



## 1.1 Date

The following management discussion and analysis of Monument Mining Limited ("Monument" or the "Company") as of May 28, 2008 should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2008 and related notes, and the unaudited consolidated financial statements for the nine months ended March 31, 2009 and related notes, which has been prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP).

All amounts following are expressed in Canadian dollars unless otherwise indicated. Additional information relating to the Company's activities may be found on the Company's web page at [www.monumentmining.com](http://www.monumentmining.com) and at [www.sedar.com](http://www.sedar.com).

### Forward Looking Statements

*Statements contained herein that are not based on historical fact, including without limitation statements containing the words "believes", "plan", "will", "estimates", "intends", "expects", and similar expressions, constitute "forward-looking" statements. Such forward-looking statements involve known and unknown risk, uncertainties and other facts that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements described in the Company's public filings with securities regulatory authorities.*

## 1.2 Overview

Monument, listed on TSX-V ("MMY"), FSE ("D7Q1"), is a resource company engaged in exploration and development of gold mineral properties. It also advances its projects from exploration and development to production. The Company's head office is located in Vancouver, BC, Canada. It operates through its subsidiaries in Pahang State, Malaysia.

The Company's primary gold properties - Selinsing Gold Project ("Selinsing") and Buffalo Reef Prospect ("Buffalo Reef"), are located in the Central Gold Belt of Western Malaysia. Both properties hold gold resources with opportunity for extension and lie in the same district as the operating Penjom Mine and Raub Gold Mine, which each host more than one million ounces in gold resources. The Company is focused on the commercial development for Selinsing Gold Mine Project, exploring potential gold mineral resources on Buffalo Reef Prospect and expansion of a prospective land position in Malaysia.

On July 21, 2008, subsequent to acquisition of its primary gold mineral properties and further development of those properties during the previous one and a half years, the Company closed a \$38 million financing comprising \$28M through a private placement and a \$10 million credit facility secured by a Convertible Debenture. This allowed the Company to make a strategic move towards construction of a gold treatment plant on its Selinsing Project to place the Selinsing Property into commercial production; The Company also focused on increasing the gold resources through exploration activities carried out on the Buffalo Reef prospect.

On October 31, 2008, the Company announced that with receipt of government approval to construct the gold treatment plant, the Board of Directors resolved to place its 100% Selinsing Gold Project ("Selinsing") into commercial production. Concurrently, the Board approved a CDN\$17.0 Million construction and development budget with targeted full production in Q4 calendar 2009 (refer to [www.sedar.com](http://www.sedar.com)).

During the second quarter of fiscal 2009, the Company served a Drawdown Notice (the "Notice") in respect to the Convertible Debenture, requiring the lenders to provide the \$10.0 M on or by the December 12, 2008. Monument received a letter from

the lenders on December 3, 2008 advising that due to market conditions and the global credit melt down the Lenders would be unable to provide the funding.

To overcome financing shortfalls, on December 24, 2008 the Company announced a proposal for an Amended Gold Production Plan, 2008 and engaged its advisers and consultants, included Snowden Mining Industry Consultants Pty Ltd ("Snowden") and Metallurgical Design, to review management's proposal.

On February 10, 2009, the Company announced confirmation of the Amended Gold Production Plan. Under the amended plan, construction of the 1200 tpd Gold Treatment Plant is re-engineered into two stages: Phase I Gravity Plant and Phase II CIL (carbon in leach) Plant. Cost of construction of the Phase I Gravity Plant is estimated at \$10 million and it is anticipated it will be funded internally by current cash on hand. The Phase I Gravity Plant is scheduled to commission in August 2009 and commence full production in September 2009. The expected revenue generated from the production will be used to fund continuing construction of the CIL Plant at an estimated cost of \$7 million with commissioning anticipated in December 2009.

### ***High Lights for the third quarter of fiscal 2009***

Selinsing Gold Project is focused on Phase I Gravity Plant construction with an estimated cost of \$10 million (RM29 million) out of total cost of \$17 million (RM48 million):

1. During the third quarter, three major construction contracts were awarded to local reputable pre-qualified contractors for designing, fabricating and installing the crusher, ball mill, civil and structural work and electrical work;
2. As at March 31, 2009, actual cost for Phase I construction was C\$3 million (RM10 million) with 20.1% completion of the entire construction;
3. \$0.9 million was prepaid to secure Phase I long lead equipment and civil and electrical works;
4. A series of forward foreign currency exchange contracts were signed with a major Malaysian bank to convert \$5 million Canadian dollars to RM14,538,080 to hedge the foreign exchange risk.

