

Consolidated Financial Statements of

**MONUMENT MINING LIMITED**

Three and Six Months Ended December 31, 2010

UNAUDITED INTERIM FINANCIAL STATEMENTS  
(Expressed in United States dollars)

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

The Audit Committee of the Board of Directors has reviewed the consolidated financial statements with management and the external auditors.

"Robert Baldock"

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Robert Baldock,  
President and Chief Executive Officer

"Cathy Zhai"

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Cathy Zhai,  
Chief Financial Officer

Vancouver, British Columbia  
February 28, 2011

**MONUMENT MINING LIMITED**

## Consolidated Balance Sheets

(Unaudited, expressed in U.S. dollars)

	December 31, 2010	June 30, 2010
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 27,909,558	\$ 3,709,468
Restricted cash (note 3)	97,303	173,731
Accounts receivable (note 13)	2,618,326	1,836,782
Prepaid expenses and deposits	482,510	86,134
Inventory (note 4)	10,220,607	4,526,110
	<u>41,328,304</u>	<u>10,332,225</u>
Restricted inventory (notes 4 and 9(c))	69,334	-
Property, plant and equipment (note 6)	34,257,732	16,458,763
Mineral properties (note 7)	18,978,912	33,650,242
Deferred costs (note 12)	13,549	224,022
	<u>53,319,527</u>	<u>50,333,027</u>
	<u>\$ 94,647,831</u>	<u>\$ 60,665,252</u>
<b>Liabilities and Shareholders' Equity</b>		
Current		
Accounts payable and accrued liabilities	\$ 2,835,235	\$ 3,610,943
Current portion of capital lease obligations (note 8)	14,992	13,829
	<u>2,850,227</u>	<u>3,624,772</u>
Capital lease obligations (note 8)	39,408	44,599
Convertible notes (note 9)	4,719,600	-
Deferred revenue (note 9)	2,841,876	-
Derivative liabilities (note 9)	10,439,958	-
Asset retirement obligation	2,667,167	2,410,655
Future income tax	719,967	672,633
	<u>24,278,203</u>	<u>6,752,659</u>
Shareholders' equity		
Share capital (note 10)	63,050,488	58,923,650
Contributed surplus (note 10(e))	9,804,061	7,625,229
Accumulated other comprehensive income (loss)	2,591,010	(1,379,420)
Deficit	(5,075,931)	(11,256,866)
	<u>70,369,628</u>	<u>53,912,593</u>
	<u>\$ 94,647,831</u>	<u>\$ 60,665,252</u>

(1) Commitments (note 14)

(2) Subsequent Events (note 17)

Approved on behalf of the Board:

"Robert Baldock"

Robert Baldock, Director

"George Brazier"

George Brazier, Director

See accompanying notes to consolidated financial statements.

## MONUMENT MINING LIMITED

Consolidated Statements of Operations, Deficit and Accumulated Other Comprehensive Income (Loss)

(Unaudited, expressed in U.S. dollars)

	For the three months ended		For the six months ended	
	December 31,		December	
	2010	2009	2010	31, 2009
<b>Revenue</b>				
Gold sales	\$ 14,119,390	\$ -	\$ 20,730,884	\$ -
Cost of goods sold	2,697,775	-	3,788,720	-
	11,421,615	-	16,942,164	-
Depletion and amortization	366,363	-	428,351	-
Accretion of asset retirement obligation	62,578	-	83,272	-
Income from mining operations	10,992,674	-	16,430,541	-
<b>Expenses</b>				
Stock-based compensation (note 10(d))	209,384	514,257	627,886	914,235
General and administration	302,315	208,481	608,335	416,308
Legal, accounting and audit	263,234	38,220	341,073	97,802
Shareholder communications	61,434	32,626	113,605	53,946
Travel	173,357	30,507	227,035	53,849
Regulatory compliance and filing	5,671	7,614	16,959	12,784
Amortization	6,929	4,249	9,476	8,419
	1,022,324	835,954	1,944,369	1,557,343
Income (loss) before other items	9,970,350	(835,954)	14,486,172	(1,557,343)
Other income (loss)				
Interest income	29,356	3,426	42,542	24,489
Foreign currency exchange gain (loss)	(115,703)	61,513	(422,108)	90,769
Change in fair value of forward contract	-	-	-	(14,067)
Accretion expense (note 9)	(453,092)	-	(537,380)	-
Loss on derivative liabilities (note 9)	(3,961,789)	-	(7,389,810)	-
	(4,501,228)	64,939	(8,306,756)	101,191
Net income (loss) for the period	5,469,122	(771,015)	6,179,416	(1,456,152)
Other comprehensive income				
Unrealized gain on translation to U.S. dollar reporting currency	2,591,010	(700,527)	2,591,010	(700,527)
Net income and comprehensive income for the period	\$ 8,060,132	\$ (1,471,542)	\$ 8,770,426	\$ (2,156,679)
Earnings (loss) per share, diluted (note 11)	\$ 0.03	\$ (0.00)	\$ 0.04	\$ (0.01)
Deficit, Beginning of the period	(10,545,053)	(7,170,785)	(11,255,347)	(8,485,648)
Net income (loss) for the period	5,469,122	(771,015)	6,179,416	(1,456,152)
Deficit, End of the period	\$ (5,075,931)	\$ (7,941,800)	\$ (5,075,931)	\$ (9,941,800)
Accumulated other comprehensive loss, Beginning of the period	518,173	(1,710,754)	(1,379,420)	(6,039,848)
Other comprehensive income for the period	2,072,837	1,010,227	3,970,430	5,339,321
Accumulated other comprehensive income (loss), End of the period	\$ 2,591,010	\$ (700,527)	\$ 2,591,010	\$ (700,527)

See accompanying notes to consolidated financial statements.

