

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended December 31, 2015
(in United States dollars, except where noted)

The following Management's Discussion and Analysis ("MD&A") of Monument Mining Limited ("Monument" or the "Company") as of February 29, 2016 should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended December 31, 2015 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The readers are also recommended to read this MD&A in conjunction with the audited consolidated financial statements for the year ended June 30, 2015 and related notes for additional details.

This MD&A contains "forward-looking statements" and the non-GAAP performance measure "unit cash cost per ounce sold" that are subject to risk factors set out in a cautionary note contained herein. All figures are in United States dollars unless otherwise noted. References to "C\$" or "CAD" are to Canadian dollars, "RM" are to Malaysian Ringgits and "AUD" are to Australian dollars.

Additional information relating to the Company's activities may be found on the Company's website at www.monumentmining.com and at www.sedar.com.

1. EXECUTIVE SUMMARY

1.1 Second Quarter Highlights

- Ore mined increased by 8% to 0.10 million tonnes (Q2 fiscal 2015: 0.09 million tonnes);
- Ore processed increased by 9% to 0.25 million tonnes (Q2 fiscal 2015: 0.23 million tonnes);
- Profit margin generated from gold production of \$1.54million (Q2 fiscal 2015: \$4.54 million);
- Cash cost per ounce increased by 7% to US\$639 per ounce ("oz") (Q2 fiscal 2015: US\$597/oz);
- 5,100oz of gold sold for gross revenue of \$5.68 million (Q2 fiscal 2015: 11,400oz sold for \$13.83 million);
- Completed heap leach engineering design and Capex/Opex estimates at Burnakura;
- Completed commissioning of the Intec Pilot Plant and first trial test work; and
- Carried out studies and due diligence on DRC based gold projects

1.2 Business Overview

Monument Mining Limited (TSX-V: MMY, FSE: D7Q1) is an established Canadian gold producer and mining asset developer. The Company owns 100% interest of the Selinsing Gold Mine, and a gold portfolio of the Selinsing, Buffalo Reef and Famehub projects in Pahang State within the Central Gold Belt of Western Malaysia, and the Murchison and Tuckanarra Gold Projects in Western Australia. It also owns 100% of the Mengapur Polymetallic Project ("Mengapur Project") in Pahang State, Malaysia.

Monument's primary business activities include advancing its mineral projects from exploration stage to production stage and carrying out mining and processing operations to generate profit from sustainable precious metal and base metal production. Its main business objective is to increase its shareholders' value through building up a mineral property pipeline through acquisitions, exploration, development and production while mitigating associated business risks. The Company's long-term goal is to become a sustainable dividend paying, mid-tier gold, base metals and industrial mineral producer.

Monument has an experienced management team with a demonstrated ability to quickly build profitable operations. The Company employs approximately 255 people and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities. Monument's Head Office is located in Vancouver, British Columbia, Canada. It operates through its subsidiaries in Pahang State, Malaysia and Western Australia.

1.3 Review of Operations

The second quarter of fiscal 2016 operation continued in processing mainly super low grade ores through the Selinsing Gold Plant in transition from oxide ore production to sulphide ore production, when gold market prices are depressed for the third continuous year at an average \$1,106 per ounce, according to the London Fix PM prices. Even though the Company is able to generate free cash flow to fund its operations and business activities, the production gross margin is expected to vary from time to time due to lower recovery rates and volatile gold prices.

The Company is cautiously monitoring and improving gold production productivity; in parallel implementing focused exploration programs to increase mineable gold inventory, expediting the process of preparation for mining start up at Felda Land for extraction from the oxide orebody, and completing the Intec pilot plant test work, the results from which will be used to update the consolidated gold resources over the Selinsing, Buffalo Reef and Felda Land that may potentially extend the life of mine for the Selinsing Gold Mine with sustainable production pending completion of the updated NI43-101 Technical report preassembly by June 2016.

At the Murchison Gold Project, the Company is focused on building up a second gold production site to diversify single cash flow generation risk. During the second quarter, it obtained from Como Engineers Pty Ltd ("Como Engineers") a "Proposal for Front End Engineering Design (FEED)" for the planned Burnakura heap leach with capital expenditures ("CAPEX") and operating expenditures ("OPEX"). Further

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initiatives have been taken to study and prepare the heap leach gold production including mine development, pit optimization, metallurgical test work, environmental compliance and site development.

Murchison exploration programs are prioritized to increase gold inventory for its planned staged gold production at the Burnakura site. Following completion of the mineral resource estimate for the Alliance/New Alliance gold deposit in a NI43-101 Technical Report filed in April 2015 (Amended in August 2015), the six month period exploration has obtained better understanding of regional geology, historical drill data, heritage sites, and has generated further drill targets at the Burnakura area. The Company will focus its exploration at the NOA and Tuckanarra deposits for the remainder of fiscal 2016 where the majority of historical resources were reported and East of Alliance and New Alliance ("EANA"), aiming to study the possibility of developing several open pits, which might provide economic viability for the Burnakura gold production comprising of heap leach and CIL process.

The Company's ultimate strategy is to obtain high quality gold projects through its acquisitions and development. For the first six month period of fiscal 2016, more than a quarter of million dollars were invested in business development including site visits and studies carried out in the Democratic Republic of Congo ("DRC"), a country rich in gold resources. On November 20, 2015, three new directors were elected at the AGM who have extensive mining experience in Africa including the DRC. Subsequent to the second quarter, the Company announced the appointment of Mr. Klaus Eckhof as an independent Senior Geological Adviser to the Company to acquire, develop and review potential gold property transactions within the DRC and to build an inventory of significant gold resources within the country.

1.3.1 Acquisitions

Earn-In and Joint Venture on Matala Gold Project

On February 7, 2016, subsequent to the quarter, the Company announced that it entered into an "Earn-In and Shareholders Agreement" with Afrimines Resources S.A.R.L ("Afrimines") and its wholly owned subsidiary, Regal Sud Kivu S.A.R.L ("Regal") to earn up to 90% joint venture interest in the Matala Gold Project. Afrimines and Regal are both incorporated and operated in the Democratic Republic of Congo ("DRC"), where Regal holds a 100% interest in the Matala Gold Project. The transaction is subject to approval from the TSX Venture Exchange.

The Matala Project comprises 14 exploration permits covering 1,970 square kilometers in the South Kivu Province, DRC. It is situated within the Kibaran gold belt which hosts Banro Corporation's Twangiza and Namoya deposits, both of which are already in production. Significant anomalies have been identified at the Ngoy and Matala Prospects of Matala by previous exploration. A resource estimate on the Ngoy Prospect of the Matala Project has been prepared by CSA Global Pty Ltd. reporting an inferred resource estimate of 2 million tonnes at 3.3g/t Au for 213,400 ounces of gold using a 0.5g/t Au cut-off grade from the Kadutu and Nyamikundu deposits.

Pursuant to the JV Agreement, Monument has the right to earn up to a 90% interest in Matala (a "JV Interest") by increasing its holding position of Regal, a joint venture company incorporated in the DRC, through exercise of several earn-in options at its sole discretion; and Monument can terminate the earn-in obligations at any time during each earn-in period with no further obligations. The right to earn up to a 90% interest in Matala was originally owned by Patane Ltd. ("Patane"), a company registered under the laws of Austria. In conjunction with the JV Agreement, Monument has entered into an agreement (the "Option Assignment Agreement") with both Afrimines and Patane under which all of Patane's rights in relation with Matala are assigned to Monument for consideration of 25 million fully paid Monument shares (note 11).

Subject to the acceptance of the Exchange, Monument will pay a cash finder's fee of \$0.13 million to Axino Capital AG in respect of the JV Agreement and Option Assignment Agreement.

Upon entering into the JV Agreement, the Company will be appointed the Operator of the project and will establish itself with a corporate office in Kinshasa and an operational office in or near Bukavu in South Kivu Province approximately 200 kilometers from the Matala project to facilitate drilling programmes and studies required to achieve the above objectives.

1.3.2 Development

Intec Technology and Commercialization Test Work

A "Conceptual Study: Use of the Intec Process as Pre-Treatment Step to Conventional Cyanidation of Buffalo Reef Concentrate" was completed by DCS Technology in February 2014. The study indicated that the Intec Technology, among other alternatives, may provide an economic solution to treat sulphide materials through Monument's Selinsing Gold Plant and for other gold projects.

In February 2015, the Company acquired an interim license ("Interim License") from Intec International Projects Pty Ltd ("Intec"), under which Monument has the right to exploit and test the Intec Technology in respect of both copper and gold processes, and to use the Selinsing Gold Plant as an alpha site.

The Intec test work contains a four-stage program including the laboratories trial test work, the pilot trial test work, building a demonstration plant, and building a commercial plant. The Intec laboratory test work was completed in fiscal 2015, which successfully demonstrated the technical ability of Intec to recover gold from the sulphide material on a bench scale. The pilot plant was constructed

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in the first quarter of fiscal 2016. The purpose of the pilot run was to demonstrate two main aspects of the process: bench scale batch test work results can be duplicated in a continuous flow process and the process can be successfully scaled-up.

During the second quarter, the Intec pilot plant was successfully commissioned for the first trial. The results from the first trial was announced in February 2016, subsequent to the second quarter, achieving "steady state" for 7 days where various parameters were tested using different sulphide feed stock materials drawn from selected ore samples in Buffalo Reef and Selinsing Deeps.

The second trial of the pilot plant commissioning commenced subsequent to the second quarter to test the response of ores containing varying amounts of pyrite and arsenopyrite using sulphide ores from Buffalo Reef and Selinsing Deeps. It will allow the effects on overall gold recovery of sulphide pre-concentration by gravity and flotation methods to be compared. The second trial is being carried out following recommendations by, and in agreement with Orway Mineral Consultants (WA) Pty Ltd of Perth, Western Australia who are engaged by Monument to oversee and report on the pilot plant operation.

A drill team has been deployed to the field to collect representative ore samples for the second pilot plant run. Those samples will be concentrated by flotation and fed into the pilot plant for testing. The results of this second pilot plant run are anticipated to be available in May 2016 for Orway to complete economic analysis of the Intec technology based sulphide gold recovery process. The economic analysis will be incorporated into an updated NI43-101 technical report, targeted for release by June, 2016.

Burnakura Project

The Burnakura Gold Project is aimed to be developed as a second source of cash generation. Following fiscal 2015 confirmation drilling success over Alliance/New Alliance ("ANA") deposits, open pit mine optimization, and metallurgical test work for heap leach processing, the Burnakura Gold Project progressed aggressively during the six month period of fiscal 2016, including crushing plant engineering design, tailing storage facilities study and environment studies in the first quarter, and completion of the Front End Engineering Design ("FEED") Report in the second quarter. From supplied metallurgical data, the FEED contains details for the design criteria, equipment lists, flowsheets, drawings, CAPEX, OPEX and schedules for Como Engineers to supervise and assist in refurbishing, constructing and commissioning of the heap leach plant.

Project development will continue in areas, such as mine planning, infrastructure, communications, administration, mining and environmental permitting and technical support.