Buffalo Reef Prospect completed its Phase I and Phase II exploration programs prior to the third quarter except for the 1,400 meters of diamond drilling. There was no significant works conducted during the third quarter primarily due to failure of delivery of \$10 million credit facility. A 3,200m diamond drilling program has been put on hold temporarily and will be initiated upon receipt of further funding.

#### ***1.2.1 Property Agreements***

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### **ACQUISITION OF SELINSING GOLD PROJECT**

During fiscal 2006 and 2007, through its wholly owned Malaysian subsidiary Polar Potential Sdn. Bhd., the Company acquired 100% interest of the Selinsing Gold Project from Able Return Sdn. Bhd. ("Able"), the trustee of a Unit Trust under the Law of Malaysia for Wira Mas Unit Trust which was the 100% beneficial owner of Selinsing Gold Project. A consideration was comprised of \$3,500,000 cash, a promissory note with fair value of \$8,181,818, the issuance of 31,400,009 fully paid treasury shares at \$0.50 per share and 5,000,000 share purchase warrants. Upon closing of the acquisition, a 100% controlling interest of Able was transferred to Polar Potential Sdn. Bhd for consideration of \$1. Able holds Pioneer status which entitles it to a 5-year tax holiday from revenue generated by the Selinsing Gold Project.

**ACQUISITION OF DAMAR CONSOLIDATED EXPLORATION SDN. BHD.**

Concurrently with acquisition of Selinsing Gold Project, the Company entered into the Agreement with Avocet Mining PLC (Avocet"), London, U.K., to acquire 100% of the shares of Damar Consolidated Exploration Sdn. Bhd. ("Damar"), a wholly-owned subsidiary of Avocet incorporated under the Law of Malaysia, thereby effectively acquiring the Buffalo Reef property, which is contiguous and continuous with the Selinsing Gold Project for approximately 4.2 kilometers along the regional gold trend. A total of \$1,750,000 cash, 15,000,000 fully paid treasury shares at \$0.50 per share and 7,500,000 share purchase warrants was paid as consideration to acquire 100% of the Damar shares and an Avocet promissory note payable of \$1,722,868 (RM5,573,824) ("Avocet loan"). Of the total purchase price, the cash consideration, and 2,000 shares of the Company and 1,000 share purchase warrants were deemed consideration for the Avocet loan; 14,998,000 shares of the Company and 7,499,000 share purchase warrants were a deemed consideration for 100% Damar shares.

**A LETTER OF INTENT TO ACQUIRE AN ADDITIONAL EXPLORATION LAND PACKAGE**

On January 21, 2008, the Company announced that it had entered into a Letter Of Intent ("LOI") to acquire an additional exploration land package adjacent to and nearby its present Selinsing Gold Project and adjoining exploration target Buffalo Reef.

On January 14, 2008, Monument signed the LOI with Famehub Venture Sdn Bhd. ("Famehub"). Pursuant to the LOI, Famehub has agreed to sell and Monument has 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, commencing approximately 500 metres from the existing ground held under the above two project's eastern boundaries.

The consideration is comprised of CAD\$1,500,000 cash and 7,000,000 fully paid shares in Monument and 3,500,000 share purchase warrants exercisable at \$1.00 for two years from the date of issuance.

The parties agree that this LOI document will be the basis of a legally binding agreement that will be prepared by jointly agreed legal counsel. The agreement is subject to completion of due diligence, Board and regulatory approval by both parties, which is on-going at present.

This land package and data-base acquisition consolidates the area holdings. The land acquisition advances the current exploration program by joining the Selinsing Gold Project and Buffalo Reef Property with the potential for additional exploration success to the east. The acquisition provides significant potential value to shareholders by building on the knowledge in the immediate surrounding area of Selinsing and Buffalo Reef. Approximately AUD\$40.0 M of past expenditure on exploration programs, acquisition and an exploration data-base created by predecessors was also acquired.

A formal Sale and Purchase Agreement ("SPA") is under review by both parties. The application for the land acquisition is currently under a final review by the State of Land and Mine Department of Pahang, Malaysia. A \$50,000 deposit was paid in the third quarter to Famehub to secure the Agreement.