# MONUMENT MINING LIMITED

Consolidated Statements of Cash Flows  
(Unaudited, expressed in U.S. dollars)

	For the three months ended		For the six months ended	
	December 31,		December 31,	
	2010	2009	2010	2009
<b>Operating Activities</b>				
Net income (loss) for the period	\$ 5,469,122	\$ (771,015)	\$ 6,179,416	\$ (1,456,152)
Items not involving cash				
Unrealized foreign exchange gain from asset retirement accretion	(135,061)	(17,730)	(38,164)	(104,263)
Unrealized foreign exchange loss	(252,225)	19,796	(123,664)	118,828
Stock-based compensation	209,384	514,258	627,886	914,235
Changes in fair value of forward contract	-	-	-	9,208
Accretion expense on convertible notes	366,455	-	423,768	-
Accretion expense on gold forward sale	86,637	-	113,612	-
Loss on derivative liabilities	3,961,789	-	7,389,810	-
Accretion expense on asset retirement	83,272	-	83,272	-
Amortization	436,355	4,249	438,900	8,418
	10,225,728	(250,442)	15,094,836	(509,726)
Change in non-cash working capital items				
Accounts receivable	1,750,526	(1,308)	(632,109)	9,924
Prepaid expenses and deposits	(214,007)	(21,048)	(378,241)	(21,915)
Inventory	(1,198,095)	(116,521)	(2,697,002)	(116,521)
Deferred business development costs	56,755	-	56,755	-
Accounts payable and accrued liabilities	2,044,480	(24,355)	1,963,130	(184,865)
	2,439,659	(163,232)	(1,687,467)	(313,377)
Cash provided by (used in) operating activities	12,665,387	(413,674)	13,407,369	(823,103)
<b>Financing Activities</b>				
Proceeds from exercise of stock options and warrants	553,417	-	583,808	-
Cost of share issuance for debt settlement	-	-	-	(1,066)
Proceeds from convertible notes	-	-	7,794,400	-
Proceeds from forward gold sale	-	1,992,326	4,871,500	1,992,326
Transaction costs on convertible notes and forward gold sale	(180)	(57,964)	(1,293,261)	(57,964)
Payment of capital lease obligation	(5,455)	-	(7,889)	-
Cash provided by (used in) financing activities	547,782	1,934,362	11,948,558	1,933,296
<b>Investing Activities</b>				
Expenditures on mineral properties, net of recoveries	(2,550,390)	(884,589)	1,218,874	(1,220,627)
Expenditures on property, plant and equipment, net of recoveries	(2,098,769)	(1,325,060)	(3,343,168)	(2,979,953)
Cash provided by (used in) investing activities	(4,649,159)	(2,209,649)	(2,124,294)	(4,200,580)
Foreign exchange effect on U.S. currency reporting translation	631,263	42,785	768,365	437,057
Foreign exchange effect on cash	252,225	(19,796)	123,664	(118,828)
Increase in cash and cash equivalents	9,447,498	(665,972)	24,123,662	(2,772,158)
Cash and cash equivalents, beginning of the period	18,559,363	3,212,088	3,883,199	5,318,274
Cash and cash equivalents, end of the period	\$ 28,006,861	\$ 2,546,116	\$ 28,006,861	\$ 2,546,116
Cash and cash equivalents consist of:				
Cash	\$ 17,769,924	\$ 1,921,672	\$ 17,769,924	\$ 1,921,672
Cash equivalents	10,139,634	522,687	10,139,634	522,687
Restricted cash	97,303	101,757	97,303	101,757
	\$ 28,006,861	\$ 2,546,116	\$ 28,006,861	\$ 2,546,116

Supplemental Cash Flow Information (note 15)

## MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements  
For the three and six months ended December 31, 2010 and 2009

(in U.S. dollars)

### 1. Organization and Nature of Operations

Monument Mining Limited (the "Company") is a natural resource company engaged in the acquisition, exploration, development and operation of gold mineral property interests. Its primary activities include open pit mining and operation of a 1,200 tpd ("tonnes of ore per day") gold treatment plant at the 100% owned Selinsing Gold Project ("Selinsing") and exploration on the 100% owned Damar Buffalo Reef and Famehub prospects (note 7). The Company's head office is located in Vancouver, BC, Canada. Its gold project operations, exploration and development activities are carried out in Malaysia through its wholly owned integrated subsidiaries.

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

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

### 2. Significant Accounting Policies

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") with the Canadian dollar as the functional currency.

#### Basis of presentation

The unaudited interim consolidated financial statements include the accounts of the Company and its wholly-owned integrated Malaysian subsidiaries: Polar Potential Sdn. Bhd., Able Return Sdn. Bhd., Selinsing Gold Mine Manager Sdn. Bhd., Damar Consolidated Exploration Sdn. Bhd. and Famehub Venture Sdn. Bhd ("Famehub"). All material intercompany balances and transactions have been eliminated on consolidation. The results of operations for the three and six month periods ended December 31, 2010 are not necessarily indicative of the results for the full year.