The project moved forward in parallel with continuing exploration to increase gold inventory and extend life of mines which has been internally assessed through pit optimization based on the mineral resource estimate for the Alliance/New Alliance (ANA) under the "NI43-101 Technical Report on the Alliance and New Alliance Gold Deposits", prepared by Adrian Shepherd (MAusIMM, CPGeo) of Cube Consulting, dated on April 2nd, 2015, and amended on August 7th, 2015. Using a 0.5g/t Au grade cut-off an Indicated Mineral Resource of 1.88 Million Tonnes @ 1.6g/t Au for 98,400 ounces and an Inferred Mineral Resource of 0.10 Million tonnes @ 1.5g/t Au for 4,400 ounces.

The exploration program for remaining fiscal 2016 will focus on confirmation and infill drilling at the NOA, Tuckanarra and EANA to advance economic study for the proposed Burnakura gold production. It is necessary in management's opinion to ensure the production is economically viable before making capital commitment. The exploration program has already delivered initial drill results at the NOA deposits during the second quarter, expected to be announced shortly, from 5,944 meters of RC drilling and 155 m of DD metallurgical drilling.

1.3.3 Production

The second quarter operation continued to process super low grade ore in transition to treat sulphide ore. As a result, gold production for the quarter, net of gold doré in transit and refinery adjustment, was 5,050oz (defined as good delivery gold bullion according to the London Bullion Market Association), a 49% decrease compared to 9,950oz in the corresponding period of the previous year. This trend is expected to continue until commencement of mining oxide ore at Felda Land. The Felda Land production was planned to commence in January 2016, however it was postponed due to timing of converting certain Felda Land to mining land. The conversion process was initiated and anticipated to complete by June 2016.

In turn the gold recovery rate in the second quarter reduced by 25% to 63.5% from 84.6% and gold recovery decreased by 53% to 4,320oz from 9,272oz in the corresponding period of the previous year; average ore head grade decreased by 43% to 0.83/t Au from 1.46g/t Au in the corresponding period last year.

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The production and financial results for the three and six months ended December 31, 2015 are summarised in the following table:

Figure 1: Operating and Financial Results

Selinsing/Bufalo Reef		Three months ended		Six months ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Operating results	Unit				
Ore mined	t	96,602	89,667	201,929	164,051
Waste removed	t	549,598	792,076	1,323,177	1,529,300
Stripping ratio		5.69	8.83	6.55	9.32
Ore stockpiled	t	2,561,292	326,387	2,561,292	326,387
Ore processed	t	254,413	233,799	486,531	487,313
Average ore head grade	g/t Au	0.83	1.46	0.89	1.56
Process recovery rate	%	63.5	84.6	70.4	84.5
Gold recovery	oz	4,320	9,272	9,852	20,596
Gold production	oz	5,050	9,950	10,113	19,695
Gold sold	oz	5,100	11,400	15,100	17,700
Financial results					
Gold sales	US\$'000	5,681	13,830	14,010	22,009
Gross margin	US\$'000	1,535	4,536	3,869	6,635
<u>Average gold price</u>					
London Fix PM	US\$/oz	1,106	1,201	1,115	1,244
Monument realized ^(a)	US\$/oz	1,114	1,213	1,131	1,243
<u>Cash costs</u> ^(b)					
Mining	US\$/oz	94	230	92	243
Processing	US\$/oz	483	305	392	328
Royalties	US\$/oz	59	61	40	62
Operations, net of silver recovery	US\$/oz	3	1	2	1
Total cash cost per ounce	US\$/oz	639	597	526	634

a) Monument realized US\$/oz for the six months ended December 31, 2015 excludes 5,000oz settled on Gold Forward Sale (Note 16).

b) Total cash cost includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs.

During the quarter the Company sold a total of 5,100oz of gold at an average realized price of \$1,114 per ounce for gross revenue of \$5.68 million, compared to 11,400oz of gold sold at \$1,213 per ounce for \$13.83 million in the corresponding period last year. The average London Fix PM gold price for the quarter was \$1,106 per ounce (Q2 fiscal 2015: \$1,115 per ounce). During the six months ended December 31, 2015 the Company sold a total of 10,100oz of gold at an average realized price of \$1,131 per ounce for gross revenue of \$11.42 million excluding the 5,000oz settled on the Gold Forward Sale (Note 16), compared to 17,700oz of gold sold at \$1,243 per ounce for \$22.01 million in the corresponding period last year. The average London Fix PM gold price for the six month period was \$1,115 per ounce (Six months ended December 31, 2014: \$1,244 per ounce).

During the quarter mining operations at Selinsing generated a profit margin of \$1.54 million (Q2 fiscal 2015: \$4.54 million). During the six months ended December 31, 2015 mining operations at Selinsing generated a profit margin of \$3.87 million (Six months ended December 31, 2014: \$6.64 million). Included in the profit margin for the six month period is net loss in the amount of \$0.23 million, resulted from the Gold Forward Sale settlement (refer to Note 16). Gold sold for the six months before gold forward sales were 10,100oz (Six months ended December 31, 2014: 17,700oz) for profit margin of \$4.10 million (Six months ended December 31, 2014: \$6.64 million) at a realized average gold price of \$1,131 per ounce (Six months ended December 31, 2014: \$1,243 per ounce).

Total production cost of \$4.15 million in the second quarter was lower compared to \$9.29 million in the corresponding period last year, cash cost per ounce however, was increased by 7% to \$639/oz from \$597/oz, reflected mainly by higher processing cost and offset by lower mining. During the six months ended December 31, 2015 total production cost was \$10.14 million compared to \$15.37 million in the corresponding period last year, cash cost per ounce decreased by 17% to \$526/oz from \$634/oz, reflected mainly by lower mining and royalties cost per ounce and offset by higher processing cost. The decrease in mining cost per ounce was mainly attributed to reclassification of super low material to ore from waste, and the increase in processing cost per ounce was partly due to higher quantities of reagents used in processing leachable sulphide ore.

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Figure 2: Gold production and cash costs per ounce

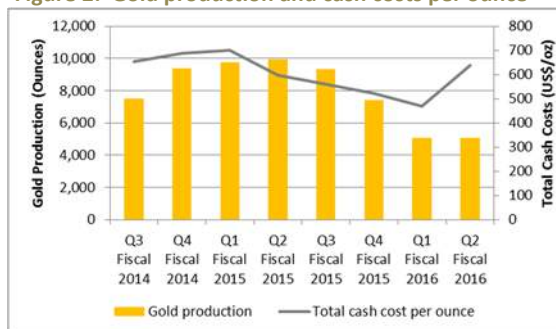
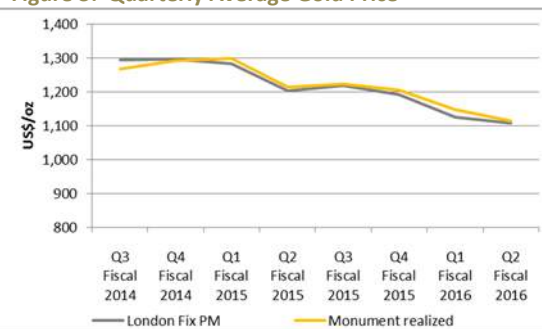


Figure 3: Quarterly Average Gold Price



1.3.4 Finance

Gold Forward Sale Contract Settlement

The Company entered into a gold forward sale contract resulting in the advance of \$4.78 million (CAD\$5.00 million) on August 11, 2010 for the settlement for 5,000 ounces of physical gold by August 12, 2015 ("Gold Forward Sale"). In addition, 5,000,000 common share purchase warrants were issued to the Lender on closing of the Gold Forward Sale. Each share purchase warrant was exercisable at CAD\$0.50 per share, expiring five years from the date of issuance. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

Net proceeds after subtracting transaction costs amounted to \$4.25 million and were first allocated to the derivative warrants' liability component for \$1.66 million based on the estimated fair value with the residual value being allocated to deferred revenue for \$2.59 million.

The Gold Forward Sale was settled for 5,000 ounces of gold delivered on August 12, 2015 at \$1,119 per ounce with no warrants being exercised. As a result, the Company has recognized the \$2.59 million of deferred revenue, offset by \$2.83 million cost of gold sold for a \$0.23 million loss on settlement. The derivative warrants' liabilities were accreted to earnings over past five years and expired accordingly.

1.3.5 Exploration

Malaysia

The 2016 exploration programs include resource definition drilling at Buffalo Reef Central ("BRC") and Felda Land, and further exploration drilling at the area between Buffalo Reef North and Central ("Buffalo Reef Gap") and the Bukit Ribu prospect, located west of Buffalo Reef. The exploration programs are designed to focus on replacement of gold inventory to sustain and extend mine life. The geological and economic studies will be carried in parallel and an updated NI43-101 technical report is anticipated to be completed in the fourth quarter of fiscal 2016.

Drilling activities continued during the quarter, utilising two in-house Desco core drill rigs and one contracted drill rig. A total of 17 DD holes were drilled for 3,125m and a total 28 RC holes were drilled for 3,086m. Diamond drilling consisting of 6 exploration holes (1,002m) at Buffalo Reef Central and 11 exploration holes (2,123m) at Felda Land, produced 3,107 HQ-core samples that were submitted to SGS Mengapur for chemical assays. Reverse circulation ("RC") drilling consisted of 13 holes (1,159m) at Buffalo Reef Central and 15 holes (1,927m) at Felda Land.

Western Australia

The 2016 Exploration Programs at the Murchison Gold Project are planned at East of ANA, North of ANA ("NOA"), South Banderol and oxide targets in Burnakura, also prospects in Tuckanarra and Gabanintha areas, comprised of 15,500m RC drilling, 30,000m air core drilling and 700m diamond drilling. These programs are mainly designed to validate the historical resource, study geological continuity of the mineralization at the Burnakura area and increase gold inventory to extend life of mine, supporting sustainable early stage of production at Burnakura.

During the quarter, a total 121 RC holes were drilled for 11,475m. Resource validation and exploration drilling comprised of 42 RC holes (5,944m) at NOA, 46 RC holes (3,798m) at Burnakura oxide targets and 27 RC holes (1,613m) at Tuckanarra. In addition, sterilization drilling for 6 RC holes (120m) was carried out at the NOA waste dump area to characterize materials for use as a potential base to the proposed heap leach pad.

During the quarter, historical data and new drilling data for Gabanintha and Burnakura continued to be transitioned to an in-house database and the Company is compiling Tuckanarra historical data to be uploaded and validated in the database.

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1.3.6 The Mengapur Polymetallic Project

Since acquisition of the Mengapur Project, the Company has carried out extensive exploration programs to confirm historical resources and metallurgical test work in studying downstream products, the results will result in a preliminary economic assessment study ("PEA" study). The PEA completion was placed on hold in fiscal 2015, subject to and pending exploration licenses application approval and issuance of the mining lease(s) from Pahang State to Star Destiny Sdn. Bhd ("SDSB"), a 100% owned subsidiary of Monument. Management continues its dialogue with the Pahang State authority to advance this process.

Due to the sharp decline in iron prices and volatility of the copper market, the Mengapur pilot plant test work and short term cash generation plan has been postponed and the Mengapur site is placed into care and maintenance.

