163,594
Total compensation cost recognized in operations, credited to contributed surplus	$ 1,089,969	$ 1,404,986

The weighted average assumptions used to estimate the fair value of options were:

	For the years ended June 30,	
	2011	2010
Risk-free interest rate	2.33%	2.32%
Expected life	5 years	5 years
Expected volatility	87%	93%
Expected dividends	nil	nil

The weighted average fair value of options granted during the year ended June 30, 2011 is $0.45 (2010 – $0.29).

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

e. Contributed surplus:

		Amount
Balance, June 30, 2009	$	6,220,243
Stock-based compensation		1,404,986
Balance, June 30, 2010		7,625,229
Warrants due to financing (notes 11(b) and 12(c))		1,655,715
Stock-based compensation		1,089,969
Stock options exercised		(321,671)
Warrants extension (note 12(c))		2,953,678
Balance, June 30, 2011	$	13,002,921

13. Earnings (loss) Per Share

	For the years ended June 30,	
	2011	2010
Net income (loss) for the period	$ 31,252,160	$ (3,034,838)
Basic weighted average number of common shares outstanding	168,732,680	156,003,110
Effect of dilutive securities:		
Warrants (note 12(c))	2,855,225	-
Options (note 12(d))	7,350,011	-
Gold forward warrants (note 11(b))	708,800	-
Convertible note shares (note 11(a))	2,708,800	-
Diluted weighted average number of common share outstanding	182,355,516	156,003,110
Basic income (loss) per share	$ 0.19	$ (0.02)
Diluted income (loss) per share	$ 0.17	$ (0.02)

All the warrants (note 12(c)) and options (note 12(d)) are potentially dilutive in the period ended June 30, 2011, but excluded from the calculation of diluted earnings per share are those for which the exercise price exceeds the average market price. For the year ended June 30, 2010, warrants (note 12(c)) and options (note 12(d)), which are potentially dilutive, are excluded from the calculation of diluted loss per share as their impact would be anti-dilutive.

14. Deferred Costs

Deferred costs are comprised of the following:

a. In May 2011, the Company, through its wholly owned subsidiary Monument Mengapur Sdn. Bhd. (formerly “Orifer Asia Sdn. Bhd.”) in Malaysia, has entered into a binding Memorandum of Understanding (the “MOU”) with Malaco Mining Sdn. Bhd (“Malaco”) and Malaco’s wholly owned subsidiary Cermat Aman Sdn. Bhd.(“CASB”), both incorporated in Malaysia, to acquire the Mengapur Polymetalic Project (the “Mengapur Project” or the “Project”) located in Pahang State, Malaysia. The acquisition remains subject to due diligence, updating of historical resource and reserve estimates, signing of a Definitive Sale and Purchase Agreement, financing, board and regulatory approvals and other conditions. Upon completion of the acquisition, Monument would hold a 70% pre-financing interest in the Project.

The consideration for acquiring the Mengapur Project will be comprised of a cash payment of $50,000,000 and the issuance of a share parcel equivalent to a 30% interest in Monument Mengapur Sdn. Bhd. In parallel with the acquisition, the Company has signed a Mandate with Deutsche Bank Global Mining Finance of London UK (“the Bank”) to assist in the funding of the acquisition and subsequent build out of the project and study the possibility of additional stock exchange listings in appropriate jurisdictions. The acquisition of the Mengapur Project will be an arm's length transaction.

As at June 30, 2011, the Company incurred due diligence costs of $216,287 associated to the proposed Mengapur Project acquisition.

b. As at June 30, 2010, the Company had incurred $63,537 for the Famehub Acquisition which closed on September 13, 2010 (notes 9(c)).

c. As at June 30, 2010, the Company had incurred $162,985 in legal and regulatory costs associated with the convertible notes and gold forward sale financing which closed on August 11, 2010 (note 11).

15. Related Party Transactions

Related party transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Related party	June 30, 2011	June 30, 2010
Yukon-Nevada Gold Corp. (a)	$ 10,902	$ -
George Brazier, director (b)	$ 66,670	$ 56,358

(a) As at June 30, 2011, the Company included $10,902 (2010 - $0) in accounts receivable that was due from Yukon-Nevada Gold Corp., which has three common directors and one common officer with the Company. On January 28, 2011, the Company entered into a gold forward contract with a wholly-owned subsidiary of Yukon-Nevada Gold Corp., as of June 30, 2011, the gold forward contract had been fulfilled (note 5).

(b) George Brazier, a director of the Company, provides general consulting services to the Company. For the year ended June 30, 2011, he earned $66,670 (2010 - $56,358) for such services, of which $7,258 (June 30, 2010 - $4,931) was outstanding and included in accounts payable at June 30, 2011.

