CONSOLIDATED FINANCIAL STATEMENTS OF

MONUMENT MINING LIMITED

(Expressed in thousands of United States dollars)

For the year ended June 30, 2019 and 2018

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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

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

Vancouver, British Columbia
September 27, 2019

Independent Auditor's Report

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To the Shareholders of
Monument Mining Limited

Opinion

We have audited the consolidated financial statements of Monument Mining Limited (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2019, and June 30, 2018 and the consolidated statement of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2019 and June 30, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the consolidated financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Robert J. Riecken.

Grant Thornton LLP

Vancouver, Canada
September 27, 2019

Chartered Professional Accountants

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MONUMENT MINING LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2019 and 2018
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	June 30, 2019	June 30, 2018
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	4	9,341	15,014
Trade and other receivables	5	1,016	1,660
Prepaid expenses and deposits		333	406
Inventories	6	20,690	16,855
Deferred financing costs	10	117	-
Total current assets		**31,497**	**33,935**
Non-current assets			
Inventories	6	-	5,994
Property, plant and equipment	7	40,381	37,887
Exploration and evaluation	8	177,841	175,094
Intangible asset	9	1,272	1,272
Deferred financing costs	10	287	103
Total non-current assets		**219,781**	**220,350**
Total assets		**251,278**	**254,285**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	14	4,573	5,791
Income tax payable	16	23	68
Deferred revenue	13	2,382	972
Total current liabilities		**6,978**	**6,831**
Non-current liabilities			
Accrued liabilities	14	-	797
Asset retirement obligations	15	9,661	10,081
Deferred revenue	13	5,756	5,678
Deferred tax liabilities	16	2,193	3,154
Total non-current liabilities		**17,610**	**19,710**
Total liabilities		**24,588**	**26,541**
Equity			
Share capital	17	117,314	117,257
Capital reserves – warrants	18	2,612	2,612
Capital reserves – options	18	10,303	10,303
Capital reserves – restricted share units	18	967	1,002
Retained earnings		95,494	96,570
Total equity		**226,690**	**227,744**
Total liabilities and equity		**251,278**	**254,285**

Commitments and contingencies (Note 25)
Subsequent events (Note 28)

Approved on behalf of the Board:

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended June 30, 2019 and 2018
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes		June 30, 2019		June 30, 2018
			$		$
Mining operations					
Revenue			20,993		19,250
Production costs	19		(11,772)		(11,103)
Gross margin from mining operations			**9,221**		**8,147**
Accretion of asset retirement obligation			(205)		(197)
Depreciation and amortization			(4,231)		(4,472)
Income from mining operations			**4,785**		**3,478**
Corporate expenses	20		(1,884)		(4,527)
Income/(loss) before other items			**2,901**		**(1,049)**
Other income/(loss)					
Interest income			184		44
Gain on disposal of assets			6		14
Interest expense	13		(2,104)		-
Legal settlement	21		-		(3,000)
Impairment loss	22		(50)		-
Foreign currency exchange loss			(390)		(300)
Loss from other items			**(2,354)**		**(3,242)**
Income/(loss) before income taxes			547		(4,291)
Tax expenses	16		(1,046)		(458)
Total net and comprehensive loss			**(499)**		**(4,749)**
Loss per share					
- Basic	23	$	(0.00)	$	(0.02)
- Diluted	23	$	(0.00)	$	(0.02)
Weighted average number of common shares					
- Basic	23		317,622,751		315,727,984
- Diluted	23		335,968,308		330,684,689

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended June 30, 2019 and 2018
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	Common shares $	Capital reserve - warrants $	Capital reserve - options $	Capital reserve - RSUs $	Retained earnings $	Total equity $
Balances at June 30, 2018		**117,257**	**2,612**	**10,303**	**1,002**	**96,570**	**227,744**
Share-based compensation		-	-	-	26	-	**26**
RSUs redeemed		57	-	-	(57)	-	**-**
RSUs forfeited		-	-	-	(4)	-	**(4)**
Adjustment on adoption of IFRS 15	3(t)	-	-	-	-	(577)	**(577)**
Net loss for the period		-	-	-	-	(499)	**(499)**
Balances at June 30, 2019		**117,314**	**2,612**	**10,303**	**967**	**95,494**	**226,690**
Balances at June 30, 2017		**117,172**	**2,612**	**10,303**	**653**	**101,319**	**232,059**
Share-based compensation		-	-	-	434	-	**434**
RSUs redeemed		85			(85)		**-**
Net loss for the period		-	-	-	-	(4,749)	**(4,749)**
Balances at June 30, 2018		**117,257**	**2,612**	**10,303**	**1,002**	**96,570**	**227,744**

MONUMENT MINING LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30, 2019 and 2018
(in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	June 30, 2019	June 30, 2018
		$	$
Operating activities			
Loss for the period		(499)	(4,749)
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation, depletion and amortization		4,238	4,480
Accretion expense on asset retirement obligations		205	197
Share-based compensation		5	318
Net interest expense		1,352	-
Unrealized foreign currency exchange loss		324	781
Impairment loss		50	-
Deferred income tax expense (recovery)		(753)	2,350
Cash provided from operating activities before change in working capital items		**4,922**	**3,377**
Change in non-cash working capital items:			
Trade and other receivables		644	(372)
Prepaid expenses and deposits		73	(57)
Inventories		(1,955)	(2,704)
Accounts payable and accrued liabilities		(1,545)	1,185
Cash provided from operating activities		**2,139**	**1,429**
Financing activities			
Proceeds from gold prepaid sale, net of financing fees		-	6,650
Cash provided from financing activities		**-**	**6,650**
Investing activities			
Expenditures on exploration and evaluation		(2,924)	(2,911)
Expenditures on property, plant and equipment		(4,888)	(3,852)
Cash used in investing activities		**(7,812)**	**(6,763)**
Increase/(decrease) in cash and cash equivalents		(5,673)	1,316
Cash and cash equivalents at the beginning of the period		15,014	13,698
Cash and cash equivalents at the end of the period	4	**9,341**	**15,014**
Cash and cash equivalents consist of:			
Cash		9,036	14,710
Restricted cash		305	304
		9,341	**15,014**

Supplemental Cash Flow Information (Note 26)

1. Corporate Information and Nature of Operations

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

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

The consolidated financial statements of the Company for the year ended June 30, 2019, comprising the Company and its subsidiaries, were authorized for issue in accordance with a resolution of the directors on September 19, 2019. These consolidated financial statements are presented in thousands of United States (US) dollars and all values are rounded to the nearest thousand dollars except per share amounts or where otherwise indicated.