The Mengapur Polymetallic Project is a long term potential in the series of the Company's pipelines. The Company intends to apply Intec Technology in testing sulphide copper recovery upon completion of the Intec trial test work on sulphide gold ore at the Company's Buffalo Reef.

1.4 Corporate Activities

- On August 7, 2015, the Company filed an amended NI43-101 compliant Technical Resource Report for resource estimate on the Murchison Gold Project. The Company advised that the amendment has not resulted in any changes to the resource estimate originally filed on April 2, 2015.
- On September 28, 2015, the Company announced the fast tracking of mine development having completed both crushing trial test work and heap leach engineering design at the Burnakura Project in Western Australia. The first phase of the heap leach construction project has commenced with target commissioning and start-up of the heap leach facilities at the Burnakura site before the 2016.

In parallel the Company has continued the 2016 exploration programs to extend successes in Alliance and New Alliance resource and continuity confirmation.

- On November 20, 2015, the Company announced the results from its Annual General Meeting for the fiscal year ended June 30, 2015. Shareholders approved all of management's nominees for directors and an amendment to the fixed stock option plan ("2015 15% Fixed Plan").
- On February 3, 2016, the Company announced an update on commissioning of the Intec Pilot Plant at the Selinsing gold mine site in Malaysia. The first trial test work has been completed and preparation for the second trial of pilot plant commissioning has commenced. The results of this second pilot plant run are anticipated to be available in May 2016 for Orway to complete economic analysis of the Intec technology based sulphide gold recovery process. The economic analysis will be incorporated into an updated NI43-101 technical report, targeted for release by June, 2016.
- On February 7, 2016, the Company announced that it entered into an "Earn-In and Shareholders Agreement" with Afrimines and its wholly owned subsidiary, Regal to earn up to 90% joint venture interest in the Matala Gold Project. Afrimines and Regal are both incorporated and operated in the Democratic Republic of Congo, where Regal holds a 100% interest in the Matala Gold Project. The transaction is subject to approval from the TSX Venture Exchange.
- On February 8, 2016, the Company announced the appointment of Mr. Klaus Eckhof as an independent Senior Geological Adviser to the Company to acquire, develop and review potential gold property transactions within the Democratic Republic of Congo to build an inventory of significant gold resources within the country.

2. PROJECT UPDATE

2.1 Selinsing Gold Mine

The Selinsing Gold Mine is located in Pahang State, Malaysia, including Selinsing Gold property ("Selinsing"), Buffalo Reef property ("Buffalo Reef"), Felda Land ("Felda") and Famehub properties ("Famehub"). Buffalo Reef lies continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located. Both Felda and Famehub properties are located east and north of Selinsing and Buffalo Reef properties.

Among those properties, Selinsing and Buffalo Reef are primary gold properties acquired on June 25, 2007 and are at development and production stage while others are at exploration and evaluation stage. A 1,000,000 tpa gold processing plant is situated on the Selinsing site, easily accessible by all of its owned properties.

The Federal Land Development Authority ("FELDA") Land is gazetted as a group settlement area covering 3,920 acres owned by local individual "Settlers". Monument obtained consent from FELDA allowing exploration to be carried out at the FELDA Land where exploration rights have been acquired from Settlers. FELDA is the Federal Government overriding authority governing the operations, palm oil

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production, marketing and other functions for the Settlers.

Famehub Properties were acquired in September 2010, containing approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef along the trend and east of the Selinsing gold mine. The Company has reviewed the exploration programs at all of these properties, targeting the consolidation of its Selinsing and Buffalo Reef properties together with the Famehub Properties around the Selinsing gold mine as a long term exploration strategic portfolio in order to extend the life of the mine. Snowden completed an NI 43-101 Technical Report on the Famehub area dated August 2010 that may be found on Monument's website.

2.1.1 Resources and Reserves

On May 23, 2013, the Company filed a NI 43-101 technical report titled "Selinsing Gold Mine and Buffalo Reef Project Expansion" (the "2013 Technical Report") with an effective date of August 31, 2012. The mineral resources identified in the 2013 Technical Report have been estimated in accordance with the standards adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Council in November 2010, as amended, and prescribed by the Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects. The independent qualified person responsible for the NI 43-101 report was Mr. Mark Odell, a Consulting Mine Engineer and Owner of Practical Mining LLC, with extensive experience in the mining industry and a member in good standing of an appropriate professional institution. The report and a map showing the area locations is provided on the Company's web site (<http://www.monumentmining.com>) or alternatively the report can be located on SEDAR, filed on May 23, 2013 (www.sedar.com).

The 2013 Technical Report was issued with respect to the Company's 100% owned principal properties: Selinsing Gold property and the adjacent Buffalo Reef property. The NI 43-101 Proven and Probable Reserves, estimated at August 31, 2012, are 223 thousand ounces (koz) of gold from 4,890 kilotonnes (kt) of material with a grade of 1.4 grams per tonne (g/t). These reserves are within a newly estimated Measured and Indicated Resource of 289koz of gold from 6,307kt of material at a grade of 1.4g/t. The Inferred Resource at Selinsing and Buffalo Reef is an additional 48koz of gold from 1,070kt of material at a grade of 1.4g/t. The tables below summarize the estimated reserves and resources by area and ore type.

Figure 4: Selinsing and Buffalo Reef Mineral Reserves (August 31, 2012)

Area	Cutoff Grade g/t	Proven			Probable			Proven + Probable		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Oxide Reserves										
Selinsing	0.30	-	-	-	6.0	0.6	0.1	6.0	0.6	0.1
Buffalo Reef South and Central	0.30	14.0	1.6	0.7	336.0	1.9	20.8	350.0	1.9	21.5
Buffalo Reef North	0.31	12.0	0.9	0.3	155.0	1.2	5.7	166.0	1.1	6.1
Stockpile	0.30	2,335.0	0.7	53.6	-	-	-	2,335.0	0.7	53.6
		2,360.0	0.7	54.6	496.0	1.7	26.7	2,857.0	0.9	81.3
Sulfide Reserves										
Selinsing	0.62	183.0	2.7	16.1	630.0	2.2	44.6	812.0	2.3	60.7
Buffalo Reef South and Central	0.65	59.0	2.3	4.3	1,008.0	2.1	69.5	1,068.0	2.2	73.8
Buffalo Reef North	0.66	4.0	1.5	0.2	130.0	1.5	6.1	133.0	1.5	6.3
Stockpile	0.62	20.0	1.3	0.8	-	-	-	20.0	1.3	0.8
		266.0	2.5	21.4	1,768.0	2.1	120.2	2,034.0	2.2	141.7
Total Oxide and Sulfide		2,626.0	0.9	76.0	2,264.0	2.0	146.9	4,890.0	1.4	222.9

Notes:

- (1) The following parameters were used to determine the gold cut-off grade for each reserve area: Gold price \$1,550 per ounce; metallurgical gold recoveries ranging from 85% to 87% for sulphide materials and 92% for oxide material; processing costs of \$10.84/tonne for oxide and \$22.99/tonne for sulphide material; and mining costs ranging from \$2.08 to \$2.25 per tonne;
- (2) Reserves are contained within fully engineered pits based on Lerch Grossman optimized pits and include 5% mining losses and 5% mining dilution;
- (3) Mineral Reserves were determined by Mark Odell, P.E., Practical Mining LLC.

The updated mineral resource estimate incorporates a property-wide geological model which includes a total of 28 new surface diamond drilling ("DD") results completed by Monument since the last resource estimate was completed in 2007. Drilling has been focused on defining mineralization at depth below the existing pits, within gap zones in between the known resources that contain little drill hole information, and to convert Inferred materials to Indicated and/or Measured materials. Drill hole assays received as of June 8, 2012 were used in this Resource and Reserve update along with the August 31, 2012 mine face positions as surveyed by Monument staff.

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Figure 5: Selinsing and Buffalo Reef Measured and Indicated Mineral Resources, Including Reserves (August 31, 2012)

Area	Cutoff Grade g/t	Measured			Indicated			Measured + Indicated		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Oxide Resources										
Selinsing	0.27	-	-	-	9.0	0.7	0.2	9.0	0.7	0.2
Buffalo Reef South and Central	0.28	14.0	1.6	0.7	373.0	1.8	21.9	386.0	1.8	22.6
Buffalo Reef North	0.28	12.0	0.8	0.3	207.0	1.1	7.4	219.0	1.1	7.7
Stockpile	0.27	2,335.0	0.7	53.6	-	-	-	2,335.0	0.7	53.6
		2,361.0	0.7	54.6	588.0	1.6	29.5	2,949.0	0.9	84.1
Sulfide Resources										
Selinsing	0.56	229.0	2.2	16.0	1,436.0	1.9	88.4	1,664.0	2.0	104.5
Buffalo Reef South and Central	0.59	60.0	2.3	4.3	1,283.0	2.0	81.6	1,343.0	2.0	86.0
Buffalo Reef North	0.60	13.0	1.3	0.6	317.0	1.3	13.5	331.0	1.3	14.0
Stockpile	0.56	20.0	1.3	0.8	-	-	-	20.0	1.3	0.8
		322.0	2.1	21.7	3,036.0	1.9	183.6	3,358.0	1.9	205.3
Total Oxide and Sulfide		2,682.0	0.9	76.3	3,624.0	1.8	213.0	6,307.0	1.4	289.4

Notes:

- (1) The resource cut-off grades were estimated based on a gold price of \$1,700 per oz and metallurgical gold recoveries of 92% for oxide and 85% to 87% for sulphide materials, respectively;
- (2) The open pit resources are constrained by a Lerch Grossman pit shell;
- (3) Mineral Resources that have not demonstrated economic viability are not Mineral Reserves; and
- (4) Mineral Resources determined by Mark Odell, P.E., Practical Mining LLC.

Figure 6: Selinsing and Buffalo Reef Inferred Mineral Resources (August 31, 2012)

Area	Cutoff Grade g/t	Inferred		
		kt	g/t	koz
Oxide Resources				
Selinsing	0.27	3	0.6	0.1
Buffalo Reef South and Central	0.28	216	1.2	8.5
Buffalo Reef North	0.28	49	0.9	1.4
Stockpile	0.27	-	-	-
		268	1.2	10
Sulfide Resources				
Selinsing	0.56	121	1.1	4.5
Buffalo Reef South and Central	0.59	632	1.6	31.9
Buffalo Reef North	0.6	48	1.1	1.7
Stockpile	0.56	-	-	-
		801	1.5	38
Total Inferred Resources		1,070	1.4	48

Notes:

- (1) Similar Resource tabulation methodologies described for Figure 4 above apply to the Resources in Figure 5;
- (2) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability; and
- (3) Mineral Resources determined by Mark Odell, P.E., Practical Mining LLC.

During the second quarter, Snowden (Perth) has been engaged by the Company as Independent Qualified Person ("QP") to prepare an updated NI43-101 Technical Report including resource statement and economic analysis and new mine delivery schedule.