### 1.2.2 Property Activities

#### SELINSING GOLD PROJECT

The Selinsing Gold Project ("Selinsing Project") is located at Bukit Selinsing near Sungai Koyan, approximately 65 km north of Raub and 40 km west of Kuala Lipis on the lineament known as the Raub Bentong Suture, at approximately 04015'00"N latitude, 101047'10"E longitude.

#### Resource Estimate

The resource of Selinsing Gold Project is comprised of an indicated mineral resource of 3,630,000 tonnes at 1.76 gpt, using a cutoff of 0.75 gpt for contained ounces of 205,000 ounces of gold, and an inferred mineral resource of 7,690,000 tonnes at a grade of 1.34 gpt for contained ounces of 330,000 ounces of gold at a similar cutoff grade. It is a near surface open pitable resource that metallurgical test work indicates will allow recovery of between 92% and 95%.

The resource estimate for the Selinsing Gold Project is summarised in Table 2.1, which reports the resource by classification and oxidation.

Table 2.1: Resource estimate Selinsing Gold Project, as at August 2006:

Cut-off (Au g/t)	Classification	Oxidation (kt)	Tonnes	Grade(Au g/t)	Metal (kOzs)
0.75	Indicated	Oxide	2,100	1.78	120
0.75		Sulphide	1,530	1.72	85
0.75		Total	3,630	1.76	205
Cut-off (Au g/t)	Classification	Oxidation (kt)	Tonnes	Grade(Au g/t)	Metal (kOzs)
0.75	Inferred	Oxide	387	1.25	16
0.75		Sulphide	7,302	1.35	317
0.75		Total	7,689	1.34	332

The resource estimate has been prepared in accordance with National Instrument 43-101 ("NI43-101") by Snowden Mining Industry Consultants Pty Ltd ("Snowden"), a qualified person under National Instrument 43-101. Snowden has since prepared an independent technical report in relation to the resource estimate (refer to [www.sedar.com](http://www.sedar.com)). The resource estimate prepared by Snowden was based on data and geological interpretations provided by Monument. Snowden has reviewed the drilling and sampling data underlying the resource estimate and has verified that the data is of sufficient quality to support the resource classification.

Snowden used multiple indicator block kriging to estimate gold grade into an unconstrained block model reflecting the interpreted geology. Snowden also visited the Selinsing Gold Project site as part of the resource estimation process. Snowden considers the resource classification recognizes the risk inherent in the estimate. Snowden judges that the potential exists for the mineralisation to be more discreet, which would result in a reduction in tonnes and an increase in grade at the reported cut-off, though the contained ounces would remain approximately the same. Snowden believes that once production starts at Selinsing, this issue will be resolved by reconciliation and geological monitoring of production.

The resource is reported at a cut-off grade of 0.75 g/t Au. The use of multiple indicator block kriging limits the influence of outliers in the data set. Search ellipses and ranges used in the estimation reflect the spatial continuity and geological trends of

the resource. Average in-situ densities of 2.53 t/m<sup>3</sup> and 2.7 t/m<sup>3</sup> have been applied to the oxide and primary mineralisation respectively, reflecting a range of determinations undertaken to date. As more density data is acquired, these values will be reviewed. Kriging neighbourhood analysis was undertaken to optimize the estimation parameters in order to minimise conditional bias in the estimate. Snowden considers that Monument should be able to increase the confidence and size of the Selinsing resource through additional drilling. The bulk of the inferred material lies below 400 RL and represents an exploration target for the Company. Snowden expects that as more data is acquired at depth the estimated tonnage will decrease and the grade increase as the mineralisation becomes better defined.

### ***Quarter Three Activities***

Following re-engineering the gold production plan and the gold treatment plant construction plan in the prior quarter, the Company carried construction of the Phase I Gravity Circuit during the third Quarter ended March 31, 2009.

### Construction in Progress

During the third quarter, three major pre-qualified local Malaysian companies, among other contractors, were awarded to undertake construction work at Selinsing Project: Globeford Sdn. Bhd. ("Globeford"), Seong Heng Engineering Work Sdn. Bhd. ("SHEW") and Bun Foong Sdn. Bhd. ("BFSB"). Globeford is engaged to design, fabricate and install the material handling system for the crushing plant and its components; SHEW was selected as a civil & structural contractor and BFSB was designated as electrical contractor respectively.