These unaudited interim consolidated financial statements do not include all disclosures required for annual financial statements, and should be read in conjunction with the notes to the Company's audited annual consolidated financial statements for the year ended June 30, 2010. The accounting policies followed by the Company are set out in notes 2 and 3 to the consolidated financial statements for the year ended June 30, 2010 and they have been consistently followed in the preparation of these interim financial statements, except for the following changes:

#### Change in Reporting Currency

Effective July 1, 2010, the Company changed its reporting currency from the Canadian dollar ("CAD") to the U.S. dollar ("USD"). The change in reporting currency increases transparency of the financial results of the Company and provides better visibility for the stakeholders as the Company has commenced its commercial gold production.

Prior to July 1, 2010, the Company reported its annual and quarterly consolidated balance sheets and the related consolidated statements of operations, deficit, and accumulated comprehensive income (loss) and statements of cash flows in CAD. In making the change in reporting currency, the Company followed the recommendations of the Emerging Issues Committee ("EIC") of the Canadian Institute of Chartered Accountants ("CICA"), set out in EIC-130 — "Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency" ("EIC-130").

In accordance with EIC-130, the financial statements for all the periods presented have been translated to USD, using the current rate method. Under this method, the statements of operations, deficit and accumulated other comprehensive income (loss) and statements of cash flows for each period, as well as, transactions impacting shareholder's equity have been translated using the exchange rates prevailing on the transaction dates. Assets and liabilities have been translated using the exchange rate prevailing at the date of the consolidated balance sheets.

## MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements  
For the three and six months ended December 31, 2010 and 2009

(in U.S. dollars)

### 2. Significant Accounting Policies (continued)

#### Change in Reporting Currency (continued)

All resulting exchange differences arising from the translation are included as a separate component of other comprehensive income in the amount of \$2,072,837 (2009 - \$1,010,227) for the three months and \$3,970,430 (2009 - \$5,339,321) for the six months, ended December 31, 2010. All comparative financial information has been restated to reflect the Company's results as if they had been historically reported in USD.

#### Business combinations

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

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of business activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements. The Company early adopted these sections as of July 1, 2010 with no significant impact on the consolidated financial statements (see note 7(c)).

#### Hybrid Instruments

On initial recognition, the Company allocates the proceeds on hybrid instruments between the debt and equity components by first allocating the proceeds to the debt components using the relative fair value method with any residual value being allocated to the equity components. Transaction costs are allocated between the various components on the relative fair value basis.

Subsequent to initial recognition, the Company records debt classified as other financial liabilities at amortized cost using the effective interest method such that upon maturity, the debt balance recorded will equal the maturity value of the remaining outstanding debt. The corresponding transaction costs are recorded against the debt and are amortized over the term to maturity. The increase in the debt balance and amortization of related financing costs are reflected as interest and accretion expense in the consolidated statement of operations, deficit and accumulated other comprehensive income (loss).

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

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

Future accounting changes

#### International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The effective date will require the restatement of comparative amounts reported by the Company for the year ending June 30, 2011. The Company has commenced the process to transition from current Canadian GAAP to IFRS. The transition process consists of a diagnostic phase; impact analysis, evaluation and design phase; and implementation and review phase. The planned action for conversion is as follows:

1. Identify differences in Canadian GAAP versus IFRS at July 1, 2010
2. Evaluate IFRS accounting policy choices/exemptions available at July 1, 2010
3. Select IFRS accounting policies
4. Quantify differences at July 1, 2010
5. Prepare IFRS balance sheet at July 1, 2010
6. Prepare September 30, 2010 and December 31, 2010 interim financial statements under IFRS

## MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements  
For the three and six months ended December 31, 2010 and 2009

(in U.S. dollars)

### 2. Significant Accounting Policies (continued)

The Company has completed the preliminary assessment of differences in Canadian GAAP versus IFRS related to the Company's financial statements, as a result, it is expected no significant impact on the financial results from the conversion. The Company has already arranged resources to complete the conversion by May 31, 2011.

### 3. Restricted Cash

	December 31, 2010	June 30, 2010
Bank Guarantee for customs clearance (a)	\$ -	\$ 15,334
Letter of Credit and payment guarantee for equipment (b)	97,303	158,397
	\$ 97,303	\$ 173,731

As at December 31, 2010:

- The Company has lodged cash in the amount of \$0 (June 30, 2010 - \$15,334) to meet customs clearance requirements. The cash is backed by a bank facility with a limit of \$324,342 (RM1,000,000).
- The Company has entered into agreements restricting cash of \$97,303 (June 30, 2010 - \$158,397) for payment on supplies and equipment.

### 4. Inventory

	December 31, 2010	June 30, 2010
Mine operating supplies	\$ 661,103	\$ 402,986
Stockpiled ore	6,363,406	3,892,296
Work in progress	3,196,098	230,828
Finished goods	69,334	-
	\$ 10,289,941	\$ 4,526,110
Less: restricted finished goods (note 9)	69,334	-
	\$ 10,220,607	\$ 4,526,110

### 5. Financial Instruments – Fair Value

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable (excluding refundable taxes), accounts payable and accrued liabilities, convertible notes, conversion feature and FX Components (note 9).