16. Commitments

	1 year	2 years	3 years	4-5 years	Total
Operating leases	$ 26,758	$ 13,929	$ 4,817	$ 2,915	$ 48,419
Capital leases (note 10)	15,746	16,657	15,600	-	48,003
Accounts payable and accrued liabilities	4,903,751	-	-	-	4,903,751
Convertible notes (note 11)	-	-	-	10,091,796	10,091,796
Asset retirement obligations (note 19)	54,648	132,480	256,945	487,394	931,467
Mineral property fees	130,404	7,132	7,132	14,264	158,932
Purchase commitments	6,618,731	-	-	-	6,618,731
	$ 11,750,038	$ 170,198	$ 284,494	$ 10,596,369	$ 22,801,099

As at June 30, 2011, the Company has aggregate contractual obligations totaling $22,801,099. Of which purchase commitments totaling $6,618,731 included consumables and spare parts for operations and equipment ordered for Phase III gold plant construction.

17. Supplemental Cash Flow Information

	For the years ended June 30, 2011	2010
Supplemental information		
Non cash financing and investing activities		
Stock based compensation charged to mineral property interests	$ 6,881	$ 158,952
Stock based compensation charged to property, plant and equipment	7,664	96,472
Deferred financing costs included in accounts payable	90,982	30,892
Amortization charged to Selinsing Gold Property	163,091	189,355
Amortization charged to property, plant and equipment	-	(206,678)
Deferred development costs included in accounts payable	-	14,202
Deferred development costs deducted from mineral properties	-	(47,400)
Expenditures on Selinsing Gold Property included in accounts payable	100,886	1,541,489
Gold sales against mineral properties included in accounts receivable	-	(1,824,424)
Property, plant and equipment costs included in accounts payable	100,776	(58,371)
ARO accreted to mineral properties	-	120,200
ARO accreted to property, plant and equipment	269,324	22,218
Shares issued pursuant to acquisition of equipment	-	(127,078)
Fair value of exercise of stock options	321,671	-
Shares issued for Famehub acquisition	3,406,900	-
Fair value of warrants issued in connection with the gold forward sale	1,655,715	-
Fair value of derivative liabilities	3,035,162	-

18. Segment Disclosures

The Company has two reportable operating segments: mineral property exploration and development, and gold production operations, which occur entirely in Malaysia. The Company's headquarters is operated in Canada.

	Canada		Malaysia	
		Production	Exploration and development	Total
2011				
Property, plant and equipment	60,052	30,273,790	718,194	31,052,036
Mineral properties	-	-	20,065,745	20,065,745
Gross margin from gold production	-	40,717,161	-	40,717,161
Operating expenses	4,964,877	369,505	8,430	5,342,812
Other income (loss)	1,606,157	(5,616,744)	(111,602)	(4,122,189)
2010				
Property, plant and equipment	246,293	16,216,674	519,944	16,982,912
Mineral properties	-	22,281,933	13,442,652	35,724,585
Operating expenses	2,534,545	86,971	13,874	2,635,390
Other income (loss)	22,744	(417,907)	(4,285)	(399,448)

19. Asset Retirement Obligation

The Company's asset retirement obligation consists of reclamation and closure costs for mine development and exploration activities. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total undiscounted amount of estimated cash flows required to settle the Company's estimated obligations is $5.3 million. The present value of asset retirement obligations is $2,583,970 (2010 - $2,410,940) and is expected to be settled over the next twenty years. This amount has been disclosed using a credit and inflation adjusted risk free rate of 10.0%. Significant reclamation and closure activities include land rehabilitation, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities.

Changes to the reclamation and closure cost balance during the 2011 and 2010 years are as follows:

	2011	2010
Asset retirement obligation, beginning of year	$ 2,419,940	1,403,276
Revision in estimate of liabilities	(269,324)	876,338
Accretion expense	259,463	140,326
Reclamation performed	(809)	-
Foreign exchange translation	174,700	-
Balance, end of year	$ 2,583,970	$ 2,419,940

20. Income Tax

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

	June 30, 2011	June 30, 2010
Income tax expense (recovery) computed at statutory rates	$ 8,588,685	$ (808,455)
Lower effective rate attributable to Malaysian income	(10,897,516)	3,663
Non-deductible expenses	1,649,698	191,898
Change in timing differences	(4,466,214)	302,371
Change in valuation allowance	4,969,775	310,523
Non-business income	1,023	759
Reduction in future income tax liability due to statutory rate reduction	133,972	(6,541)
Income tax recovery	$ (20,577)	$ (5,782)
Income tax recovery (expense) consists of the following:		
Current tax provision	1,023	759
Future tax provision	(21,600)	(6,541)
Income tax recovery	$ (20,577)	$ (5,782)