By the end of the third quarter, a 20.1% of the construction work was completed at a total cost of C\$3 million, which resulted mainly from a 64% completion in Preliminary work, a 77% completion in Engineering Design, a 89% completion in Earth work and Infrastructure, a 44% completion in Ball Mill Refurbishing and Installation and a 95% completion in the Power Sub-station Building.

### Administrative facilities and other Infrastructure

Following completion and occupation of the office buildings and staff quarters, the plant site office was commenced and 80% completed in the third quarter. Total up to date cost for administrative offices and quarters was \$250,000 in line with the budget.

### Environmental Impact Study

During the fiscal 2009, the Company continued with the preliminary environmental impact assessment program. The study is design to meet the following objectives:

- To collect and collate baseline data on the existing physic-chemical, biological and socio economic aspects of the immediate environment of the project area.
- To examine the proposed project activities relating to the operation of the project in order to identify, predict and assess the environmental impacts associated with them, especially on issues such as soil erosion and siltation, water and air quality, noise, vibration, and safety and physical well-being of the surrounding people.
- To specify effective mitigating measures, where required, to be incorporated into the present operation.
- To identify significant residual environmental impacts, if any, and to specify the necessary monitoring requirement.



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The full report was adopted by the department of environment in the second quarter. There was no further cost incurred during the third quarter.

### Internal Control

The Company through its operating subsidiaries, has reviewed certain operating control processes including security control, environment management and community relation management. The Safety Management Plan, Environmental Management Plan and Community Relation Management Plan were drafted and submitted to the senior management for review. The authorization matrix was also submitted by the senior management to the board of directors for review which was approved subsequent to the end of the third quarter.

### **BUFFALO REEF PROSPECT**

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

As part of the due diligence program prior to the closing of the acquisition of Damar, the Company commissioned the preparation of a NI 43-101 report on the Damar Buffalo Reef Prospect. The report concluded there was a historic resource which was not NI 43-101 compliant.

Up to the first quarter of fiscal 2009 through fiscal 2008, the Company carried out two drilling programs including 11,000m of RC drilling. This adjacent mineral exploration program, if successful, is expected to result in an increase in economic benefit for the planned mine development at Selinsing by potentially adding additional resources within economic haulage distance of the Selinsing Gold Project.

The RC drilling from Phase I and Phase II programs was completed in the first quarter for total of 11,871 m at the South, Central and Northern Zone of Buffalo Reef and the assay results were announced by the Company through a series of news releases (refer to [www.sedar.com](http://www.sedar.com)). The diamond drilling work has not commenced yet due to financial constraints.

The Company plans to study all of the results to date and, in conjunction with the proposed 3,200m of diamond program designed by Snowden, to test the potential extension of these results at depth. The continuous work is toward being able to produce a NI43-101 compliant report on mineral resources for the Buffalo Reef Prospect. A metallurgical assessment is also planned to be conducted concurrently on fresh samples retrieved from this drill program. The diamond drilling program was scheduled to commence in second quarter but was put on hold temporarily as a result of failure of the lender to proceed with \$10 million credit facility.

**Quarter Three Activities**

No significant exploration was conducted during the third quarter, except \$22,498 was spent on metallurgical test to understand the regional mineralization under the collaboration program with a group of geologists from local and overseas universities. The outcome of the study will be used to assist in planning future drilling program. The Company also spent \$9,076 to maintain the drill rigs and \$4,887 to store the rejected samples for further analysis.

**1.3 Selected Annual Financial Information**

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and are expressed in Canadian dollars except common shares outstanding.

BALANCE SHEET	Year Ended June 30, 2008	Period Ended June 30, 2007
Current assets	\$ 7,491,928	\$ 4,746,428
Other assets	47,431,649	41,111,241
Total assets	54,923,577	45,857,669
Current liabilities	3,771,936	9,165,024
Other liabilities	830,537	948,800
Shareholders' equity	50,321,104	35,743,845
Total shareholders' liabilities and equity	54,923,577	45,857,669
Working capital	\$ 3,719,992	\$ (4,418,596)