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

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

The following table sets forth the Company's financial liabilities measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Convertible notes	\$ -	\$ -	\$ 4,719,600	\$ 4,719,600
Conversion feature	-	-	10,054,000	10,054,000
FX Components	-	245,709	-	245,709
	\$ -	\$ 245,709	\$ 14,773,600	\$15,019,309



## MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements  
For the three and six months ended December 31, 2010 and 2009

(in U.S. dollars)

### 6. Property, Plant and Equipment

	Cost	Accumulated amortization	Net book value, December 31, 2010	Cost	Accumulated amortization	Net book value, June 30, 2010
Selinsing Gold Property (note7(a))	\$ 20,113,925	\$ 2,626,039	\$ 17,487,886	\$ -	\$ -	\$ -
Buildings	882,674	30,343	852,331	695,460	20,102	675,358
Furniture and equipment	1,044,391	116,916	927,475	390,492	59,942	330,550
Computer	353,360	87,980	265,380	254,501	63,972	190,529
Vehicle	206,663	105,535	101,128	189,119	79,289	109,830
Leasehold improvements	21,561	1,050	20,511	-	-	-
Heavy equipment	1,322,608	-	1,322,608	1,200,759	-	1,200,759
Plant	14,096,201	872,871	13,223,330	-	-	-
Construction in progress	57,083	-	57,083	14,140,851	201,558	13,939,293
Deposit for construction	-	-	-	12,444	-	12,444
	\$ 38,098,466	\$ 3,840,734	\$ 34,257,732	\$ 16,883,626	\$ 424,863	\$ 16,458,763

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

Construction in progress was reallocated to plant of \$12.4 million, furniture and equipment of \$0.4 million and Selinsing Gold Property of \$1.2 million for roads, tailings storage and detoxification pond. An amount of \$0.6 million for asset retirement obligations was allocated to the plant from Selinsing Gold Property.

## MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements

For the three and six months ended December 31, 2010 and 2009

(in U.S. dollars)

### 7. Mineral Properties

	Selinsing Gold Property (Development)	Selinsing Land Extension (Exploration)	Buffalo Reef (Exploration)	Famehub (Exploration)	Total
<b>June 30, 2009</b>	\$ 29,297,556	\$ -	\$ 11,293,108	\$ -	\$ 40,590,664
Assay and analysis	-	-	23,884	-	23,884
Asset retirement obligation	1,116,598	-	-	-	1,116,598
Drilling	-	-	21,460	-	21,460
Geological	-	-	82,982	-	82,982
Site activities	171,778	-	6,341	-	178,119
Environmental	19,654	-	-	-	19,654
Socio-economic	6,731	-	596	-	7,327
Property fees	54,191	-	912	-	55,103
Recoveries, net of costs	(12,662,470)	-	-	-	(12,662,470)
Stripping costs	326,899	-	-	-	326,899
Stock-based compensation (note 11(e))	48,297	-	109,196	-	157,493
Cumulative other comprehensive income	2,694,066	-	1,038,463	-	3,732,529
<b>June 30, 2010</b>	\$ 21,073,300	\$ -	\$ 12,576,942	\$ -	\$ 33,650,242
Reclassification to property, plant and equipment	(21,073,300)	-	-	-	(21,073,300)
Acquisition costs	-	109,824	-	5,072,058	5,181,882
Assay and analysis	-	-	757	-	757
Drilling	-	-	150,915	-	150,915
Geological	-	-	139,156	-	139,156
Site activities	-	-	18,511	-	18,511
Socio-economic	-	-	18,762	-	18,762
Stock-based compensation (note 11(e))	-	-	6,928	-	6,928
	-	109,824	335,029	5,072,058	5,516,911
Cumulative other comprehensive income	-	-	885,059	-	885,059
<b>December 31, 2010</b>	\$ -	\$ 109,824	\$ 13,797,030	\$ 5,072,058	\$ 18,978,912

#### Title to mineral properties

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

#### Realization of assets

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

## MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements  
For the three and six months ended December 31, 2010 and 2009

(in U.S. dollars)

### 7. Mineral Properties (continued)

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

#### Environmental

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

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

#### a. Selinsing Gold Property

The property is located in Pahang State, Malaysia. The Company acquired a 100% interest in the Selinsing Gold Property in 2007 and since has developed a producing mine by building a 400,000 tonnes per annum capacity gold treatment plant consisting of a gravity circuit and a Carbon In Leach (CIL) circuit designed to operate simultaneously. As at September 1, 2010, the Company completed the commissioning of the gold treatment plant and commenced commercial production. Accordingly, the accumulated cost was transferred from mineral properties to property, plant and equipment (note 6) and the Company began amortizing the carrying value on the unit-of-production basis.

#### b. Selinsing Exploration Land Extension

During the second quarter, the Company acquired exploration rights for consideration of \$109,824, covering prospective land that lies adjacent to the Selinsing operating open pit.

#### c. Buffalo Reef Prospect

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

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

During the six months ended December 31, 2010, a twelve month exploration program recommenced at the Buffalo Reef Prospect. The Company spent \$355,029 in the period mainly on drilling activities and the extension of Monument's participation for another three years with the Geological Department of Tasmania University in the "Centre of Ore Deposit Studies" ("CODES") Program covering the central gold belt of Peninsular Malaysia.

#### d. Famehub Acquisition

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

## MONUMENT MINING LIMITED

Notes to Consolidated Financial Statements  
For the three and six months ended December 31, 2010 and 2009

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### 7. Mineral Properties (continued)

#### d. Famehub Acquisition (continued)

On August 13, 2010, the parties entered into a formal "Agreement of Purchase and Sale of Shares" under which the Company agreed to purchase the above described assets, through its wholly owned subsidiary Damar Consolidated Exploration Sdn Bhd, by acquiring 100% of the issued and outstanding Famehub shares for cash of CAD\$1,500,000 (US\$1,508,100), of which a CAD\$50,000 (US\$50,270) deposit was paid in 2009, and the issuance of 14,000,000 fully paid shares of the Company (the "Famehub Acquisition"). Although the Company acquired 100% of the issued and outstanding common shares of Famehub, the Famehub Acquisition does not meet the definition of a business under HB 1582; accordingly, the Famehub Acquisition was accounted for as an asset acquisition.