2. Basis of Preparation

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

3. Significant Accounting Policies

a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) as of June 30, 2019 from their respective date of acquisition. Control exists over an investee when the Company is exposed, or has rights, to variable returns from its investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

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

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

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

		Interests holding as at	
Entity	Location	June 30, 2019	June 30, 2018
Polar Potential Sdn. Bhd.	Malaysia	100%	100%
Able Return Sdn. Bhd.	Malaysia	100%	100%
Selinsing Gold Mine Manager Sdn. Bhd.	Malaysia	100%	100%
Damar Consolidated Exploration Sdn. Bhd.	Malaysia	100%	100%
Famehub Venture Sdn. Bhd.	Malaysia	100%	100%
Monument Mengapur Sdn. Bhd.	Malaysia	100%	100%
Cermat Aman Sdn. Bhd.	Malaysia	100%	100%
Star Destiny Sdn. Bhd.	Malaysia	100%	100%
Primary Mining Sdn. Bhd.	Malaysia	100%	100%
Monument Australia Pty Ltd.	Australia	100%	100%
Monument Murchison Pty Ltd.	Australia	100%	100%
Monument Gold Operations Pty Ltd.	Australia	100%	100%

b) Foreign currencies

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

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

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

c) Property, plant and equipment

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

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

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

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

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

d) Mineral properties

Mineral property and development costs represent capitalized expenditures related to the acquisition, exploration and development of mineral properties and related equipment.

Exploration and evaluation expenditures

Exploration and evaluation expenditure relate to the initial acquisition costs of mineral properties and costs incurred for investigation and evaluation of potential mineral reserves and resources.

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

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

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

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

Mine development expenditures

A mineral property is under the development stage once the development of the property becomes commercially and technically viable. The costs incurred to design and engineer an open pit, to build access roads, camps and other infrastructure for mining, and to remove overburden and other mine waste materials in order to access the ore body at open pit operations ("stripping costs") prior to the commencement of commercial production are categorized as mine development expenditures. Development expenditures to this point including depreciation of related plant and equipment, and net of proceeds from incidental sale of ore extracted during the development stage are capitalized to the related property.

The mine development expenditures are reclassified to Property, Plant and Equipment following commencement of commercial production in the manner intended by management.

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

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

e) Impairment of non-financial assets

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

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

f) Cash and cash equivalents

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

g) Inventories

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

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

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

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

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

h) Intangible asset

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

i) Asset retirement obligation ("ARO")

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

The Company's estimates are reviewed quarterly for changes in regulatory requirements, effects of inflation and changes in estimates. The discounted liability is increased for the passage of time and adjusted for changes to the current discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. The periodic unwinding of the discount is recognized in profit or loss as a finance cost. The liability to settle the obligation is recognized on an undiscounted basis where management is unable to estimate a timeline for the related project and estimates the discounting effect as not material.

Additional disturbances or changes in rehabilitation cost will be recognized as additions or charges to the corresponding assets and asset retirement obligation when they occur.

j) Leases

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

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

Operating leases

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

Finance leases

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

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

k) Financial instruments

Financial instruments are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred. Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

The Company's financial instruments are classified and measured at amortized cost, including financial assets (cash and cash equivalents, restricted cash and trade and other receivables) and other financial liabilities (accounts payable and accrued liabilities). The Company has not recognized any financial assets at FVTPL, which are assets that do not qualify as financial assets at amortized cost or at fair value through other comprehensive income, and has not identified any financial liabilities at FVTPL, which are liabilities that cannot be classified as amortized cost.

Fair value of financial instruments

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

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

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

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

Impairment of financial assets

A loss allowance is required for expected credit losses in other comprehensive income for financial assets measured at amortized cost with no reduction of the carrying amount of the financial asset in the statement of financial position. At each reporting date, on a forward-looking basis, the Company assesses the lifetime expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The applied impairment methodology depends on whether there is a significant increase in credit risk. The Company measures the expected credit losses through a loss allowance at an amount equal to the 12- month expected credit losses, resulted from those default events on the financial instrument that are possible within 12 months after the reporting date, or full lifetime expected credit losses, resulted from all possible default events over the life of the financial instrument. If the credit risk of a financial instrument has increased significantly since initial recognition, the Company recognizes a loss allowance for full lifetime expected credit losses for the financial instrument. The impairment model does not apply to investment in equity instruments.

l) Taxes

Current tax

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

Deferred tax

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

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

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

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

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

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

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

Royalties and revenue-based taxes

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

m) Share-based payments

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

n) Share capital

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

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

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

o) Earnings/(Loss) per share

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

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

p) Revenue recognition

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

- the customer obtains control of the product;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

q) Segmented reporting

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

r) Gold prepaid sales transactions

Gold prepaid sales contracts are held for the purpose of delivering gold in accordance with the Company's expected sale requirements. The consideration received is accounted as deferred revenue until such time as gold is delivered and revenue recognition conditions are satisfied. The Company recognises as deferred financing costs the contract costs or Incremental costs of obtaining the gold prepaid sales as the Company expects to recover those costs. Relevant transaction costs are amortized to cost of sales upon gold deliveries.

There is a significant financing component when consideration is received in advance of the Company's delivery of gold, where the period is greater than one year. Deferred revenue is increased as interest expense is recognized based on the effective interest rate. The interest rate is determined based on the rate implicit in gold prepaid sale at the date of inception.

s) Critical accounting estimates and judgments

When preparing financial statements, management makes a number of judgments, estimates and assumptions in the recognition and measurement of assets, liabilities, income and expenses. Actual financial results may not equal the estimated results due to differences between estimated or anticipated events and actual events. The judgments, estimates and assumptions made in the preparation of these consolidated financial statements were similar to those made in the preparation of the Company's annual financial statements for the year ended June 30, 2019.

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

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

Purchase price allocation and valuation of deferred consideration assets

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

Ore reserves and mineral resource estimates

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

The Company conducts an annual review of its reserves and mineral resources. On February 1, 2019, the review resulted in a change in accounting estimate in relation to the economically recoverable reserves for Selinsing and Buffalo Reef based on the NI43-101 Technical Report dated January 31, 2019. The change in estimate resulted in a net decrease on depreciation and amortization ("February 2019 Estimation Adjustment").

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

Depreciation and amortization and determining useful lives

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

In fiscal 2019, the February 2019 Estimation Adjustment resulted in a decrease in depreciation and amortization for mineral properties and decrease in depreciation and amortization for plant with both minimal effects recorded in ore inventory.

Inventory valuation

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

In fiscal 2019, the impact of the February 2019 Estimation Adjustment resulted from reserves and resources estimate review on inventory caused a net decrease of the ore inventory with minimal effect.