2.1.2 Production

For the quarter end December 31, 2015 the Selinsing gold plant processed a total of 254,413t (Q2 fiscal 2015: 233,799t) and gold recovery was 4,320oz (Q2 fiscal 2015: 9,272oz). The average ore head grade decreased to 0.83g/t for the quarter from 1.46g/t for the corresponding

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period last year. The reduced head grade was mainly due to the processing of super low grade gold materials ("SLG") that began April 1, 2015 and is expected to continue until commencement of mining for oxide ore at Felda Land. Ore mined increased to 96,602t in the quarter compared to 89,667t in the corresponding period last year. The increase in ore mined was attributed to the addition of SLG classified from ore to waste and the mining of softer materials at Buffalo Reef that reduced drilling and blasting cycle times.

For the six months end December 31, 2015 the Selinsing gold plant processed a total of 486,531t (Six months ended December 31, 2014: 487,313t) and gold recovery was 9,852oz (Six months ended December 31, 2014: 20,596oz). The average ore head grade decreased to 0.89g/t for the six months ended December 31, 2015 from 1.56g/t for the corresponding period last year and ore mined increased to 201,929t (Six months ended December 31, 2014: 164,051t).

The figures below illustrate production results on a consolidated basis including both the Selinsing and Buffalo Reef operations.

Figure 7: Selinsing Gold Mine: Revenue

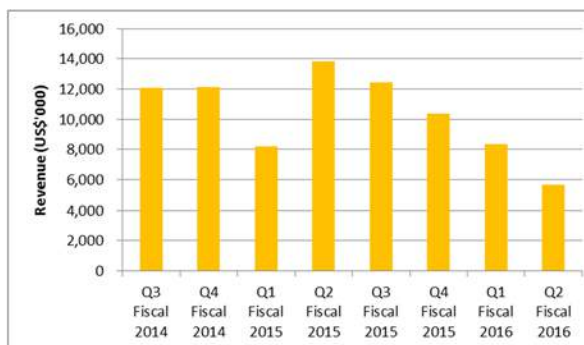
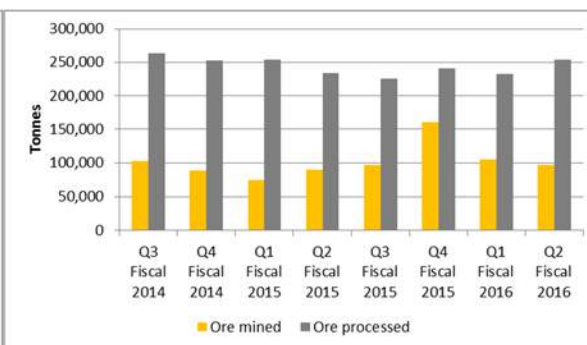


Figure 8: Selinsing Gold Mine: Operating Metrics



The Company commenced mining at the southern area of the Buffalo Reef project in January 2013 and the northern area in July 2014. The oxide ore mined is sold under commercial terms to Able, the owner of the Selinsing processing plant. Production output is consolidated with the Selinsing gold mine. During the three and six months ended December 31, 2015 total ore mined from Buffalo Reef was 58,962t and 89,220t, respectively (Three and six months ended December 31, 2014: 65,227t and 87,659t, respectively).

2.1.3 Development

For six months ended December 31, 2015 the Company incurred expenditure of \$0.55 million related to the Intec Project that is capitalized to Construction in Progress under Plant, Property and Equipment. Project to date, the Company has incurred expenditure of \$1.11 million related to the Intec Project comprised of \$0.32 million on laboratory test work and \$0.79 million on the pilot plant construction, commissioning and first trial test work. The expenditure on the Intec is eligible for research and development tax credit.

2.1.4 Exploration

The fiscal 2016 drilling programs provide for 10,280m of diamond holes for resource definition and exploration drilling with an additional 5,000m of RC holes intended to update resources at Buffalo Reef Central and Felda Land. Exploration programs for fiscal 2016 include:

- completion of exploration and definition drilling at Buffalo Reef Central, Buffalo Reef North and Felda to update the NI43-101;
- assessment and follow-up drilling at the Peranggh prospect located north of Buffalo Reef; mapping and exploration drilling at the Bukit Ribu prospect located east of Buffalo Reef to define further targets.

Exploration activities have focused on Buffalo Reef Central and Felda Land resource definition for the update NI43-101 in the current fiscal period. Secondary activities included continuation of trenching and channel sampling at Bukit Ribu and Buffalo Reef Gap areas.

Selinsing: Recent drill hole assay results for the exploration drilling conducted to the east of Selinsing Pit 5 confirm that gold mineralization extends below the existing pit design and continues at depth, as shown by the quartz vein intercepts. Exploration expenditure was \$0.12 million during the six months ended December 31, 2015 comprising of \$0.05 million on assay, \$0.03 million on geological and \$0.04 million on site activities.

Felda: The fiscal 2016 Felda exploration program is to discover new resources and enable the Buffalo Reef Central and Buffalo Reef South open pits to be extended to access to depth. Felda exploration drilling continued in the quarter and for fiscal year to date a total 11 DD holes (2,123m) and 15 RC holes (1,927m) were completed. Exploration expenditure at Felda was \$0.45 million during the six months ended December 31, 2015 comprising of \$0.04 million on assay, \$0.18 million on drilling, \$0.06 million on geological and \$0.17 million on site activities.

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Buffalo Reef: Exploration drilling was designed to identify new mineralized zones, and to replace depleted oxide ore. For the six months ended December 31, 2015, a total 6 DD holes (1,002m) and 13 RC holes (1,159m) were completed at Buffalo Reef Central. Total exploration expenditure for the fiscal year to date period of \$1.04 million was incurred at Buffalo Reef, Peranggih and Bukit Ribu areas comprised of \$0.22 million in assaying, \$0.29 million in drilling, \$0.15 million in geological work, \$0.01 million in metallurgical work and \$0.37 million in site activities.

Regional exploration: During the six months ended December 31, 2015, 45 channel samples were collected from the Buffalo Reef Gap. At this prospect, initial geochemical results have confirmed the previous quarter's mapping and trenching, and delineated a 55m wide and 135m long mineralized structure trending north-northwest, which will be followed-up with exploration drilling to test its down-dip and strike continuities in the next quarter.

2.1.5 Environment, Safety and Health

The Company's commitment to comply with Malaysia's environmental laws follows three main government authorities and each have made site inspections during the quarter:

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

During the quarter, Selinsing operations reached the safety milestone of 1.44 million man-hours worked without a "Lost Time Accident". Third party environmental compliance audits were conducted by accredited independent consultants and laboratories on drinking water quality, environmental audits, scrubber and chimney registration. DOSH visited the site for equipment certificate re-validation on air receivers and compressors, electric hoists and to undertake random audits. Company HSE staff carried out routine weekly worksite inspections, refresher Inductions for employee above one year of service, safety campaigns on housekeeping, firefighting, evacuation and man-down cyanide drills. Outside government agencies conducted first aid and firefighting training. All reported accident and incidents were shared among supervisors and staff.

2.1.6 Litigation

SMSB vs Monument for purported "Joint Venture Interest"

On October 10, 2012, Selinsing Mine Sdn Bhd ("SMSB") filed a Writ and Statement of Claim against Monument and its wholly-owned subsidiaries, Selinsing Gold Mine Manager Sdn. Bhd. ("SGMM") and Able Return Sdn. Bhd. ("Able") (together "Monument"). SMSB is claiming for, among others, a 5% "Joint Venture interest" from the profit of the gold production from Monument's Selinsing Gold Mine. SMSB was the previous sub-lease holder of the Selinsing Gold Mine and had sold the Selinsing Gold Mine to Monument free and clear of any encumbrances. The transaction was closed on June 25, 2007 and SMSB was paid in full. SMSB did not make its claim in relation to the purported "Joint Venture Interest" until October, 2012. Monument denies that SMSB has any joint venture interest in the Selinsing Gold Mine and has continued to vigorously defend this claim.

On February 26, 2013, the High Court in Shah Alam, Selangor, granted SMSB's application for a summary judgment against Monument, including a conditional stay of the summary judgment for Monument to pay cash of approximately \$10 million into a bank account jointly operated by both parties' solicitors. Monument appealed that decision to the Court of Appeal at Putra Jaya. On July 8, 2013 the Court of Appeal at Putra Jaya allowed Monument's appeal and set aside the summary judgment. As a result of this decision, the Court of Appeal also ordered that SMSB pay costs to Monument in relation to the appeals; and the matter has been set down for full trial in the Shah Alam High Court; the Court of Appeal further ordered the matter to be heard by a judge other than the judge who had awarded the summary judgment in the first instance.

Thereafter, the Plaintiff filed another application to the Shah Alam High Court for an interim injunctive relief, including, among other things, restraining and preventing Monument's wholly-owned subsidiary, Selinsing Gold Mine Manager Sdn Bhd from disposing of and/or transferring the Plaintiff's purported 5% share of the claimed profits obtained from the Selinsing Mine to Monument's wholly-owned subsidiary, Able Return Sdn Bhd, Monument or other third parties pursuant to the purported joint venture agreement claimed by the Plaintiff, and ordering that \$9.4 million be deposited within 30 days into a joint account to be maintained by legal counsel of the respective parties to the lawsuit, pending the hearing and determination of the full trial.

Monument filed an appeal to the Court of Appeal in Putrajaya on July 23, 2014 and also filed an application with the Shah Alam High Court on July 25, 2014 for a stay of the injunction order. Upon dismissal of the Court of Appeal in Putrajaya, Monument filed the motion for leave to appeal immediately in October 2014 in due course at the Federal Court.

In January 2015, Monument's Motion for leave to appeal to the Federal Court against the order of the Court of Appeal was denied by the Federal Court. As a result, \$9.4 million was deposited by the Company into a joint account maintained by legal counsel of the respective parties to the lawsuit until disposal of the full trial, which was fixed for hearing on February 16 and 17, 2015, however, was postponed by

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the Court to July 2015. The Shah Alam High Court on Monument's application has granted a stay of proceedings order on September 22, 2015.

Monument VS Summer and Kesit for 100% of SMSB shares

On February 16, 2015, Monument and its wholly owned subsidiary Able Return Sdn Bhd. filed a writ at the Kuantan High Court against Summer Empire Sdn. Bhd. ("Summer") and Kesit Pty Ltd ("Kesit") claiming for the return of the entire 100% of the issued shares of Selinsing Mine Sdn. Bhd.

Summer was the trustee appointed by SMSB to hold the entire 100% of the issued shares of SMSB in trust for Able, a wholly owned subsidiary of Monument through which Monument holds a 100% interest of the Selinsing Gold Mine. In the course of proceeding, it was found that Summer had been dissolved. The Kuantan High Court granted Monument's application on September 10, 2015 to add Peter Steven Kestel as a co-Defendant in the existing suit. This decision is now pending appeal at the Court of Appeal.

The Arci Suit

On July 30, 2015, the Company announced that Hong Teck, Yee Fook Choy, Yee Choong Khoon and Yong Choong Yim (as the administrator of the estate of Yong Kat Keong), in their capacities as former partners of Arci, have filed a suit against the TRA Mining (Malaysia) Sdn. Bhd. ("TRA"), SMSB (the Plaintiff in the 5% JV Suit), Monument and its subsidiaries ARSB and SGMM in the Shah Alam High Court, Malaysia via Writ of Summons No.: 22NCvC-291-05/2015 (the "ARCI Suit"). Peter Steven Kestel is the director of both TRA and SMSB.