The transaction closed on September 13, 2010, and accordingly, the Company issued 14,000,000 common shares and paid CAD\$1,450,000 (US\$1,457,830) during the six-month period ended December 31, 2010.

The aggregated purchase price for the Famehub Acquisition was \$4,904,629, paid as follows:

Cash	\$ 1,508,100
Common shares	3,406,900
Transaction costs	43,316
	\$ 4,958,316

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

Cash	\$ 1,855
Property, plant and equipment	47,587
Mineral properties	5,072,058
Accounts payable and accrued liabilities	(40,633)
Cumulative other comprehensive income	(122,551)
	\$ 4,958,316

### 8. Capital lease obligations

	December 31, 2010	June 30, 2010
2011	\$ 8,946	\$ 16,779
2012	17,891	16,779
2013	17,891	16,779
2014	15,919	14,908
Total minimum lease payments	60,647	65,245
Amount representing interest	(6,247)	(6,817)
Obligation under capital leases	54,400	58,428
Less: current portion	(14,992)	(13,829)
	\$ 39,408	\$ 44,599

## MONUMENT MINING LIMITED

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### 9. Convertible Notes and Forward Gold Sale

#### a. Convertible notes

On August 11, 2010, the Company closed a financing for CAD\$8,000,000 (\$8,043,200) from the issuance of convertible notes (the "Notes"). Net proceeds amounted to \$7,096,568 after subtracting transaction costs totaling \$946,632, of which \$804,320 was for commission and \$142,312 was for legal and regulatory fees.

The Notes have a term of five years and one day from the date of the issuance and are to be repaid by the Company at the end of the term in cash in the amount of CAD\$9,733,600 (\$9,786,161), at 121.67% of the principal amount (the "Repayment Amount"). Any early repayments or conversions of the Notes will result in a pro-rata adjustment of the Repayment Amount. The holders of the Notes (the "Noteholders") may, at any time, convert the Notes into units at a price of CAD\$0.40 (\$0.38) per unit (the "Conversion Feature") with each unit comprising one common share of the Company and one common share purchase warrant (the "Units"). Each share purchase warrant is exercisable at CAD\$0.50 (\$0.48) per share, expiring five years from the date of issuance of the Notes. The conversion price of the Units meet the definition of a derivative liability given they are subject to an adjustment down to CAD\$0.365 (\$0.349) per unit should the Company issue common shares for cash proceeds in an amount below CAD\$0.40 (\$0.40) per share during the term of the Notes. Upon conversion, the Company is required to make a cash payment on the converted amount to the holder equal to the difference between the principal converted and the Repayment Amount on the balance to the conversion date.

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

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

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

Allocation	Proceeds	Transaction costs
Convertible notes	\$ 4,853,535	\$ 571,229
Conversion Feature	2,781,522	327,368
FX Component	408,143	48,035
Total	\$ 8,043,200	\$ 946,632

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

As at December 31, 2010, the Company estimated the fair value of the Conversion feature using the following assumptions:

Risk free rate	2.85%
Dividend rate	nil
Expected life (years)	4.61
Volatility	89.6%

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Notes to Consolidated Financial Statements  
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### 9. Convertible Notes and Forward Gold Sale (continued)

As of December 31, 2010 the continuity schedule of the Convertible Notes and associated derivative liabilities was set as follows:

Note	Aug. 11, 2010	Accretion Expense	Loss on conversion feature	Gain on FX Component	Accumulated Other Comprehensive Income	Dec. 31, 2010
Derivative liability - Conversion Feature	\$ 4,282,305	\$ 423,768	\$ -	\$ -	\$ 13,527	\$ 4,719,600
Derivative liability - FX Component	2,781,523	-	7,047,518	-	224,959	10,054,000
	408,142	-	-	(157,409)	(5,024)	245,709
<b>Total</b>	<b>\$ 7,471,970</b>	<b>\$ 423,768</b>	<b>\$ 7,047,518</b>	<b>\$ (157,409)</b>	<b>\$ 233,462</b>	<b>\$15,019,309</b>

#### b. Forward Gold Sale

On August 13, 2010, the Company closed a forward sale agreement resulting in the advance of CAD\$5,000,000 (\$5,027,000) to the Company. Net proceeds amounted to \$4,464,635 after subtracting transaction costs in the amount of \$562,365, of which \$503,735 was for commission and \$58,630 for legal and regulatory fees. The advance will be settled for 5,000 ounces of gold subject to adjustment for fluctuations in the CAD/USD foreign exchange rate (the "Forward Sale"). The Forward Sale has a term of five years plus one day. Warrants for the purchase of 5,000,000 common shares with the same terms as described in connection with the Units above were issued to the lender on closing. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

The gold sale under the Forward Sale is in accordance with the Company's expected purchase, sale and usage requirements and accordingly has been recorded as deferred revenue. Given the volume of gold due on maturity may vary due to fluctuations in the CAD/USD foreign exchange rate, the Forward Sale contains a foreign exchange embedded derivative (the "FX Component"). The warrants meet the definition of equity given they entitle the holder to a residual interest in the Company.

Upon initial recognition, the Company first allocated the proceeds to the liability components based on their estimated fair values with any residual value being allocated to the equity component. Transaction costs were allocated to the various components based on their relative fair values as follows:

Allocation	Proceeds	Transaction costs
Deferred revenue	\$ 3,067,832	\$ 343,195
Derivative liability	-	-
Warrants	1,959,168	\$ 219,170
<b>Total</b>	<b>\$ 5,027,000</b>	<b>\$ 562,365</b>

Subsequent to initial recognition, the deferred revenues are carried at amortized cost using the effective interest method based on a five years plus one day period at discount rate of 12% and the FX Component is valued using indicative foreign exchange forward contract spot rate.