Exploration and evaluation expenditures

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

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

Impairment of non-current assets

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

Provision for asset retirement obligations

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

Deferred taxes

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

Share-based payments

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

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

Title to mineral properties

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

Realization of assets

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

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

Functional currency

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

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

t) New and amended standards and interpretations

Adoption of new standards

IFRS 9 – Financial Instruments ("IFRS 9")

The Company adopted IFRS 9 on July 1, 2018. This standard did not result in a change in carrying value for any financial instruments on the transition date. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39) and introduces new requirements for the recognition and measurement of financial assets and liabilities, a single, forward looking "expected loss" impairment model and a reformed approach to hedge accounting. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules previously under IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss.

Under IFRS 9, the Company's financial assets and liabilities are accounted for as follows when compared to the Company's previous policy in accordance with IAS 39:

	Classification and Measurement under IAS 39	Classification and Measurement under IFRS 9
Financial assets		
Cash and cash equivalents	Loans and receivables at amortized cost	Amortized cost
Trade and other receivables	Loans and receivables at amortized cost	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities at amortized cost	Amortized cost

As a result of the adoption of IFRS 9, the Company's accounting policy for financial instruments has been updated in Note 3 (k).

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

IFRS 15 replaces IAS 18, "Revenue", IAS 11, "Construction Contracts", and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Sales contracts with customers were reviewed using the five-step analysis under IFRS 15 and determined that there would be no impact on the amounts and timing of revenue recognized.

IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer compared to the previous standard, IAS 18, that required entities to recognize revenue when the 'risks and rewards' of the goods or services transfer to the customer. The Company concluded there is no change in the timing of revenue recognition of its gold sales under IFRS 15 compared to the previous standard as the point of transfer of risks and rewards of goods and services and transfer of control occur at the same time. As such, no related adjustment was required to the Company's consolidated financial statements. The Company has updated its accounting policy for revenue recognition as described in Note 3 (p).

Under IFRS 15, where consideration is received in advance of the Company's performance of its obligation, there is an inherent financing component. Where the period between receipt of consideration and revenue recognition for these contracts is greater than one year, the Company is required to determine whether a significant financing component exists. The Company performed this assessment on these arrangements and determined that the financing component was significant to the gold prepaid sale transaction (Note 3(r)). Accordingly, deferred revenue is increased for the significant financing component and corresponding interest expense is recognized.

The Company adopted IFRS 15 on July 1, 2018, using the modified retrospective approach. The impact of the initial adoption was an adjustment to reduce the opening retained earnings on July 1, 2018 of $0.76 million with a corresponding increase to the deferred revenue balance. The impact to the net loss for the period was an increase to non-cash gold revenue of $0.75 million and corresponding interest expense recognition of $2.10 million.

Effective for future annual periods

IFRS 16 – Leases ("IFRS 16")

IFRS 16 replaces IAS 17, "Leases". The objective of IFRS 16 is to bring all leases on the balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and liability calculated using a prescribed methodology with limited exceptions for leases where the total lease term is less than or equal to 12 months or leases of low value assets. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted.

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

The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on July 1, 2019, using the modified retrospective approach. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. Comparative figures are not restated to reflect the adoption of IFRS 16. Additionally, the Company will be adopting the exemption for leases with a lease term of 12 months or less and for leases that are low value. While the assessment of the impact is still being determined, and the Company is not currently in a position to reliably quantify the full impact of IFRS 16 on its consolidated financial statements, the Company expects the adoption of this standard to increase asset by recording a right-of-use asset upon adoption. There will also be an increase to liabilities as a corresponding liability will also be recorded in the consolidated financial statements. The Company also expects an impact from the reclassification of lease expense from operating expense and general and administration expense to depreciation expense and interest expense. There will be impact on the consolidated statement of cash flows as cash flows from operating activities will increase as payments will be reclassified to cash flows from investing activities.

IFRIC 23 – Uncertainty over Income Tax Treatments (“IFRIC 23”)

In May 2017, the IASB issued IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments, which is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. IFRIC 23 clarifies the recognition and measurement for current and deferred tax liabilities and assets when there is uncertainty over income tax treatments. The Company intends to adopt IFRIC 23 in its consolidated financial statements for the annual period beginning on July 1, 2019. The Company is evaluating the impact of the adoption of IFRIC 23 on the Company's consolidated financial statements.

4. Cash and Cash Equivalents

	June 30, 2019	June 30, 2018
	$	$
Cash and cash equivalents	9,036	14,710
Restricted cash	305	304
	9,341	15,014

As at June 30, 2019, the Company has restricted cash of $0.31 million (June 30, 2018: $0.30 million) representing issued letters of credit and fixed deposits as guarantees for utilities, custom duties and certain equipment.

5. Trade and Other Receivables

	June 30, 2019	June 30, 2018
	$	$
Interest receivable	61	19
Goods and services tax receivable	295	661
Third Parties receivable (Note 8(c))	643	949
Other receivables	17	31
	1,016	1,660

Trade and other receivables are non-interest bearing. Third Parties receivable of $0.64 million (June 30, 2018: $0.95 million) are in relation to topsoil iron production pursuant to the Harmonization Agreement (Note 8 (c)). During the year ended June 30, 2019, $0.30 million of the Third Parties receivable was offset against the Third Party payable (Note 14).

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

6. Inventories

	June 30, 2019	June 30, 2018
	$	$
Current assets		
Mine operating supplies	1,583	1,572
Stockpiled ore	5,934	6,361
Tailings reclaim	-	322
Work in progress	2,857	1,018
Finished goods (a)	10,316	7,582
	20,690	16,855
Non-current assets		
Stockpiled ore (b)	-	5,994
	20,690	22,849

The costs of inventory that were incurred and recorded against cost of gold sold during the year ended June 30, 2019 was $16.00 million (Fiscal 2018: $15.58 million).

(a) Finished goods includes 7,520 ounces of saleable gold at June 30, 2019 (June 30, 2018: 8,262 ounces).

(b) The portion of the ore stockpile that is to be processed more than 12 months from the reporting date is classified as non-current inventory. As at June 30, 2019, non-current assets include nil ore stockpiled of (June 30, 2018: 595,023 tonnes).