Future income tax assets and liabilities have been calculated using the following enacted corporate income tax rates: Canada at 25% (2009 – 26%) and Malaysia at 25% (2009 – 20%). Significant components of future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	30-Jun-11	30-Jun-10
Future income tax liabilities		
Mineral property interests	$ -	$ (806,295)
Property, plant and equipment	-	(331,761)
	$ -	$ (1,138,056)
Future income tax assets		
Mineral property interests	2,193,900	-
Property, plant and equipment	626,800	-
Asset retirement obligation in excess of tax value	646,000	602,655
Share issuance cost carry forwards	301,600	485,148
Loss carry forwards	3,011,800	1,908,845
	6,780,100	2,996,648
Valuation allowance	(7,501,000)	(2,531,225)
Net future income tax assets	(720,900)	465,423
Net future income tax liabilities	$ (720,900)	$ (672,633)

At June 30, 2011, the Company's losses for Malaysian tax purposes are approximately $700,000 (Malaysian ringgit 2,022,000), that may be carried forward to apply against future income for Malaysian tax purposes. These losses do not expire.

At June 30, 2011, the Company has non-capital losses available for carry-forward for tax purposes that are available to reduce taxable income of future years in Canada of $11,377,400 (CAD10,973,500). The losses expire as follows:

	Total
2014	20,000
2025	52,700
2026	187,200
2027	1,230,600
2028	893,000
2029	2,598,900
2030	2,231,900
2031	4,163,100
	$ 11,377,400

The future benefit of future income tax assets has not been recorded in these consolidated financial statements to the extent that the Company estimates that these assets, more likely than not, will not be realized.

21. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue so that it can continue to provide returns for shareholders, and to have sufficient funds on hand to fund its future business acquisition and its gold production at Selinsing Gold Mine, to pursue the exploration and development of its mineral property interests, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company includes the components of shareholders' equity and credit facilities as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue equity, issue new debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Company's Board of Directors.

There were no changes to the Company's approach to capital management during the years ended June 30, 2011 and 2010.

22. Subsequent Events

Share capital

Subsequent to the year ended June 30, 2011, the Company issued 8,240,003 fully paid and non-assessable common shares upon the exercise of warrants. As a result, total issued and outstanding share capital increased to 183,986,864. The Company also granted 300,000 stock options. Total outstanding stock options and warrants were 25,099,167 and 72,325,000, respectively. Cash proceeds received by the Company for the exercises were $4,271,618 (CAD 4,120,002) from warrants.

Mersing project

On September 14, 2011, the Company announced it had entered into an Earn-In Agreement with a Malaysian company, Emas Kehidupan Sdn. Bhd. ("EK") and its 30% joint venture partners, under which the Company has the right to earn up to a 100% interest in the Gunung Arong Gold Prospect (the "Mersing Gold Project"). The Company would initiate the first two year earn-in period by paying CAD 500,000 cash and, subject to TSX Venture acceptance, issuing 1,500,000 fully paid Monument shares to the vendors in exchange for 70% of the shares in EK (which holds a 70% interest in the Mersing Gold Project), and accordingly a 49% interest in the Mersing Gold Project. Initiation of the first two-year earn-in period results in an exploration obligation totaling CAD 2,000,000 to be completed within two years.

The Company has the right to earn a further 21% interest in the Mersing Gold Project by making either, at the option of the vendors, a further CAD 1,500,000 cash payment to the vendors or by issuing 2,500,000 fully paid Monument shares to the vendors in order to acquire the remaining 30% of the issued EK shares bringing its interest in the Mersing Gold Project to 70%. Initiation of the second two-year earn-in period results in a further exploration obligation totaling CAD 2,000,000 to be completed by Monument within two years.

Upon reaching a 70% ownership level in the Mersing Gold Project, the Company has the right over the following 180 day period to buy out the remaining 30% interest achieving 100% ownership in the Mersing Gold Project. The consideration of buy-out will be based on an independent valuation and be paid in cash or by issuing shares of Monument at the option of the vendors. Throughout these arrangements Monument will be the sole operator and manager of the Mersing Gold Project.

On September 26, 2011, the Company initiated the first earn-in period by issuing 1,500,000 fully paid common shares of the Company and paying $486,239 (CAD500,000) in cash to vendors in exchange for 70% of EK shares, in turn, 49% of the Mersing Gold Project.

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CFO & Corporate Secretary
Vice President, Corporate Finance

Zaidi Harun, B.Sc.
Vice President of Exploration, Malaysian Region

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General Manager, Malaysia Operations

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Caution on Forward Looking Statements

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

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