As of December 31, 2010 the continuity schedule of the deferred revenue and associated derivative liabilities was set as follows:

	Aug. 11, 2010	Accretion Expense	Loss on FX Component	Accumulated Other Comprehensive Income	Dec. 31, 2010
Deferred revenue	\$ 2,724,637	\$ 113,612	\$ -	\$ 3,627	\$ 2,841,876
Derivative liability - FX Component	-	-	135,911	4,338	140,249
<b>Total</b>	<b>\$ 2,724,637</b>	<b>\$ 113,612</b>	<b>\$ 135,911</b>	<b>\$ 7,965</b>	<b>\$ 2,982,125</b>

## MONUMENT MINING LIMITED

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### 9. Convertible Notes and Forward Gold Sale (continued)

#### c. Security Pledge

The Company's obligations under the Convertible Notes and Forward Sale are secured by designated gold metal accounts. In connection with such security, the Company is required to deposit an aggregate of 397 ounces of gold per month from the end of the first month following the earlier of (i) commencement of commercial production of the gold treatment plant of the Company's Malaysian subsidiary for its gold production operation in Malaysia; and (ii) the date that is three months from the closing, up to a maximum 13,000 ounces of gold. As of December 31, 2010, a total 1,600 ounces of gold was transferred to restricted metal accounts and was included in restricted inventory (note 4).

### 10. Share Capital

#### a. Authorized

Unlimited common shares without par value

#### b. Issued and outstanding

Common shares	Shares	Amount
Balance, June 30, 2009	155,640,028	\$ 58,801,934
Shares issued for debt settlement (note 10(b)(i))	475,000	122,788
Share issuance costs for debt settlement (note 10(b)(i))	-	(1,072)
Balance, June 30, 2010	156,115,028	\$ 58,923,650
Shares issued for Famehub acquisition (note 10(b)(ii))	14,000,000	3,406,900
Share issued from the exercise of stock options	796,833	224,442
Fair value of stock options exercised	-	127,547
Share issued from the exercise of warrants	740,000	367,949
Balance, December 31, 2010	171,651,861	\$ 63,050,488

(i) On September 25, 2009, the Company issued 475,000 common shares valued at \$0.26 per share to settle a debt owing to Avocet in the amount of \$122,788. The Company incurred transaction costs in the amount of \$1,072 for filing fees related to the transaction.

(ii) On September 13, 2010, the Company issued 14,000,000 common shares valued at \$0.24 per share for a total value of \$3,406,900 to acquire the Famehub Properties (note 7(c)). The shares are subject to a four months hold period expiring January 13, 2011.

#### c. Warrants

The continuity of share purchase warrants is as follows:

Expiry date	21-Jul-11	12-Aug-11	11-Aug-15	Total outstanding and exercisable
Exercise price	\$0.50	\$0.47	\$0.48	
Balance, June 30, 2010	70,120,000	8,125,003	-	78,245,003
Issued (note 9(b))	-	-	5,000,000	5,000,000
Exercised	(740,000)	-	-	(740,000)
Balance, December 31, 2010	69,380,000	8,125,003	5,000,000	82,505,003

## MONUMENT MINING LIMITED

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### 10. Share Capital (continued)

#### c. Warrants (continued)

On August 11, 2010, the Company issued 5,000,000 common share purchase warrants in conjunction with the Gold Forward Sale (note 9(b)). Each share purchase warrant is exercisable at \$0.48 per share, expiring five years from the date of issuance of the Notes. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

#### d. Stock options

At the Annual General Shareholders' Meeting of the Company held on November 9, 2010, the 2010 Stock Option Plan was approved (the "2010 Plan") and replaced the 2009 Stock Option Plan. The 2010 Plan increased the maximum number of the Company's shares reserved for issuance pursuant to option granted under the plan to 28,941,000 from 22,126,000 with other terms intact. According to the 2010 Plan, the Company grants stock purchase options to its directors, officers, employees and consultants. The number of shares reserved for issuance under the 2010 Plan shall not exceed 17% of the total number of issued and outstanding shares on a non-diluted basis. The total number of stock options granted during the year together with previously granted stock options shall not exceed, on a non-diluted basis, 6% for any one Optionee; 15% for Insiders as a group, 2% for any one Consultant; 2% for all Eligible Persons who undertake Investor Relations Activities. Under the 2010 Plan, 26,406,000 stock options were granted, 5,000 were forfeited and 796,833 have been exercised, which leaves 25,604,167 stock options outstanding as at December 31, 2010.

Stock option activity is as follows:

	Number of common shares under option	Weighted average exercise price
Balance, June 30, 2009	19,676,000	\$ 0.40
Granted	2,930,000	\$ 0.30
Forfeited	(5,000)	\$ 0.25
Balance, June 30, 2010	22,601,000	\$ 0.39
Granted	3,800,000	\$ 0.46
Exercised	(796,833)	\$ 0.29
Balance, December 31, 2010	25,604,167	\$ 0.40

During the six months ended December 31, 2010, 3,800,000 options were granted to employees and a director (2010 – 830,000 options were granted to employees, consultants and a director).