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

7. Property, Plant and Equipment

	Mineral Properties (a)	Buildings, plant and equipment	Construction in Progress (b)	Total
	$	$	$	$
Cost				
As at June 30, 2017	**48,178**	**45,266**	**3,326**	**96,770**
Addition	825	274	1,130	2,229
Change in ARO provision	106	(17)	-	89
Acquisition	1,614	-	-	1,614
Transfer from exploration and evaluation	2,982	-	-	2,982
As at June 30, 2018	**53,705**	**45,523**	**4,456**	**103,684**
Addition	3,893	428	549	4,870
Change in ARO provision	59	37	-	96
Transfer from exploration and evaluation (C)	1,099	-	-	1,099
Reclassification	26	-	(705)	(679)
As at June 30, 2019	**58,782**	**45,988**	**4,300**	**109,070**
Accumulated depreciation				
As at June 30, 2017	**(41,603)**	**(20,619)**	**-**	**(62,222)**
Charge for the period	(1,325)	(2,250)	-	(3,575)
As at June 30, 2018	**(42,928)**	**(22,869)**	**-**	**(65,797)**
Charge for the period	(553)	(2,339)	-	(2,892)
As at June 30, 2019	**(43,481)**	**(25,208)**	**-**	**(68,689)**
Net book value				
As at June 30, 2017	6,575	24,647	3,326	34,548
As at June 30, 2018	10,777	22,654	4,456	37,887
As at June 30, 2019	15,301	20,780	4,300	40,381

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

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

As of June 30, 2019, total expenditures were $4.30 million, comprised of $2.70 million (June 30, 2018: $2.93 million) for the Selinsing Sulphide Plant conversion work upgrades, with $0.48 million incurred in the year ended June 30, 2019; $0.07 million (June 30, 2018: nil) for old tailing reclaim project, and $1.53 million (June 30, 2018: $1.53 million) for the Burnakura crushing plant upgrade. In the year ended June 30, 2019, the reclassification $0.71 million included $0.03 million being reclassed to mineral properties for TSF upgrades from the prior year and $0.68 million being reclassed to exploration and evaluation under mine development (Note 8) for the Sulphide Project from prior years.

c) On January 31, 2019 a Feasibility Study was completed under “Selinsing Gold Sulphide Project - NI 43-101 Technical Report”. There was no material impact on the accounting estimate in relation to the underlying mineral properties for Selinsing, Felda Block 7 and Buffalo Reef other than $1.10 million have been reclassified from the exploration and evaluation properties to mineral properties reflecting the Pit5/6 under Selinsing Deep were placed into production in February 2019.

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

8. Exploration and Evaluation

	Selinsing Gold Portfolio $	Murchison Gold Portfolio $	Mengapur Copper and Iron Portfolio $	Total $
	Note 8 (a)	Note 8 (b)	Note 8 (c)	
Balance, June 30, 2017	**27,517**	**27,320**	**119,868**	**174,705**
Transfer to mineral properties	(2,982)	-	-	(2,982)
Acquisition costs	-	75	-	75
Assay and analysis	140	-	-	140
Drilling	244	401	-	645
Geological	210	165	76	451
Metallurgical	2	2	-	4
Plant maintenance	-	190	-	190
Site activities	433	671	579	1,683
Share-based compensation	32	-	29	61
Asset retirement obligations	-	8	(509)	(501)
Property fees	-	231	-	231
Mine development	-	392	-	392
Balance, June 30, 2018	**25,596**	**29,455**	**120,043**	**175,094**
Transfer to mineral properties (Note 7(c))	(1,099)	-	-	(1,099)
Assay and analysis	22	-	-	22
Drilling	66	3	-	69
Geological	189	164	54	407
Metallurgical	4	-	-	4
Plant maintenance	-	162	-	162
Site activities	426	559	539	1,524
Asset retirement obligations	-	8	(465)	(457)
Property fees	-	241	105	346
Mine development	1,767	52	-	1,819
Impairment loss	-	(50)	-	(50)
Balance, June 30, 2019	**26,971**	**30,594**	**120,276**	**177,841**

a) Selinsing Gold Portfolio

The Company has a 100% interest in the Selinsing Gold Exploration and Evaluation Portfolio including Selinsing Deep, a part of Buffalo Reef, Felda Land and Famehub, which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Mine is located. As of June 30, 2019, the Selinsing Gold Portfolio totalled $26.97 million that was comprised of $1.26 million for Selinsing Deep, $16.16 million for Buffalo Reef, $2.60 million for Peranggih, $0.13 million for Felda Land, $5.05 million for Famehub, and $1.77 million for the Sulphide Project mine development. The Sulphide Project mine development consisted of $0.19 million from the feasibility study expenditures during the year, $0.68 million reclassed from prior years' construction in progress (Note 7(b)) and $0.90 million from stockpiled sulphide ore.

Selinsing Deep

The Company acquired a 100% interest in the Selinsing Gold Project in 2007 through its 100% owned subsidiary Able Return Sdn. Bhd. and since then some deposits across those projects have been placed into a production and have been classified to property, plant and equipment (Note 7(a)) except Selinsing Deep, underneath these deposits. Continuing expenditure on Selinsing Deep is recorded against exploration and evaluation with expenditures of $0.25 million incurred in the year ended June 30, 2019, bringing the total exploration and evaluation expenditure and mine development balance to $1.26 million. There was $1.10 million transferred from the exploration and evaluation properties to mineral properties based on production at Selinsing Deep, Pit 5/6.

Buffalo Reef

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a company incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef tenement property interests. Some deposits at Buffalo Reef have been placed into production and are recorded under property, plant and equipment (Note

7(a)). Exploration and evaluation expenditures of $0.07 million were incurred for Buffalo Reef in the year ended June 30, 2019 bringing the total exploration and evaluation expenditure and mine development balance to $16.16 million.

Felda Land

The Company acquired exclusive irrevocable exploration licenses over 896 acres of Felda Land through a subsidiary Able Return Sdn Bhd from settlers – individual owners of blocks on the Felda Land, with consent from Federal Land Development Authority ("FELDA").

The Felda Land is located east and south adjacent to Selinsing and Buffalo Reef, gazetted as a group settlement area covering 3,920 acres of land. Pursuant to these agreements with settlers, certain portions of Felda Land can be converted to mining leases upon exploration success at the Company's discretion, subject to regulatory approval. The exclusive mining permits should be automatically assigned for mining to the Company in event of approval of the mining leases obtained by those settlers.

Included in Felda land, Block 7, covering a 39.12-acre area of Felda Land ("Felda Block 7") was converted to proprietary mining leases in October 2017. It is adjacent east of Buffalo Reef as the extension of the BRC oxide ore body, and nearby existing gold process plant. Exploration and evaluation expenditures was $nil in the year ended June 30, 2019, bringing the total exploration and evaluation expenditure balance to $0.13 million.

Peranggih

The Peranggih area is located about 10km north of the Selinsing Gold Mine and is in the same regional shearing structure as the Selinsing and Buffalo Reef gold deposits. Exploration and evaluation expenditures of $0.39 million were incurred for Peranggih in the year ended June 30, 2019, bringing the total exploration and evaluation expenditure balance to $2.60 million.