The Arci Suit alleges, among other things, that Arci continued to hold title to MC 1/113, one of the mining leases that Monument acquired from SMSB (the holder of the sublease of MC 1/113) in June 2007 and that ownership of such lease gives Arci rights to the profits generated under the claimed mining lease. In fact, the mining lease claimed by Arci was forfeited by Pahang State Government in 2008; subsequently a new mining lease was directly granted to ARSB, long before commencement of the gold production.

The Arci Claim is the latest in a series of litigation between Arci, a group of local miners, SMSB and TRA, which has been ongoing in Malaysia since approximately 1998. Monument denies that it or Able has any liability with respect to the Arci Claim and intends to vigorously defend this claim.

2.2 Murchison Gold Project

The Murchison Gold Project consists of the Burnakura and Gabanintha properties acquired in February 2014, including a number of mining and exploration tenements and lease applications covering approximately 98 square kilometres of mining land prospective for resource extension, and a fully operational gold processing plant at the Burnakura site, a newly developed camp site and all necessary infrastructure.

Tuckanarra was acquired in November 2014, free and clear of any encumbrances, consisting of two exploration licenses, six prospecting licenses and a mining lease covering a total of 416 square kilometres and containing approximately 100,000 historical indicated and inferred Joint Ore Reserves Committee (JORC) compliant ounces of gold.

All the above projects are 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.

2.2.1 Resources

The Murchison Gold Project consists of a historical resource as at October 2013 of 6.41 million tonnes at an average grade of 2.7 g/t containing 546,000 ounces of gold within a number of previously operated open pits and an underground mine, which was determined by BM Geological Services in the report Murchison Gold Project: Burnakura and Gabanintha resource inventory (December 2013). The Company believes that the quality of the data supporting the resources meets industry standards. The historical resources have been reported in line with the JORC guidelines, and resource confidence categories and the reliability of the estimate are consistent with this standard. Monument considers this historical resource estimate to be relevant to its ongoing review of the Murchison Gold Project.

A qualified person has not done sufficient work to classify the historical estimate on the property as current mineral resources under NI 43-101 and Monument is not treating the historical resource estimate on the property as current mineral resources except Alliance and New Alliance which is described below.

The technical report titled "NI 43-101 Technical Report on the Alliance and New Alliance Gold Deposits, Burnakura, Western Australia" was filed on SEDAR describing the mineral resource estimate for the Alliance and New Alliance gold deposit on its Murchison Property in Western Australia, dated April 2, 2015 and amended August 7, 2015, indicating that the total contained gold ounces have been increased compared to the historical inventory estimate. The NI 43-101 report has been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and is authored by Darryl Mapleson (MAIG, FAusIMM) of BM Geological Services, the primary Qualified Person and other independent Qualified Persons.

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An Indicated Mineral Resource of 1.88mt@1.6/t Au for 98,400oz and an Inferred Mineral Resource of 0.10mt@1.5g/t Au for 4,400oz was reported at a 0.5g/t Au grade cut-off. This represents a very positive initial outcome toward the preparation of a preliminary economic assessment in respect of the Alliance/New Alliance deposits. The company is now undertaking a program of ongoing exploration over the remainder of the historical resources that were acquired in February 2014.

Figure 9: Mineral Resource for Alliance and New Alliance at a 0.5g/t Au cut-off

Deposit	Indicated				Inferred			
	Density (g/cm ³)	Tonnes (Mt)	Au (g/t)	Contained Au (Koz)	Density (g/cm ³)	Tonnes (Mt)	Au (g/t)	Contained Au (Koz)
Alliance	2.3	0.64	2.5	50.8	2.5	0.02	1.4	0.7
New Alliance	2.3	1.24	1.2	47.6	2.7	0.08	1.5	3.7
Total	2.3	1.88	1.6	98.4	2.6	0.10	1.5	4.4

Notes:

- (1) Mineral Resources that are not mineral Reserves do not have demonstrated economic viability; and
- (2) Mineral Resources determined by Adrian Shepherd, B.App.Sc., MAusIMM CP(Geo), Cube Consulting Pty. Ltd.

The Company is working towards an economic understanding of the revised resource model and estimate, with a view to a commercial outcome; however, the Mineral Resource has not demonstrated economic viability at this stage. All tonnage, grade and ounces have been rounded to reflect the relative uncertainty and the approximate quality of the estimate.

2.2.2 Exploration

Exploration activities at the Murchison Gold Project for fiscal 2016 will include the completion of drill programs designed to validate the historical resource and increase the grade and geological continuity of the mineralization through extensional and infill drilling at Burnakura with focus on increasing mineral gold inventory to extend the life of mine for supporting sustainable production. The RC confirmation, exploration and definition drilling programs will target NOA (6,000m), Tuckanarra (1,500m), Gabanintha (5,000m) and Burnakura oxide targets (3,000m) and diamond drilling for metallurgical sampling is planned for NOA (350m), Tuckanarra (300m) and Gabanintha (200m). The programs to test for resource extensions and define further exploration targets will include air core drilling on East of ANA (29,000m) and Banderol South (1,000m).

During the quarter RC confirmation drilling commenced and diamond drilling completed metallurgical drill holes at Tuckanarra then commenced twin validation and exploration drill holes at NOA for resource confirmation. In addition, sterilization drilling was carried out at the NOA waste dump area to characterize materials for use as a potential base to the proposed heap leach pad.

For the six months ended December 31, 2015, exploration expenditure included \$0.15 million on assays, \$0.61 million for drilling activities and \$0.40million on geological activities at the Murchison Gold Project.

2.2.3 Development

The Company has prioritized and focused on the construction of the heap leach facility to commence gold processing ahead of re-starting the mill. The current plan has the heap leach facility circuit commencing operation first to generate cash to develop the CIL circuit. A heap leach facility will allow a higher grade cut off to be used for the CIL, ensuring that only economic grade ore is directed to the CIL plant. Lower grade material would be directed to a heap leach, so that gold values could be recovered from this material. The Company has also taken proactive approach in analyzing its critical risk path in order to eliminate possible bottle necks that would cause delay of initiating the CIL plant operations when required.

Plant design and engineering

Como Engineers has finalized the Front End Engineering Design ("FEED") Report. A major breakthrough for the project from the FEED report is the final crushing circuit configuration, with a design that has the capability and capacity of crushing the material for the heap leach facility and the CIL plant when it is put back into production. Long lead items, such as quality refurbished secondary and tertiary crushers have been procured within Australia and having the extra advantage of arriving in time to crush material for the construction of the heap leach pad.

Metallurgical test work completed at the ANA deposit supports heap leach recovery for low grade ore. During the six months ended December 31, 2015 the Company incurred \$0.08 million on metallurgical test work and \$0.11 million on heap leach facility development at the Murchison Gold Project.

The Company is assessing the Como Proposal and other development costs; and extend its studies to NOA, Tuckanarra and other areas to complete the economic study.

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Environmental study

Environmental permitting by independent consultants, Animal Plant Mineral Pty Ltd ("APM"), has been ongoing. APM have been in discussions with the Department of Environment Regulation and are currently working on an amendment to the environmental licence for the heap leach facility. It is anticipated that the application will be granted, due to the quality of the work from Como Engineers and the internal activities being completed by Monument such as sterilisation drilling of the area.

In addition, APM have been working with Monument on the Mining Proposal for the Department of Mines and Petroleum for some time, collecting and collating data as it is available from mine planning. It is expected the mining proposal will be submitted in third quarter of fiscal 2016, ensuring enough time before mining commences.

During the six months ended December 31, 2015, the Company incurred \$0.04 million on environmental activities that is included in site activities expenditure at the Murchison Gold Project.

Site maintenance

Since the acquisition of the Murchison Project, the Company has ensured that the plant and fixed assets are being kept in good care and maintenance order with a view to future commissioning. Therefore, site operations are fully functional for Como Engineers to start construction works. Refurbishing, constructing and commissioning will take approximately six months. During the six months ended December 31, 2015, the Company incurred \$0.61 million on site activities and infrastructure and \$0.17 million on property fees at the Murchison Gold Project.

2.3 Mengapur Polymetallic Project

Mengapur was previously owned by Malaysian Mining Corporation in the 1980's and early 1990's which defined the historical Polymetallic resources in a full bankable feasibility study. The title of Mengapur was subsequently divided and distributed to different owners. Monument acquired 100% of Mengapur from those owners, in fiscal 2012 and 2013 through strategic steps aimed to maximize economic value of the project, except for the oxide magnetite materials in the top soil at lot 10210 that were not included in the historical resources in the full bankable feasibility study. The Company now owns a 100% interest in the Cermat Aman Sdn Bhd ("CASB") mining lease ("ML") and holds an application for renewal of its exploration license ("EL") and three applications for mining leases ("ML") over Star Destiny Sdn. Bhd. ("SDSB") elements of the Mengapur Polymetallic Project. The Company is waiting for the issue by the Pahang government of these licenses.

2.3.1 Resources

The Mengapur Polymetallic deposit contains a historical Copper ("Cu"), Sulphur ("S"), Gold ("Au"), Silver ("Ag") oxide and sulphide Resource from a drilling campaign conducted in the 1980's as previously reported in the Snowden report (January, 2012). The historical resource consisted of 224 million tonnes ("mt") averaging 0.597% Cu equivalent ("eqv") (6.54% S, 0.25% Cu, 0.16g/t Au, and 8.86g/t Ag) at a cut-off grade of 0.336% Cu eqv from geologic Zones A, B, and C. A historical sulphide reserve from Zone A consists of 64.8mt averaging 0.737% Cu eqv (8.63% S, 0.27% Cu, 0.21g/t Au, and 2.59g/t Ag) at the same 0.336% Cu eqv cut-off grade (Snowden, 2012). As outlined above, the Company completed 64,000 meters of exploration drilling verifying these historic resources and is now in the process of advancing them to NI 43-101 compliance and is awaiting issue of an ML title over the Star Destiny ML application.

2.3.2 Development

The Mengapur Project continues to represent a very significant opportunity for a long term mining asset owned by the Company with downstream commodity products. A preliminary economic assessment study ("PEA" study) was initiated during fiscal 2014 and was placed on hold in fiscal 2015. The Draft of Preliminary Economic Assessment in confirming historical resources is pending renewal approval of the exploration license at Star Destiny, a part of the Mengapur Project. The prospecting exploration permit of SDSB expired on September 23, 2012. The Company submitted an application of renewal in November 2011 to the Pahang State authority; it also submitted two applications for mining licenses in 2009 and 2010 over sections of the same area. Another application for a mining lease over the prospecting land was also submitted in August 2012. The Company has yet to receive an official notification from the Pahang State authority in response to its applications. According to the Mining Enactment 2001 of Malaysia, until receipt of official notification with the Company's consent, the exploration rights are remain intact.