The following table summarizes the stock options outstanding at December 31, 2010:

Exercise Price	Options outstanding			Options exercisable	
	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price
\$ 0.50	3,300,000	Jul 05, 2012	1.51	3,300,000	\$ 0.50
\$ 0.58	70,000	Feb 18, 2011	0.13	70,000	\$ 0.58
\$ 0.40	13,390,000	Aug 15, 2013	2.63	13,140,000	\$ 0.40
\$ 0.50	400,000	Dec 05, 2013	2.93	400,000	\$ 0.50
\$ 0.40	130,000	Dec 05, 2013	2.93	130,000	\$ 0.40
\$ 0.25	1,459,167	Dec 05, 2013	2.93	1,459,167	\$ 0.25
\$ 0.25	425,000	Feb 09, 2014	3.11	150,000	\$ 0.25
\$ 0.30	500,000	Jul 29, 2012	1.58	500,000	\$ 0.30
\$ 0.39	30,000	Dec 17, 2014	3.96	15,000	\$ 0.39
\$ 0.30	1,600,000	Jun 08, 2013	2.44	400,000	\$ 0.30
\$ 0.30	500,000	Jun 10, 2015	4.44	-	-
\$ 0.42	3,000,000	Sep 29, 2015	4.75	1,000,000	\$ 0.42
\$ 0.60	800,000	Nov 30, 2015	4.92	-	-
Total	25,604,167		2.84	20,564,167	\$ 0.40



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### 10. Share Capital (continued)

#### d. Stock options (continued)

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

Exercise Price	Options outstanding			Options exercisable	
	Number of common shares	Expiry date	Weighted average life (years)	Weighted average number exercisable	Weighted average exercise price
\$ 0.47	3,300,000	Jul 05, 2012	2.02	3,300,000	\$ 0.47
\$ 0.54	70,000	Feb 18, 2011	0.64	70,000	\$ 0.54
\$ 0.38	13,390,000	Aug 15, 2013	3.14	8,229,451	\$ 0.38
\$ 0.47	400,000	Dec 05, 2013	3.44	400,000	\$ 0.47
\$ 0.38	230,000	Dec 05, 2013	3.44	115,000	\$ 0.38
\$ 0.23	1,731,000	Dec 05, 2013	3.44	1,681,000	\$ 0.23
\$ 0.23	550,000	Feb 09, 2014	3.62	275,000	\$ 0.23
\$ 0.28	800,000	Jul 29, 2012	2.08	800,000	\$ 0.28
\$ 0.37	30,000	Dec 17, 2014	4.47	-	-
\$ 0.28	1,600,000	Jun 08, 2013	2.94	-	-
\$ 0.28	500,000	Jun 10, 2015	4.95	-	-
<b>Total</b>	<b>22,601,000</b>		<b>3.00</b>	<b>14,870,451</b>	<b>\$ 0.38</b>

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

Using the Black-Scholes option pricing model with the assumptions noted below, the estimated fair value of all options recognized during the three and six months ended December 31, 2010 and 2009 have been reflected in the financial statements as follows:

	Three months ended December 31,		Six months ended December 31,	
	2010	2009	2010	2009
Mineral property exploration and development	\$ -	\$ 78,214	\$ 12,550	\$ 119,924
Property, plant and equipment	7,481	48,432	14,195	65,223
Administration and operation	209,384	514,257	627,886	914,235
Total compensation cost recognized in operations, credited to contributed surplus	\$ 216,865	\$ 640,903	\$ 654,631	\$ 1,099,382

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

	For the period ended December 31,	
	2010	2009
Risk-free interest rate	2.85%	2.77%
Expected life	5 years	3 years
Expected volatility	90%	101%
Expected dividends	nil	nil

The weighted average fair value of options granted during the period ended December 31, 2010 is \$0.46 (2009 – \$0.39).

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### 10. Share Capital (continued)

#### d. Stock options (continued)

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

#### e. Contributed surplus:

	Amount
Balance, June 30, 2009	\$ 6,220,243
Stock-based compensation	1,404,986
Balance, June 30, 2010	7,625,229
Stock options exercised	(127,547)
Stock-based compensation	650,664
Warrants due to financing (notes 9(b) and 10(c))	1,655,715
Balance, December 31, 2010	\$ 9,804,061

### 11. Earnings (loss) Per Share

	Three months ended December 31,		Six months ended December 31,	
	2010	2009	2010	2009
Net income (loss) for the period	\$ 5,469,122	\$ (771,015)	\$ 6,179,416	\$ (1,456,152)
Basic weighted average number of common shares outstanding	171,089,388	156,115,028	164,063,485	156,115,028
Effect of dilutive securities:				
Warrants (note 10(c))	7,071,857	-	-	-
Options (note 10(d))	5,868,426	-	7,651,222	-
Convertible note warrants (note 9(a))	1,714,286	-	-	-
Convertible note shares (note 9(a))	3,714,286	-	1,114,286	-
Diluted weighted average number of common share outstanding	189,458,243	156,115,028	172,828,993	156,115,028
Basic income (loss) per share	\$ 0.03	\$ (0.00)	\$ 0.04	\$ (0.01)
Diluted income (loss) per share	\$ 0.03	\$ (0.00)	\$ 0.04	\$ (0.01)

All the warrants (note 10(c)) and options (note 10(d)) are potentially dilutive in the period ended December 31, 2010, but excluded from the calculation of diluted earnings per share are those for which the average market prices exceeds the exercise price. For the period ended December 31, 2009, warrants (note 10(c)) and options (note 10(d)), which are potentially dilutive, are excluded from the calculation of diluted loss per share as their impact would be anti-dilutive.

### 12. Deferred Costs

As at December 31, 2010, deferred costs of \$13,549 represented business development that may be recoverable in future.