Famehub

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

b) Murchison Gold Portfolio

The Company has a 100% interest in the Murchison Gold Portfolio which consists of the Burnakura, Gabanintha, and Tuckanarra gold properties, located in the Murchison Mineral Field, a highly prospective historical gold province within the Murchison District of Western Australia. Burnakura and Gabanintha are located 40 km southeast of Meekatharra, WA and 765 km northeast of Perth, WA. Tuckanarra is located approximately 40 km south west of Burnakura.

As of June 30, 2019, the Murchison Gold Portfolio totalled $30.60 million and was comprised of $24.02 million ($8.41 million for acquisition and $15.61 million for exploration and development) for Burnakura, $3.13 million ($2.88 million for acquisition and $0.25 million for exploration) for Gabanintha and $3.45 million ($3.13 million for acquisition and $0.32 million for exploration) for Tuckanarra. Total exploration expenditures were offset by an impairment expense of $0.05 million, relating to the expiry of two tenements at Gabanintha. The corresponding costs consisting of $0.04 million acquisition costs and $0.01 million property fees, relating to the expired tenements were written-off and booked as an impairment expense.

Burnakura

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

Exploration and evaluation expenditures of $1.09 million were incurred in the year ended June 30, 2019 for Burnakura including $0.16 million for plant maintenance, $0.19 million for continuous resource definition, drill program planning and economic study, $0.19 million property fees and $0.55 million for camp maintenance.

Gabanintha

Gabanintha Gold Project was acquired in conjunction with Burnakura, containing a number of prospective tenements located 20 km to the east of Burnakura. Exploration and evaluation expenditures of $0.07 million were incurred in the year ended June 30, 2019 for Gabanintha, which was reduced by an impairment loss of $0.05 million (Note 22) for two expired tenements.

Tuckanarra

In November 2014, Monument acquired, free and clear of any encumbrances, a 100% interest in Tuckanarra consisting of two exploration licenses, six prospecting licenses and a mining lease covering a total of 416 square km and containing approximately 100,000 historical indicated and inferred Joint Ore Reserves Committee (JORC) compliant ounces of gold. Exploration and evaluation expenditures of $0.03 million were incurred in the year ended June 30, 2019 for Tuckanarra.

c) Mengapur Copper and Iron Portfolio

The Mengapur is located in Pahang State, Malaysia, approximately 130 kilometers from Monument's wholly owned Selinsing Gold Mine near Sri Jaya, 12 kilometers from a highway and 75 kilometers from the Malaysian port of Kuantan. The Mengapur Project include a mining tenement held by Cermat Aman Sdn. Bhd. ("CASB") and an exploration tenement held by Star Destiny Shd. Bhd. ("Star Destiny"). As of June 30, 2019, the Mengapur Copper and Iron Portfolio (the "Mengapur Project") totalled $120.31 million that was comprised of $96.87 million for acquisition and $23.44 million for exploration and development.

Following significant exploration programs and metallurgical studies carried out during 2012 to 2015, the resource study has been carried out through 2018 to 2019 and a NI43-101 compliant Resource Estimate Report was released in October 2018. Exploration and evaluation expenditures of $0.70 million were incurred in the year ended June 30, 2019 for Mengapur including $0.06 million for geological study, $0.10 million for property fees, and $0.54 million for site care and maintenance, which included $0.31 million of amortization.

CASB

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

MMSB is the exclusive operator of the Mengapur. It entered into a Harmonization Agreement with Phoenix Lake Sdn. Bhd. ("PLSB") and ZCM Minerals Sdn. Bhd. ("ZCM")(together the "Third Parties"). Pursuant to the Harmonization Agreement, the Third Parties have exclusive rights to mine free digging oxide megacities iron materials (the "Third Party Interest") contained in top soil overburden at Area A and Area B under certain conditions, and to purchase those materials once mined from MMSB for RM28 per tonne. In May 2019, ZCM had assigned its right to the Area A to PLSB.

The Company carried out grade control and supervision over the mining operation, including collecting proceeds from Iron Ore sales on behalf of Malaco, the owner of the Third Party Interest, with all operating costs incurred by MMSB to maintain iron ore operation site being charged back to Malaco with additional fees. The Third Parties have discontinued Iron Ore production since January 2015. As of June 30, 2019, the balance of $0.64 million is overdue by the Third Parties to the Operator (Note 5).

Star Destiny

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

The prospecting exploration license for the Star Destiny (the "Star Destiny EL") expired on September 23, 2012. No activities were carried at the operation site since except desktop studies. The Company submitted an application of renewal of the Star Destiny EL in November 2011 to the Pahang State authority; it also submitted several applications to convert certain sections of the Start Destiny EL to mining lease (s) after the acquisition. The Company has yet to receive an official notification from the Pahang State authority in response to its applications and several inquiries regarding the title status. According to the Malaysia Mining Enactment 2007, the Company has considered its status quo for the Star Destiny tenement title remaining intact.

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

9. Intangible Asset

On February 6, 2015, pursuant to the Heads of Agreement entered by Monument and Intec International Projects Pty Ltd ("Intec") and its amendment made on August 26, 2017 (together the "Intec Agreements"), the Company was granted an interim license with an expiry date of January 16, 2017 and subsequently extended to January 16, 2022, to exploit the Intec patented technology at the Company's alpha sites in Malaysia. Subject to success of the trial commercialization testwork and certain conditions, Monument will obtain a full license to treat sulphide gold or copper materials using Intec technology across designated territories including Australia and South East Asia countries.

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

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

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

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

The cost of acquisition and conversion of the interim license to a full license, should testwork be successful, are recorded in intangible assets with impairment testing at each reporting date. Once the full license is granted, the cost will be amortized over the life of the license on a straight-line basis. If the Company decides not to use Intec technology, the balance of the intangible asset would be expensed immediately. No cost incurred during the year.

10. Deferred Financing Costs

As at June 30, 2019, deferred financing costs of $0.40 million (June 30, 2018: $0.10 million) comprised of $0.10 million (June 30, 2018: $0.10 million) for project financing and $0.30 million (June 30, 2018: nil) for the gold prepaid sale (Note 13), as described in the following table:

	June 30, 2019	**June 30, 2018**
	$	**$**
Opening balance	103	103
Gold prepaid transaction cost (Note 13)	301	-
Closing balance	404	103
Current portion	117	-
Non-current portion	287	103
	404	103

Upon completion of the Burnakura project financing, the underlying transaction expenditure of $0.10 million will be capitalized; or charged to earnings if the underlying transaction is abandoned. Upon adoption of IFRS 15 on July 1, 2018, the gold prepaid sale transaction costs of $0.35 million were classified from deferred revenue (Note 13) and during the year $0.05 million was recognized to cost of sales on a per ounce of gold delivered basis, as of June 30, 2019, the gold prepaid transaction cost balance was $0.30 million.