The Company has evaluated the production alternatives for the Mengapur Project including copper and made progress in refurbishing and upgrading its 1,000 tpd beneficiation copper flotation and iron magnetite recovery pilot plant. The plant is considered to be a 1,000 tpd pilot plant to demonstrate economics of in-house copper metal production with potential iron and other metal by-products. Due to the recent dramatic decline in iron ore price and volatility in copper and iron prices, the pilot plant development and production has been placed on hold. The Company intends to apply Intec Technology to carry out test work on copper sulphide recovery after successful Intec test work on gold sulphide at Buffalo Reef and the Selinsing Gold Plant.

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During the six months ended December 31, 2015, the Company incurred expenditure of \$0.60 million on site activities and infrastructure at Mengapur. Site activities at Mengapur included environmental compliance, erosion and sediment control. Care and maintenance activities were out carried to ensure the plant is kept in good condition.

The scientific and technical information in Section 2 has been reviewed and approved by Mr. Roger Stangler, B.S.c, MEng, MAusIMM, MAIG., a Qualified Person defined in accordance to National Policy 43-101, and Chief Managing Geologist of the Company.

3. FINANCIAL RESULTS

3.1 Summary

Figure 10: Balance sheet extract

Balance Sheet (in thousands of US dollars)	December 31, 2015	June 30, 2015	June 30, 2014
	\$	\$	\$
Current assets	34,143	43,124	47,421
Non-current assets	222,622	219,388	207,294
Total assets	256,765	262,512	254,715
Current liabilities	6,559	9,638	10,373
Non-current liabilities	13,540	11,741	16,723
Equity attributable to shareholders	236,666	241,133	227,619
Total liabilities and shareholders' equity	256,765	262,512	254,715
Working capital (including restricted cash)	27,584	33,486	37,048

Figure 11: Operating highlights

	Fiscal 2014		Fiscal 2015				Fiscal 2016	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues (000's)	12,094	12,147	8,179	13,830	12,459	10,370	8,329	5,681
<u>Average gold price</u>								
London Fix PM (per ounce)	1,293	1,295	1,282	1,201	1,218	1,192	1,124	1,106
Monument realized (per ounce) ^(a)	1,266	1,292	1,298	1,213	1,221	1,206	1,147	1,114
Net earnings before other income attributable to common shareholders (000's)	1,231	2,094	1,201	3,128	3,665	3,667	1,569	644
Earnings per share before other income:								
- Basic	0.00	0.01	0.00	0.01	0.01	0.01	0.01	0.00
- Diluted	0.00	0.01	0.00	0.01	0.01	0.01	0.01	0.00
Net earnings (loss) after other income and tax attributable to common shareholders (000's) ^(b)	(967)	(4,857)	1,525	3,058	3,622	3,178	116	(4,584)
Earnings (loss) per share:								
- Basic	(0.00)	(0.02)	0.01	0.01	0.01	0.01	0.00	(0.01)
- Diluted	(0.00)	(0.02)	0.01	0.01	0.01	0.01	0.00	(0.01)

a) Q1 Fiscal 2016 excludes 5,000oz settled on the Gold Forward Sales (Note 16).

b) Q3 Fiscal 2014 restated loss from \$0.915 million, due to restatement of valuation for shares issued in stockpile acquisition.

The quarterly operating results of the Company are outlined for the past eight quarters in Figure 11 above. The overall operating results of the Company reflect its income from gold mining operations, on-going corporate business development, administrative costs and other income or expenses such as interest, fair value gains or losses on marketable securities and foreign exchange gains or losses.

For the three months ended December 31, 2015, compared to the corresponding period last year, income from mining operations was \$1.54 million from \$4.54 million and corporate expenses reduced by 37% to \$0.89 million from \$1.41 million. For the six months ended December 31, 2015, compared to the corresponding period last year, income from mining operations was \$3.87 million from \$6.67 million and corporate expenses reduced by 28% to \$1.66 million from \$2.31 million.

MANAGEMENT'S DISCUSSION & ANALYSIS

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During the second quarter of fiscal 2016 operations continued to process mainly super low grade ore through the Selinsing Gold Plant in transition from oxide ore production to sulphide ore production, while gold market prices remain depressed for the third consecutive year. Even though the Company is able to generate free cash flow to fund its operations and business activities, the production gross margin is expected to vary from time to time due to lower recovery rates and volatile gold prices.

Net loss for the quarter was \$4.58 million, or \$0.01 per share (basic) (Q2 fiscal 2015: \$3.06 million or \$0.01 per share (basic)). The decrease in earnings is mainly due to income tax expenses of \$4.00 million (Q2 fiscal 2015: \$0.33 million) and foreign exchange loss of \$1.34 million (Q2 fiscal 2015: gain of \$0.23 million). Net loss for the six month period was \$4.47 million, or \$0.01 per share (basic) compared to \$4.58 million or \$0.02 per share (basic) in the same period last year. The decrease in earnings was mainly due to income tax expenses of \$3.95 million (Six months ended December 31, 2014: \$0.07 million) and foreign exchange loss of \$2.83 million (Six months ended December 31, 2014: gain of \$0.66 million).

The Company had enjoyed the "Pioneer Status" from February 2010 to January 2015 with a 100% tax exemption for production from the Selinsing Gold Plant and is currently reviewing its mining allowance with the Malaysia tax authority which may reduce the current tax provision, if a favourable ruling is obtained.

3.2 Operating Results: Sales and Production Costs

Total income from mining operations remained positive in the quarter for \$1.54 million compared with the corresponding period last year for \$4.54 million. The production team at the Selinsing Mine has continued improvements to boost productivity and the bottom line during the quarter through an overall reduction in production costs per ounce from the optimization of workforce and operational processes.

For the six months ended December 31, 2015 sales and production costs include 5,000oz of gold settled on August 12, 2015 for the Company's Gold Forward Sale contract. Revenue of \$2.59 million was recognized and net of \$2.83 million expensed through inventory, contributed \$0.23 million loss to income from mining operations.

Sales

The price of gold is a significant factor affecting the Company's profitability and operating cash flows. Gold sales generated \$5.68 million for the quarter compared to \$13.83 million in the corresponding period last year. The revenue comprised of 5,100oz of gold sold (Q2 fiscal 2015: 11,400oz) at an average realized gold price of \$1,114 per ounce (Q2 fiscal 2015: \$1,213 per ounce) for the quarter. The average London Fix PM gold price was \$1,106 per ounce for quarter compared to \$1,201 per ounce for the corresponding period last year.

For the six months ended December 31, 2015, gold sales generated \$14.01 million compared to \$22.01 million in the corresponding period last year. The revenue comprised of 10,100oz of gold sold (Six months ended December 31, 2014: 17,700oz) at an average realized gold price of \$1,131 per ounce (Six months ended December 31, 2014: \$1,243 per ounce) for the period, excluding the 5,000oz settled on the Gold Forward Sale (Note 16). The average London Fix PM gold price was \$1,115 per ounce compared to \$1,244 per ounce for the corresponding period last year.

Production Costs

Total production cost decreased by 55% in the quarter to \$4.15 million, compared to \$9.29 million in the same period last year. The significant decrease in cost was mainly attributed to lower mining cost from the reclassification of stockpiled super low grade gold materials ("SLG") from waste to inventory, as the Company began to economically process the SLG in April 2015. Depreciation also contributed to lower overall production cost, it reduced to \$0.85 million for the quarter from \$2.44 million in the same period last year.

For the six months ended December 31, 2015 total production cost decreased by 33% to \$10.14 million from \$15.37 million in the same period last year. The lower production cost was mainly attributed to mining cost that decreased by 68% to \$1.38 million (Six months ended December 31, 2014: \$4.31 million) and depreciation that decreased by 48% to \$2.11 million (Six months ended December 31, 2014: \$4.06 million).

A breakdown and further analysis of the cash cost components is provided below, including a historical graphical summary demonstrating the breakdown by quarter. In accordance with IFRS and internal policy, the Company has capitalized a portion of stripping costs incurred during the period to access the ore body for future production.

MANAGEMENT'S DISCUSSION & ANALYSIS

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Figure 12: Cash margin

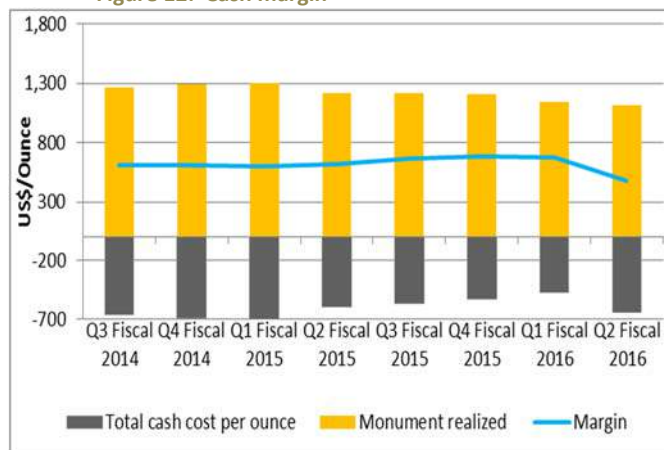


Figure 13: Cash production costs by quarter

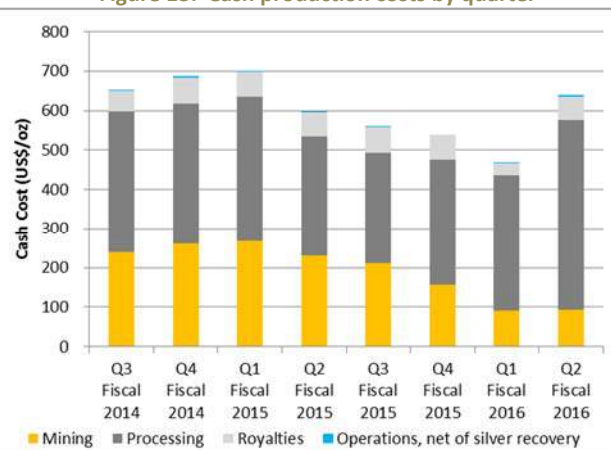


Figure 14: Cash production costs

	Three months ended		Six months ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Cash cost breakdown	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Mining	94	230	92	243
Processing	483	305	392	328
Royalties	59	61	40	62
Operations, net of silver recovery	3	1	2	1
Total cash cost	639	597	526	634
Reconciliation of Non-GAAP measure	US\$'000	US\$'000	US\$'000	US\$'000
Production costs per unaudited condensed consolidated interim financial statements	4,146	9,294	10,141	15,374
Less: Non-cash expenditure, depreciation & amortization	(887)	(2,486)	(2,193)	(4,157)
Total production cash costs	3,259	6,808	7,948	11,217
Divided by ounces of gold sold (oz)	5,100	11,400	15,100	17,700
Total cash cost (US\$/oz)	639	597	526	634

⁽¹⁾ Total cash cost includes production costs such as mining, processing, tailings facility maintenance and camp administration, royalties, and operating costs such as storage, temporary mine production closure, community development costs and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs.