## MONUMENT MINING LIMITED

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### 13. Related Party Transactions

Related party	December 31, 2010	December 31, 2009
Yukon-Nevada Gold Corp. (a)	\$ 65,133	\$ -
George Brazier, director (b)	\$ 29,229	\$ 27,861

(a) As at December 31, 2010, the Company included \$65,133 (2009 - \$0) in accounts receivable that were due from Yukon-Nevada Gold Corp. which has three common directors and one common officer with the Company.

(b) George Brazier, a director of the Company, provides general consulting services to the Company. For the six months ended December 31, 2010, he earned \$29,229 (2009 - \$27,861) for such services, of which \$5,027 (June 30, 2010 - \$4,758) was outstanding and included in accounts payable at December 31, 2010.

### 14. Commitments

	2011	2012	2013	2014	2015	Total
Operating leases	\$ 20,107	\$ 41,432	\$ 29,874	\$ 19,994	\$ 2,854	\$ 114,261
Mineral property fees	28,142	43,959	6,985	6,985	6,985	93,056
Purchase commitments	176,841	-	-	-	-	176,841
	\$ 225,090	\$ 85,391	\$ 36,859	\$ 26,979	\$ 9,839	\$ 384,158

### 15. Supplemental Cash Flow Information

	Three months ended December 31,		Six months ended December 31,	
	2010	2009	2010	2009
Supplemental information				
Non cash financing and investing activities				
Stock based compensation charged to mineral property interests	\$ -	\$ 78,214	\$ 8,491	\$ 120,124
Stock based compensation charged to property, plant and equipment	\$ 7,481	\$ 48,432	\$ 18,254	\$ 65,442
Deferred financing costs included in accounts payable	\$ 6,395	\$ 9,239	\$ 6,574	\$ 9,239
Amortization charged to Selinsing Gold Property	\$ -	\$ 20,145	\$ 99,604	\$ 38,231
Amortization charged to property, plant and equipment	\$ -	\$ (24,394)	\$ -	\$ (46,650)
Amortization charged to inventory	\$ 1,555,580	\$ -	\$ 2,579,880	\$ -
Expenditures on Selinsing Gold Property included in accounts payable	\$ 21,625	\$ 171,507	\$ 1,765,005	\$ 572,602
Property, plant and equipment costs included in accounts payable	\$ 119,431	\$ 1,088,507	\$ 1,202,659	\$ 2,240,208
ARO accreted to mineral properties	\$ -	\$ 27,213	\$ -	\$ 54,277
ARO accreted to property, plant and equipment	\$ 37,064	\$ 5,030	\$ 39,075	\$ 10,033
Shares issued pursuant to acquisition of equipment	\$ -	\$ (122,171)	\$ -	\$ (122,171)
Fair value of exercise of stock options	\$ 632,693	\$ -	\$ 654,630	\$ -
Shares issued for Famehub acquisition	\$ -	\$ -	\$ 3,415,664	\$ -
Fair value of warrants issued in connection with the gold forward sale	\$ 1,765,141	\$ -	\$ 3,644,559	\$ -
Fair value of derivative liabilities	\$ 167,082	\$ -	\$ 3,226,910	\$ -

## MONUMENT MINING LIMITED

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### 16. Segment Disclosures

The Company's one reportable operating segment is the exploration, development and operations of mineral property interests. The Company's reportable segment earns its revenues from the sale of gold. The Company's only reportable segment operates within two geographic segments as follows:

	December 31, 2010	June 30, 2010
<b>Malaysia</b>		
Property, plant and equipment	\$ 18,897,912	\$ 16,436,157
Mineral properties	34,187,773	33,650,242
Total assets	84,844,410	\$ 58,653,632
<b>Canada</b>		
Property, plant and equipment	\$ 69,959	\$ 22,606
Total assets	9,803,421	2,011,620

	Three months ended December 31,		Six months ended December 31,	
	2010	2009	2010	2009
<b>Malaysia</b>				
Revenues	\$ 14,119,390	\$ -	\$ 20,730,884	\$ -
Cost of goods sold	2,697,775	-	3,788,720	-
Depletion and amortization	365,570	-	428,351	-
Accretion of asset retirement obligation	62,314	-	83,272	-
Net income	10,088,274	43,306	15,898,967	63,172
<b>Canada</b>				
Revenues	-	-	-	-
Cost of goods sold	-	-	-	-
Depletion and amortization	6,929	4,249	9,476	8,498
Accretion of asset retirement obligation	-	-	-	-
Net loss	(4,619,152)	(814,321)	(9,719,551)	(1,519,324)

### 17. Subsequent Events

#### Share Capital

Subsequent to December 31, 2010, the Company issued 1,655,000 fully paid and non-assessable common shares upon exercise of the 255,000 stock options and 1,400,000 warrants. As a result, total issued and outstanding share capital increased to 173,306,861. The Company also granted 120,000 stock options to its employees subsequent to the second quarter. Total outstanding stock options and warrants were 25,469,167 and 81,105,003, respectively. Cash proceeds received by the Company for the exercises were \$83,250 from stock options and \$700,000 from warrants.

#### Extension of Stock Purchase Warrants

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

The Company closed a \$28,048,000 private placement on July 21, 2008 by issuing of 70,120,000 units at a price of \$0.40 per unit, each unit being comprised of one common share of the Company and one common share purchase warrant. Each of these warrants entitled the holder to purchase one additional common share of the Company for a price of \$0.50 until July 21, 2011. As of the date of the Company's application to the TSXV, 2,065,000 of these warrants have been exercised, leaving 68,055,000 warrants unexercised.