11. Capital Management

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

The Company is sensitive to changes in commodity prices and foreign exchange. The Company's policy is to not hedge gold sales. The Company's capital management policy has not changed in the 2019 fiscal year.

The Company's objectives when managing capital are to:

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

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

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

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

	June 30, 2019	June 30, 2018
	$	$
Total equity attributable to shareholders	226,690	227,744
Total borrowings	-	-
	226,690	227,744
Less: cash and cash equivalents	(9,341)	(15,014)
Total capital	217,349	212,730

12. Financial Instruments and Financial Risk

The Company's financial instruments are classified and measured at amortized cost (cash and cash equivalents, restricted cash, trade and other receivables and accounts payable and accrued liabilities).

a) Fair value measurement

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

The Company does not have any financial assets or financial liabilities measured at fair value subsequent to initial recognition.

b) Risk exposures and responses

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

Market risk

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

Foreign currency risk

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

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

	June 30, 2019			June 30, 2018		
	$	$	$	$	$	$
(in 000's, US dollar equivalent)	AUD	RM	CAD	AUD	RM	CAD
Financial instrument – assets						
Cash and cash equivalents	60	201	139	291	1,159	91
Restricted cash	-	303	2	-	302	2
Trade and other receivable	15	644	62	30	952	18
Financial instruments – liabilities						
Accounts payable and accrued liabilities	113	3,444	1,016	615	4,591	1,383

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

Based on the above net exposures as at June 30, 2019 and assuming that all other variables remain constant, a 5% depreciation or appreciation of the RM against the US dollar would result in an increase/decrease of approximately $0.12 million (June 30, 2018: $0.11 million) in the Company's net income, a 5% depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately $0.04 million (June 30, 2018: increase/decrease $0.06 million) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately $0.01 million (June 30, 2018: increase/decrease $0.02 million) in net income.

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

Price risk

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

Interest rate risk

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

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

Credit risk

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

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents (Note 4). The maximum exposure to credit risk is the carrying amounts at June 30, 2019. The amount of $0.52 million (June 30, 2018: $1.47 million) is held with a Malaysian financial institution, $0.06 million with an Australian financial institution (June 30, 2018: $0.29 million) and $8.76 million (June 30, 2018: $13.25 million) is held with Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through budgeting and forecasting cash flows to ensure it has sufficient cash to meet its short-term requirements for operations, business development and other contractual obligations. The Company's cash and cash equivalents are highly liquid and immediately available on demand for the Company's use. The table below summarizes the maturity profile of the Company's non-derivative financial liabilities as at June 30, 2019 and June 30, 2018.

	June 30, 2019		June 30, 2018	
	$	$	$	$
	Current	Non-Current	Current	Non-Current
	<1 year	1-3 years	<1 year	1-3 years
Non derivative liabilities				
Accounts payable and accrued liabilities	4,573	-	5,791	797

13. Deferred Revenue

As of June 30, 2019, deferred revenue of $7.79 million (June 30, 2018: $6.65 million) represents the balance of gold delivery obligations of 7,471 ounces (June 30, 2018: 8,676 ounces).

Pursuant to the Gold Sale Agreement entered with Concept Capital Management ("CCM" or the "Purchaser") effective January 23, 2018, the Company received total $7.00 million from sales of 8,676 ounces of gold to the Purchaser. The gold delivery obligation is 241 ounce per month over a 36-month period commencing February 28, 2019, after a twelve-month grace period, to January 31, 2022 through its subsidiary Monument Murchison Pty Ltd (the "Seller"). Deferred revenue of $6.65 million was recorded, net of transaction costs. Upon adoption of IFRS 15 on July 1, 2018, the transaction costs of $0.35 million were reclassified to deferred financing costs (Note 10) and amortized to cost of sales on a per ounce of gold delivered basis. The gold prepaid sale is guaranteed by the Company and its Malaysian subsidiary, Able Return Sdn Bhd ("ARSB"), and is secured by certain assets of the Company.

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

During the year ended June 30, 2019, the Company delivered 1,205 ounces of gold to CCM through ARSB as the Guarantor. The following table reflects the change of deferred revenue:

	June 30, 2019 $	June 30, 2018 $
Opening balance	6,650	-
Gold prepaid	-	7,000
Transaction costs on gold prepaid	350	(350)
Impact of adopting IFRS 15 on July 1, 2018 (Note 3(t))	759	-
Interest expense	2,104	-
Revenue recognized on gold deliveries	(1,725)	-
Closing balance	8,138	6,650
Current portion	2,382	972
Non-current portion	5,756	5,678
	8,138	6,650

14. Accounts Payable and Accrued Liabilities

	June 30, 2019 $	June 30, 2018 $
Current liabilities		
Trade payables	2,852	4,110
Employment payables and accruals	199	652
Third Party payable (Note 8(c))	720	1,029
Accrued liabilities (Note 24)	802	-
	4,573	5,791
Non-current liabilities		
Accrued liabilities (Note 24)	-	797
	4,573	6,588

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest-bearing and are normally settled on 30-day terms.
- Employment payables and accruals include a legacy payment (Notes 24), vacation, employment benefits and related withholding taxes.
- Third Party payable in the amount of $0.72 million (June 30, 2018: $1.03 million) is pending receipt of the Third Parties payment in relation to the third parties' iron ore operations at the Mengapur (Note 8(c)). During the year ended June 30, 2019, $0.30 million of the Third Parties receivable (Note 5) was offset against the Third Parties payable.

15. Asset Retirement Obligations

The Company's ARO as of June 30, 2019 consists of reclamation and closure costs for mine development and exploration activities. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total cash flows required to settle the Company's obligations before discount is estimated to be $10.57 million (June 30, 2018: $11.34 million), comprised of $9.47 million (June 30, 2018: $10.19 million) for Malaysian projects and $1.10 million (June 30, 2018: $1.15 million) for the Western Australia Projects.

As at June 30, 2019 the present value of the Company's ARO was $9.66 million (June 30, 2018: $10.08 million), comprised of $5.41 million (June 30, 2018: $5.23 million) for Selinsing gold portfolio using a pre-tax risk-free rate of 3.55% (June 30, 2018: 4.06%) and an deflation rate of 0.20% (June 30, 2018: 0.80%); $1.07 million (June 30, 2018: $1.11 million) for the Murchison gold portfolio using a pre-tax risk-free rate of 1.00% (June 30, 2018: 1.50%) and an inflation rate of 1.30% (June 30, 2018: 1.90%); and $3.18 million (June 30, 2018: $3.74 million) for Mengapur recorded at cost.

Significant reclamation and closure activities include land rehabilitation, slope stabilization, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities. During the fiscal year, the areas for revegetation at Mengapur were resurveyed and that resulted in a reduction of ARO.