Mining

Total mining cost decreased by 46% in the quarter to \$0.48 million, compared to \$2.62 million in the same period last year. The significant decrease in cost was mainly attributed to the reclassification of stockpiled super low grade gold materials ("SLG") from waste to inventory, as the Company began to economically process the SLG in April 2015 when the weighted average cost per tonne mined therefore reduced from \$8.41/t to \$4.89/t. Total materials mined decreased by 27% to 0.65 million tonnes in the quarter, compared to 0.88 million tonnes in the same period last year. On a per tonne basis mining costs were also lower from mining softer ore materials at Buffalo Reef that resulted in reduced drill and blast costs and shorter hauling distances for waste.

Figure 15: Mine operating metrics (before capital allocation)

	Unit	Three months ended		Six months ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Mining					
Ore mined ^(a)	Tonnes	96,602	89,667	201,929	164,051
Waste removed	Tonnes	549,598	792,076	1,323,177	1,529,300
Stripping ratio	Waste:Ore	5.69	8.83	6.55	9.32
Ore stockpiled ^(a)	Tonnes	2,561,292	326,387	2,561,292	326,387

a) On April 1, 2015, commercial processing of super low grade gold materials commenced and 2,582,089t of stockpiled gold materials were reclassified from waste to ore inventory.

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Processing

Total processing cost for the quarter decreased by 29% to \$2.47 million, compared to \$3.47 million in the same period last year. Total ore processed increased by 9% to 0.25 million tonnes in the quarter, compared to 0.23 million tonnes in the same period last year. For the second quarter, average mill feed grade was 0.83g/t Au, compared to the 1.46g/t Au in the same period last year, a 43% decrease quarter over quarter. Processing recovery rate also decreased by 25% to 63.5% quarter over quarter, as a result of the lower grade in mill feed from processing SLG, old tailings and transition ore materials. This trend is expected to continue until commencement of mining for oxide ore at Felda Land.

For the six months ended December 31, 2015 total processing cost increased by 2% to \$5.93 million compared to \$5.79 million in the same period last year. Total ore processed was steady at 0.49 million tonnes in the six month period, compared to 0.49 million tonnes in the same period last year. For the six month period, average mill feed grade was 0.89g/t Au, compared to the 1.56g/t Au in the same period last year, a 43% decrease. Processing recovery rate also decreased by 17% to 70.4% compared to the same period last year.

Royalties

The Company pays royalties to the Malaysian Government based upon 5% of the market value of gold produced and an additional 2% to the PKNP (Pahang State Development Corporation) for gold produced from the Buffalo Reef ore. Total royalties cost decreased by 57% to \$0.30 million in the quarter, compared to \$0.70 million in the same period last year. Royalties paid are affected by average gold spot prices and the amount of gold sold in the current period. For the six months ended December 31, 2015 total royalties cost decreased by 44% to \$0.61 million compared to \$1.10 million in the corresponding period last year.

Non-cash Costs

Non-cash production expenses for the quarter included depreciation and amortization of \$0.85 million (Q2 fiscal 2015: \$2.44 million) and accretion of asset retirement obligations in the amount of \$0.04 million (Q2 fiscal 2015: \$0.05 million). For the six months ended December 31, 2015 non-cash production expenses included depreciation and amortization of \$2.11 million and accretion of asset retirement obligations in the amount of \$0.09 million, compared to \$4.06 million and \$0.10 million in the corresponding periods last year, respectively. The decrease in total non-cash production expenses is mainly due to the addition of SLG gold materials reclassified from waste to ore, resulting in a lower charge from inventory in the relevant periods.

3.3 Corporate General and Administrative

Figure 16: Corporate Costs

	Three months ended		Six months ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	\$	\$	\$	\$
General and administration	359	396	708	885
Stock-based compensation	-	3	1	9
Legal, accounting and audit	316	501	559	748
Shareholder communications	59	36	100	91
Travel	87	98	188	164
Regulatory compliance and filing	47	43	54	43
Project investigation	-	301	-	301
Amortization	23	30	46	66
Total Corporate Costs	891	1,408	1,656	2,307

Corporate expenditure of \$0.89 million (Q2 fiscal 2015: \$1.41 million) was 15% lower for the second quarter compared to the same period last year. Corporate expenditure for the quarter included travel cost of \$0.09 million (Q2 fiscal 2015: \$0.10 million) and amortization of \$0.02 million (Q2 fiscal 2015: \$0.03 million). General and administration costs were 9% lower for the quarter, primarily due to a 5% decrease in salaries and wages expenses of \$0.29 million for the quarter (Q2 fiscal 2015: \$0.31 million) and 42% decrease in office rent and utilities of \$0.02 million for the quarter (Q2 fiscal 2015: \$0.03 million). Legal, accounting and audit expenses decreased 37% to \$0.32 million (Q2 fiscal 2015: \$0.50 million) compared to the same period last year.

For the six months ended December 31, 2015 corporate expenditure was \$1.66 million, a decrease of 28% compared to \$2.31 million in the same period last year. Corporate expenditure included travel cost of \$0.19 million and amortization of \$0.05 compared to \$0.16 million and \$0.07 million in the same periods last year, respectively. General and administration costs were 20% lower for the six month period, primarily due to a 16% decrease in salaries and wages expenses of \$0.59 million (Six months ended December 31, 2014: \$0.70 million) and 54% decrease in office rent and utilities of \$0.03 million (Six months ended December 31, 2014: \$0.07 million) as the Company entered a

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new office lease in May 2015. Legal, accounting and audit expenses decreased 25% to \$0.56 million for the six months ended December 31, 2015 compared to \$0.75 million in the same period last year.

3.4 Other Income (Loss)

Loss from other items for the quarter was \$1.23 million, a negative change of \$1.19 million compared to the corresponding last year other loss of \$0.04 million. The negative change for first quarter was mainly due to foreign exchange loss of \$1.34 million (Q2 fiscal 2015: gain of \$0.23 million). The Company earned interest income of \$0.02 million in the second quarter, compared to \$0.03 million in the corresponding period last year.

For the six months ended December 31, 2015 loss from other items was \$2.73 million compared to a gain of \$0.33 million in the corresponding period last year. The decrease was mainly attributed to foreign exchange loss of \$22.83 million (Six months ended December 31, 2014: gain of \$0.66 million) as the US dollar has strengthened against the CAD, Malaysian Ringgit and AUD. A gain of \$0.03 million (Six months ended December 31, 2014: \$nil) was also recognized during the period on disposal equipment from gross proceeds of \$0.36 million.

3.5 Income Taxes

Income tax expense for the three and six months ended December 31, 2015 was \$4.00 million and \$3.95 million, respectively (Three and six months ended December 31, 2014: \$0.03 million and \$0.07 million, respectively). The primary reason for the increase is due to the Company's "Pioneer Status" income tax exemption for production from the Selinsing Gold Plant that expired on January 31, 2015. As a result income tax would be payable on taxable income from production beginning February 1, 2015 and offset by the Company's available tax carryforwards. The Company is currently reviewing its mining allowance with the Malaysia tax authority which may reduce the current tax provision, if a favourable ruling is obtained. The current corporate income tax rate in Malaysia is 24% for 2016.

4. LIQUIDITY AND FINANCIAL CONDITION

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

The Company's cash and cash equivalents, including the restricted cash balance as at December 31, 2015 was \$24.09 million, a decrease of \$5.26 million from the balance held at June 30, 2015 of \$29.35 million.

- For the three and six months ended December 31, 2015, cash in the amount of \$0.75 million and \$0.08 million was provided from operations, respectively (Three and six months ended December 31, 2014: \$9.72 million and \$11.10 million, respectively);
- For the three and six months ended December 31, 2015, \$0.06 million and \$0.12 million of cash was used in financing activities, respectively (Three and six months ended December 31, 2014: \$0.08 million and \$0.16 million, respectively); and
- For the three and six months ended December 31, 2015, \$2.96 million and \$5.23 million of cash was spent on investing activities for exploration and development costs, property, plant and equipment acquisitions and construction, respectively (Three and six months ended December 31, 2014: \$5.34 million and \$10.10 million, respectively).

The cash outflow from financing activities for the three and six months ended December 31, 2015 consisted of finance lease payments for equipment related to the on-site SGS laboratory at Mengapur. Under the terms of the lease agreement, SGS Malaysia shall provide full laboratory services and shall charge additional fees for assays exceeding the agreed limit. The related equipment provided by SGS Malaysia will be transferred to the Company at the end of the lease term. The lab has been used for all exploration assay work and metallurgical test work across Monument's Malaysian operations.

Significant investing activities for the three and six months ended December 31, 2015 included exploration and evaluation activities totaling an outflows of \$2.60 million and \$4.63 million, respectively (Three and six months ended December 31, 2014: \$4.48 million and \$7.84 million, respectively). The current period expenditure on exploration and evaluation assets was mainly incurred at the Murchison Project in Australia and Buffalo Reef in Malaysia. Capital expenditure on property, plant and equipment ("PPE") for the three and six months ended December 31, 2015 was \$0.36 million and \$0.96 million, respectively (Three and six months ended December 31, 2014: \$0.86 million and \$1.22 million, respectively). The current period expenditure on PPE was mainly incurred on construction in progress for the Intec Project where pilot plant construction, first trial commissioning and initial test work were completed.

As at December 31, 2015, the Company had positive working capital of \$27.58 million compared to \$33.49 million as at June 30, 2015. The decrease of \$5.90 million was the result of cash flow from operations, offset by investing activities carried out by the Company to expand its mineral base and pipeline of mineral property projects.

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5. CAPITAL RESOURCES

The Company's capital resources as at December 31, 2015 included cash and cash equivalents. The Company's primary sources of funding are cash flow generated from the sale of gold, debt, equity financing through the issuance of stock, and other financial arrangement that can be reasonably considered and available to provide financial resources to the Company. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital asset upgrades and working capital.

Subsequent to the second quarter, the Company announced the that it has entered an Earn in and JV Venture Agreement to earn up to 90% interest in the Matala Project. The right to earn up to a 90% interest in Matala was originally owned by Patane Ltd. ("Patane"), a company registered under the laws of Austria. In conjunction with the JV Agreement, Monument has entered into an agreement (the "Option Assignment Agreement") with both Afrimines and Patane under which all of Patane's rights in relation with Matala are assigned to Monument. Pursuant to the Option Assignment Agreement, Monument must, subject to approval of the Exchange, issue 25,000,000 fully paid shares in the Company at a deemed price of CAD\$0.25 per share to Patane, upon the receipt of Exchange acceptance. Of those shares, 20,000,000 will be held in escrow and will be released upon Monument exercising the first option on Matala.

Figure 17: Commitment and Contingencies (000's)

	2016	2017	2018	2019	2020	Total
	\$	\$	\$	\$	\$	\$
Operating leases	45	89	52	49	49	284
Mineral property fees	33	206	209	213	223	884
Purchase commitments	1,404	-	-	-	-	1,404
Total	1,482	295	261	262	272	2,572

Operating leases are for premises and purchase commitments are primarily for mining operations.

Commitments relating to mineral property fees are included in exploration and evaluation expenditure. This expenditure is required to keep tenements in good standing with relevant government authorities.

6. OFF BALANCE SHEET ARRANGEMENTS

None.

7. TRANSACTIONS WITH RELATED PARTIES

Refer to note 25 of the unaudited condensed consolidated interim financial statements as at December 31, 2015.

8. SUBSEQUENT EVENTS

None.