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

The following is an analysis of the asset retirement obligations:

	June 30, 2019	June 30, 2018
	$	$
Opening balance	10,081	9,790
Accretion expense	221	214
Reclamation performed	(2)	-
Reassessment of liabilities	(377)	(429)
Foreign currency exchange loss/(gain)	(262)	506
Closing balance	9,661	10,081

16. Income Tax

	June 30, 2019	June 30, 2018
	$	$
Income tax payable	114	450
Minus: Income tax receivable	(91)	(382)
	23	68

As of June 30, 2019, the income tax payable balance of $0.11 million (June 30, 2018: $0.45 million) was resulted from net income of Selinsing gold production, and the income tax receivable balance of $0.09 million (June 30, 2018: $0.38 million) comprised of the tax refund from fiscal 2017.

The reconciliation of income tax provision computed at statutory rates of 27% (2018: 27%) to the reported income tax provision is as follows:

	June 30, 2019	June 30, 2018
	$	$
Income tax recovery/(expense) computed at statutory rates	(145)	1,162
Lower effective rate attributable to Malaysian income	53	(69)
Non-deductible expenses	(267)	(686)
Change in unrecognized deferred tax assets	(147)	(809)
Unutilized tax losses	(1,710)	(56)
Non-taxable income	1,172	3
Non-business income	(2)	(3)
Income tax expense	(1,046)	(458)
Income tax recovery/(expense) consists of the following:		
Current income tax provision	(1,756)	(475)
Deferred income tax provision	710	17
Income tax expense	(1,046)	(458)

Deferred tax assets and liabilities have been calculated using the following enacted corporate income tax rates: Canada at 27% (2018: 27%), Malaysia at 24% (2018: 24%) and Australia at 27.5% (2018: 27.5%). Significant components of recognized deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	June 30, 2019	June 30, 2018
	$	$
Deferred tax liabilities:		
Mineral property interests	(5,183)	(4,609)
Property, plant and equipment	(1,065)	(1,378)
	(6,248)	(5,987)
Deferred tax assets:		
Mineral property interests	4,055	2,833
Net deferred tax liabilities	(2,193)	(3,154)

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

Unrecognized deferred tax assets are as follows:

	June 30, 2019	June 30, 2018
	$	$
Unrecognized deferred tax assets:		
Loss carry forwards	13,968	13,372

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

At June 30, 2019, the Company has non-capital loss carryforwards for tax purposes that are available to reduce future taxable income in Canada of $40.21 million (2018: $38.85 million). The losses expire as follows:

	Total
	$
2031	2,780
2032	3,232
2033	9,779
2034	12,242
2036	6,440
2037	3,269
2038	1,106
2039	1,359
	40,207

17. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Common shares

Issued and outstanding:

	Number of shares	Value assigned
		$
Balance, June 30, 2017	**322,718,030**	**117,172**
RSUs redeemed	1,600,001	85
Balance, June 30, 2018	**324,318,031**	**117,257**
RSUs redeemed	1,053,534	57
Balance, June 30, 2019	**325,371,565**	**117,314**

There were 7.00 million common shares included in the total issued and outstanding shares as of June 30, 2017, June 30, 2018 and June 30, 2019, held in escrow according to the Intec Agreements (Note 9). Upon completion of each of three phases of the testwork, Intec would earn 25%, 25% and 50% of the remaining 7.00 million escrow shares accordingly. The Earned escrow shares will be released to Intec 30 days after of the completion of each testing upon satisfactory results. Should Monument make an election not to proceed the test work, any Earned Shares will be released to Intec within 10 business days, and the remaining Escrow Shares will be returned to Monument for cancellation.

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

18. Capital Reserves

	June 30, 2019	June 30, 2018
	$	$
Warrants (a)	2,612	2,612
Options (b)	10,303	10,303
Restricted share units (c)	967	1,002
	13,882	**13,917**

a) Share purchase warrants

As at June 30, 2019 and 2018 there were no warrants outstanding.

b) Stock options

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

At June 30, 2019, there were 12,140,406 common shares available for future grant under the 2016 Stock Option Plan, comprised of 16,210,905 reserved for issuance, of which 4,070,499 stock options were exercised. The general terms of stock options granted under the 2016 Stock Option Plan include a life of stock options up to ten years and a vesting period up to two years.

	Number of common shares under option plan	Weighted average exercise price CAD$
Balance, June 30, 2017 and June 30, 2018	**200,000**	**0.33**
Forfeited/expired	(200,000)	0.33
Balance, June 30, 2019	**-**	**-**

As at June 30, 2019 there were no stock options outstanding.

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

	Options outstanding			Options exercisable	
Exercise price CAD$	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price CAD$
0.33	200,000	04-Sep-18	0.18	200,000	0.33

c) Restricted share units

At the AGM held on December 15, 2016, the Company's shareholders approved a fixed 10% restricted Share unit plan (the "RSU Plan"). Under the RSU Plan, the total number of shares reserved for grant is 32,421,800, of which 21,043,666 have been granted to date, 2,653,535 have been redeemed, 66,667 are forfeited, 18,323,464 are outstanding and 11,444,801 remain available for future grant at June 30, 2019.

Restricted share units outstanding	Number of common shares
Balance, June 30, 2017	**21,043,666**
Redeemed	(1,600,001)
Balance, June 30, 2018	**19,443,665**
Redeemed	(1,053,534)
Forfeited	(66,667)
Balance, June 30, 2019	**18,323,464**

Of the 21,043,666 RSUs granted under the RSU Plan, 19,243,666 units for $0.99 million was vested immediately and can be redeemed any time from the grating date to December 31, 2021; the remaining 1,800,000 units for $0.11 million are subject to vesting terms over a three-year period equally from the granting date. The underlying fair value of granted RSUs is amortized over the corresponding vesting periods as compensation expenses against capital reserves. Once vested and units are redeemed, the cost of issuance of shares will be credited to share capital against capital reserves.

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

During the year ended June 30, 2019, 1,053,534 RSUs (2018: 1,600,001 RSUs) were redeemed and 66,667 RSUs (2018: nil) were forfeited.

For the year ended June 30, 2019, $0.02 million (2018: $0.43 million) has been expensed and allocated to production expense and exploration expenditure against capital reserves for RSUs vested, $0.01 million (2018: nil) was debited to capital reserves for 66,667 RSUs forfeited, and $0.06 million (2018: $0.09 million) was credited to share capital for 1,053,534 RSUs redeemed.

19. Production Costs

	For the year ended June 30,	
	2019	**2018**
	$	**$**
Mining	2,618	2,197
Processing	7,522	7,498
Royalties	1,524	1,363
Operations, net of silver recovery	108	45
	11,772	11,103

20. Corporate Expenses

	For the year ended June 30,	
	2019	**2018**
	$	**$**
Office and general expenses	97	123
Rent and utilities	67	76
Salaries and wages	1,138	2,874
Share-based compensation	5	318
Legal, accounting and audit	281	823
Shareholders communication	133	140
Travel	105	98
Regulatory compliance and filing	52	59
Project investigation and financing	-	8
Amortization	6	8
	1,884	4,527

21. Legal Settlement

The $3.00 million paid in fiscal 2018 represented a total settlement of the 5% JV interest claim (the "Claim") against the Company in March 2018 with no further liability. The claim against certain tenements at the Selinsing Gold Mine was filed by Selinsing Mining Sdn Bhd ("SMSB") in 2012 against Monument and two of its Malaysian subsidiaries. Monument denied that SMSB has any joint venture interest in the Selinsing Gold Mine and vigorously defended this claim which had no merit.

	For the year ended June 30,	
	2019	**2018**
	$	**$**
Legal settlement expense	-	3,000

22. Impairment Loss

The Company assessed potential impairment on assets as at June 30, 2019 and determined the following impairment loss of $0.50 million related to the expiry a Gabanintha tenement at the Murchison Gold Portfolio (Note 8(b)):

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

	For the year ended June 30,	
	2019	2018
	$	$
Impairment loss on exploration and evaluation	50	-

23. Loss Per Share

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

		For the year ended June 30,		
		2019		2018
Loss for the period	**$**	**(499)**	**$**	**(4,749)**
Basic weighted average number of common shares outstanding		317,622,751		315,727,984
Effect of dilutive securities:				
Restricted share units		18,345,557		14,956,705
Diluted weighted average number of common share outstanding		335,968,308		330,684,689
Basic earnings/(loss) per share	$	(0.00)	$	(0.02)
Diluted earnings/(loss) per share	$	(0.00)	$	(0.02)

All options are potentially dilutive in the year ended June 30, 2019 and 2018 but excluded from the calculation of diluted earnings per share are those for which the average market prices below the exercise price.

Under the "Deed of Variation" to the "Heads of Agreement" executed on February 14, 2015, the terms of escrow period have been extended to January 16, 2022 and the Company agreed to release 7,000,000 million shares from escrow. The remaining 7,000,000 shares in escrow with Intec have been excluded from the weighted average number of shares outstanding because these shares are to be earned subject to success of the trial commercialization testwork and certain milestones. Unearned shares upon termination will be returned to treasury (Note 9).

24. Related Party Transactions

Key management personnel

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

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

	For the year ended June 30,	
	2019	2018
	$	$
Salaries	978	1,068
Legacy payment	-	1,593
Directors' fees	136	148
Share-based payments	5	373
	1,119	3,182

Net amounts due to related parties as at June 30, 2019 were a $0.80 million (June 30, 2018: $1.19 million) legacy payment included as current accrued liabilities, due to the CEO change announced January 2, 2018, and $0.03 million (June 30, 2018: $0.04 million) relating to director fees. The directors' fees are paid on a quarterly basis. The unpaid amounts due to directors are recorded against accrued liabilities, unsecured and bear no interest.

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

25. Commitments and Contingencies

	2020	2021	2022	2023	2024	Total
	$	$	$	$	$	$
Operating leases	79	81	77	7	4	248
Mineral property obligations	787	869	1,041	773	914	4,384
Purchase commitments	225	-	-	-	-	225
	1,091	**950**	**1,118**	**780**	**918**	**4,857**

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

In addition to commitments outlined in the above table, the Company is obligated to deliver 7,471 ounces of gold (Note 13) over a remaining 31-month period from July 1, 2019 to January 31, 2022.

26. Supplemental Cash Flow Information

	For the year ended June 30,	
	2019	2018
	$	$
Interest received	146	53
Net income tax (paid) refund received	(1,801)	1,857
Non-cash working capital, financing and investing activities:		
Share-based compensation charged to mineral properties	1	91
Amortization charged to mineral properties	430	430
Amortization inherent in inventory	6,730	9,616
Expenditures on mineral properties in accounts payable	158	616
Plant and equipment costs included in accounts payable	86	105

27. Segment Disclosures

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

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

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

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

a) Operating segments

June 30, 2019	Mine Operations	Exploration and Evaluation (Gold)	Exploration and Evaluation (Copper/Iron)	Corporate	Total
	$	$	$	$	$
Balance sheet					
Current assets	21,703	207	738	8,849	**31,497**
Property, plant and equipment	27,047	5,613	7,716	5	**40,381**
Exploration and evaluation	-	57,564	120,277	-	**177,841**
Total assets	48,936	63,383	128,730	10,229	**251,278**
Total liabilities	18,448	1,174	3,944	1,022	**24,588**

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

For the year ended June 30, 2019	Mine Operations	Exploration and Evaluation (Gold)	Exploration and Evaluation (Copper/Iron)	Corporate	Total
	$	$	$	$	$
Income statement					
Revenue	20,993	-	-	-	**20,993**
Income from mining operations	4,785	-	-	-	**4,785**
Corporate expenses	-	-	-	(1,884)	**(1,884)**
Other income, (expenses) and (loss)	(2,625)	(27)	3	295	**(2,354)**
Tax expense	(1,046)	-	-	-	**(1,046)**
Net income/(loss)	1,114	(27)	3	(1,589)	**(499)**

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

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

b) Geographical area information

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

June 30, 2019	Australia	Malaysia	Canada	Total
	$	$	$	$
Balance sheet				
Current assets	150	22,497	8,850	**31,497**
Property, plant and equipment	5,613	34,763	5	**40,381**
Exploration and evaluation	30,594	147,247	-	**177,841**
Total assets	36,357	204,692	10,229	**251,278**
Total liabilities	1,174	22,393	1,021	**24,588**

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

For the year ended	Australia	Malaysia	Canada	Total
June 30, 2019	$	$	$	$
Income statement				
Revenue	-	20,993	-	**20,993**
Income from mining operations	-	4,785	-	**4,785**
Corporate expenses	(25)	(385)	(1,474)	**(1,884)**
Other income, (expenses) and (loss)	(27)	(2,622)	295	**(2,354)**
Tax expense	-	(1,046)	-	**(1,046)**
Net income/(loss)	(52)	732	(1,179)	**(499)**

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

28. Subsequent Events

The Company provided a four-month loan of $1.50 million bearing 7% interest compounding monthly to CCM through its Malaysian subsidiary ARSB from August 26, 2019 to December 26, 2019. CCM has the option to extend the loan for additional two months expiring February 26, 2020 with an additional 3% interest charge on the outstanding balance of the loan. The loan is secured by gold to be delivered to CCM under the gold prepaid sale (Note 13).