9. CRITICAL ACCOUNTING ESTIMATES

Refer to note 3 of the consolidated financial statements as at June 30, 2015. 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. The Company makes estimates and assumptions that affect the amounts reported. Significant estimates and areas where judgment is applied include: purchase price allocation and valuation of deferred consideration assets, ore reserves and mineral resource estimates, depreciation and amortization and determination of useful lives, inventory valuation, exploration and evaluation expenditures, impairment of non-current assets, provision for reclamation and remediation obligations, deferred taxes, share-based payments, derivative assets and liabilities, determination of commencement of commercial production, title to mineral properties, realization of assets, functional currency, business combinations and own use contracts. Actual results could differ from the Company's use of estimates and judgements.

10. CHANGES IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

Refer to note 3 of the unaudited condensed consolidated interim financial statements as at December 31, 2015.

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11. FINANCIAL INSTRUMENTS – RISK EXPOSURE AND OTHER INSTRUMENTS

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents, restricted cash and trade and other receivables), financial assets at fair value through profit or loss (FVTPL) (marketable securities) and other financial liabilities (trade and other payables). Refer to the condensed consolidated interim financial statements as at December 31, 2015, for the details of the financial statement classification and amounts of income, expenses, gains and losses associated with the relevant instruments. Details provided include a discussion of the significant assumptions made in determining the fair value of financial instruments. The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk, and liquidity risk as outlined below.

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. The Company mitigates market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

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. The Company operates in Canada, Australia and Malaysia whereby operations sell commodities and incur costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

Exposure to the Canadian dollar is through corporate administration costs. The Company has exposure to the Australian dollar through the Company's Australian operations. The Company has exposure to the Malaysian Ringgit through the Company's Malaysian operations. The Malaysian Ringgit weakened slightly during the quarter compared with the USD and CAD. A weaker Malaysian Ringgit reduces costs in US dollar terms at the Company's Malaysian operations.

In addition, the Company is exposed to currency risk through assets and liabilities denominated in currencies other than the US dollar. The foreign currency share purchase warrants contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged any of its currency risks. The derivative components associated with foreign currency fluctuations are fair valued at each period and gains or losses are recorded to its income.

Based on the above net exposures as at December 31, 2015 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 \$0.05 million (December 31, 2014: \$0.06 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 \$0.11 million (December 31, 2014: \$0.13 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 \$nil (December 31, 2014: \$0.08 million) in net income.

Figure 18: Monthly USD to CAD Exchange Rates

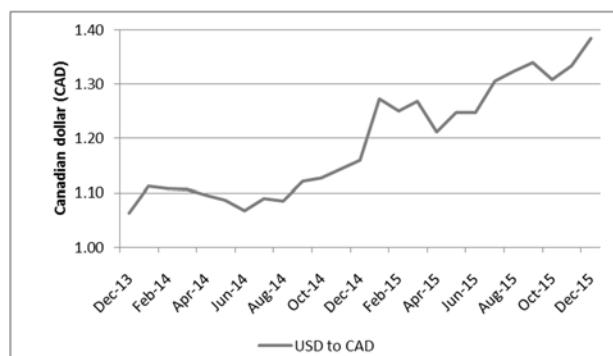
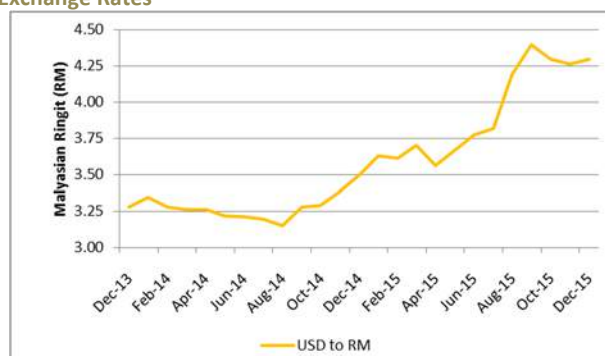


Figure 19: Monthly USD to Malaysian Ringgit (RM) Exchange Rates



Commodity price risk

For the quarter, the Company's revenues and cash flows were impacted by gold prices in the range of \$1,049 to \$1,184 per ounce (Q2 fiscal 2015: \$1,142 to \$1,250 per ounce) based on London Fix PM prices. The Company has not hedged its exposure to commodity fluctuations.

For the quarter and assuming that all other variables remain constant, a 5% increase/decrease in the gold market price would result in no change to unrealized fair value loss/income (Q2 fiscal 2015: \$nil) in the Company's net income.

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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 is exposed to concentration of credit risk with respect to cash and cash equivalents. As at December 31, 2015, the amount of \$11.09 million (December 31, 2014: \$10.97 million) is held with a Malaysian financial institution, \$0.50 million with an Australian financial institution (December 31, 2014: \$0.03 million) and \$12.50 million (December 31, 2014: \$14.60 million) is held with a Canadian financial institution. To mitigate exposure to credit risk, the Company has established policies to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable credit worthiness, and to ensure liquidity of available funds.

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 effective management of its capital structure, together with 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.

12. OUTSTANDING SHARE DATA

The following details the share capital structure as at February 29, 2016 the date of this MD&A (Figure 20).

Figure 20: Share capital structure

Common Shares			Quantity
Issued and outstanding*			324,218,030
			324,218,030
Stock options	Exercise Price	Expiry date	Quantity
	CAD\$0.61	29-Aug-16	100,000
	CAD\$0.42	11-Jan-17	500,000
	CAD\$0.45	07-Mar-17	150,000
	CAD\$0.33	04-Sep-18	200,000
	CAD\$0.33	04-Sep-23	12,543,666
			13,493,666

*14,000,000 common shares are held in escrow in relation to the Intec Transaction.

13. RISKS AND UNCERTAINTIES

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

Whether a mineral deposit, if ever discovered, will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure together with the impact on mine-ability and recoverability, as well as metal prices which are highly cyclical. Government regulations are also a significant factor including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact

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effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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

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

Title to mineral property interests

Although the Company has taken steps to verify the title to its mineral property interests, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to administrative delays common in Malaysia, unregistered prior agreements or transfers and title may be affected by undetected defect. To the best of the Company's knowledge, title to its properties is in good standing except that a prospecting exploration permit previously held by SDSB expired on September 23, 2012 and the application for renewal was submitted to the authority in compliance with the Malaysian Mining Enactment 2001 and applications for several mining leases over the prospecting permit were also registered.

Realization of assets

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

Reserves and resource estimates

There is a degree of uncertainty attributable to the estimation of Reserves and Resources and the corresponding grades. Reserve and Resource estimates are dependent partially on statistical information drawn from drilling, sampling and other data. Reserve and Resource figures set forth by the Company are estimates, and there is no certainty that the mineral deposits would yield the production of metals indicated by Reserve and Resource estimates. Declines in the market price for metals may adversely affect the economics of a deposit and may require the Company to reduce its estimates. Changes in gold recovery rates during milling and especially the impact of the Intec Technology on treatment of gold sulphides may also adversely affect the viability of reserves and resources.

Profitability from production

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

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

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

Environmental

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

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

Additional funding for mineral property pipelines

The Company has recently announced new acquisitions and will continue to assess targets to increase its mineral resource base. Additional capital may be required from time to time to fund such acquisitions and development in order to fulfill its business strategy. The additional capital may come from public markets, debt financing and cash flows generated from current production, which are largely influenced by

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integrated world and regional economies which are out of the Company's control. Management has successfully mitigated those risks in the past through exercise of due care, experience and knowledge; however, those factors do not guarantee such risks will be successfully mitigated into the future.

Foreign operations

The Company's properties are located in Malaysia and Western Australia. The Company has historically received strong support from the local, state and federal governments for its gold mine development and operation. However, the political risk is considered external and not at the control of the Company.

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

The regulations the Company shall comply with in Malaysia include, but are not limited to, the Mineral Enactment Act 2001, Mineral Development Act 2004, Environmental Quality Regulations 1978, The Planning Guideline for Environmental Noise Limit and Controls, Factories and Machinery Act 1967, Occupational Safety and Health Act 1994 and the Goods and Services Tax Act 2014.

The regulations the Company shall comply with in Western Australia include, but are not limited to, Mines Safety and Inspection Act 1994, Dangerous Goods Safety Act 2004, Environmental Protection Act 1986, Corporations Act – Corporations (Western Australia) Acts 1961 and 1981, Income Tax – Income Tax Act 1962, Fringe Benefit Tax Assessment Act 1986, Payroll Tax Assessment 2002, Goods & Services Act 1999 and Fair Work Act 2009.

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

14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures

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

15. NON-GAAP PERFORMANCE MEASURES

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

16. CAUTION ON FORWARD LOOKING STATEMENTS

All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion and Analysis, but not limited to, any information as to the future financial or operating performance of Monument, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and are based on expectations, estimates and projections as of the date of this Management's Discussion and Analysis. Forward-looking statements include, without limitation, possible events, statements with respect to possible events, estimates of construction, commissioning and production of the gold treatment plant at Selinsing Gold Mine Project; exploration results and budgets, mineral reserve and resource estimates; capital expenditures; strategic plans; proposed financing transactions, the timing and amount of estimated future

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production, costs of production, success of exploration, development and mining activities, permitting timelines, estimates of fair value of financial instruments, currency fluctuations, requirements for additional capital, government regulation and permitting of mining operations and development projects, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "guidance", "targets", "models", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might", or "will be taken", "occur" or "be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Monument as of the date of such statements, are inherently subject to significant business, political, economic and competitive uncertainties and contingencies. The estimates and assumptions of Monument contained or incorporated by reference in this Management's Discussion and Analysis, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Malaysia (including, without limitation, land acquisitions for and permitting and construction of new tailings facilities) being consistent with our current expectations; (3) development of the Phase III plant expansion on a basis consistent with Monument' current expectations; (4) the viability, permitting and exploration of Mengapur project being consistent with Monument' current expectations; (5) political developments in Malaysian jurisdiction in which the Company operates being consistent with its current expectations; (6) the exchange rate between the Canadian dollar, Malaysian ringgit, Australian dollar and the U.S. dollar being approximately consistent with current levels; (7) certain price assumptions for gold; (8) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (9) production and cost of sales forecasts for Selinsing operations meeting expectations; (10) the accuracy of current mineral reserve and mineral resource estimates for the Company and any entity in which it now or hereafter directly or indirectly holds an interest; (11) labour and materials costs increasing on a basis consistent with Monument' current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates that could impact the mark-to-market value of outstanding derivative instruments; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Malaysia or other countries in which the Company conducts business or may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect, and could cause, Monument' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Monument. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this Management's Discussion and Analysis are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the "Risk Factors" section. These factors are not intended to represent a complete list of the factors that could affect Monument. Monument disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Other information

Where we say "we", "us", "our", the "Company", or "Monument" in this Management's Discussion and Analysis, we mean Monument Mining Limited and/or one or more or all of its subsidiaries, as may be applicable. The technical information about the Company's material mineral properties contained in this Management's Discussion and Analysis has been prepared under the supervision of Snowden Mining Industry Consultants company who is a "qualified person" within the meaning of National Instrument 43-101.