OPERATIONS	June 30, 2008	Four- month Ended June 30 2007	Year Ended February 28, 2007
General and administrative expenses	\$ (3,141,977)	\$ (114,004)	\$ (173,786)
Amortization	(10,516)	(892)	(259)
Other earnings (expenses)	41,400	(33,627)	(5,716)
Earnings (loss) from continued operations	(3,111,093)	(148,523)	(179,761)
Future income tax recovery	225,800	222,000	-
Earnings (loss) from discontinued operations	-	62,239	-
Gain (loss) from discontinued operations	-	642,572	(50,236)
Net earnings (loss) for the period	\$ (2,885,293)	\$ 778,228	\$ (229,997)
Basic and diluted earnings (loss) per share from continued business	\$ (0.04)	\$ (0.02)	\$ (0.02)
Basic and diluted earnings (loss) per share from discontinued business	\$ -	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	77,394,302	12,864,329	8,803,582

**1.4 Result of Operations**

	Three Months ended March 31		Nine Months ended March 31	
	2009	2008	2009	2008
Net earnings (loss) for the period	\$ (758,015)	\$ (593,876)	\$ (2,508,884)	\$ (2,585,709)
Earnings (loss) per share	(0.00)	(0.01)	(0.02)	(0.03)
Weighted average number of common shares	155,640,028	77,395,025	148,783,203	77,794,063

**Three months results**

Loss from continued operations was \$758,01 for the quarter ended March 31, 2009, an increase of \$164,139 compared to \$593,876 in the quarter ended March 31, 2008. It was primarily due to an increase in stock based compensation expenses reflecting 550,000 share purchase options granted to consultants and employees during the period.

The operational expenses of \$809,594 for the three months period ended March 31, 2009 are comprised of salaries, office and administration costs, shareholder communications, conference and travel, regulatory compliance and stock-based compensation. Excluding stock-based compensation expenses of \$310,052, the Company incurred operating expenses from continued business totaled \$499,542 for the three months period, compared to \$493,259 in the three months period ended March 31, 2008. Increased costs reflect the additional legal costs related to a number of construction service contracts awarded to suppliers, legal action against Sim Tze Chui AKA Jyn Tze Baker et el. ("the Defendants") for defamation, and the additional fees charged for the last fiscal year's audit not budgeted. The increased expenses however were offset by decreased shareholder communication costs at the head quarter resulting from a cost reduction program.

General and administration expenses totaling \$213,227 for the third quarter was comprised of salary expenses of \$116,296 and office rent, office services and others of \$99,931 and related party transaction of \$15,000 due to general consulting services provided by a director of the Company, compared to \$251,876 in three months ended March 31, 2008 comprised of salary expenses of \$102,476 and other general and administrative expenses of \$31,621 and financial consulting services fees of \$119,800. legal, accounting and audit totaled \$75,206, an increase of \$54,703 compared to \$20,503 for the same period last year primarily due to legal cost for reviewing contracts and legal action against Sim Tze Chui AKA Jyn Tze Baker et el. for defamation of title and damages and \$27,587 additional fees charged for 2008 audit.

The travel expense was \$62,982 compared to \$58,974 in the three months period ended March 31, 2008, representing an increase of 7%.

The regulatory and filing expense was \$8,478 compared to \$13,361 in the three months period ended March 31, 2008 primarily due to timing of annual regulatory fees.

During the three months ended March 31, 2009, the Company received \$55,304 interest income generated from a cash balance, a 231 % increase compared to \$16,695 for the same period of the last year. The Company incurred a foreign exchange loss of \$24,488 compared to \$50,135 in the same period last year. During the current quarter, the Company set up a series of forward foreign exchange contracts and the changes of the fair value of the contracts of \$20,763 were charged to the operations.



The Company charged \$310,052 stock-based compensation expenses to operations in the third quarter, compared to 67,177 in the comparative period reflecting an increased number of stock purchase options granted to directors, officers, employees and consultants since then.

**Nine months results**

For the nine month period ended March 31, 2009, the Company reported a net loss of \$2,508,884, or \$0.02 per share, compared to a net loss of \$2,585,709, or \$0.03 per share, reported for the corresponding period in 2008. The following discusses changes in expenses which occurred during the nine month period ended March 31, 2009 in the categories described below as compared to the nine month period ended March 31, 2008.

The operations expenses of \$2,717,989 for the nine months of fiscal 2009 are comprised of salaries, office and administration, legal and accounting, shareholder communications, conference and travel, regulatory compliance, amortization and stock-based compensation. Excluding stock-based compensation expenses of \$1,171,274 in 2009 and \$1,378,600 in 2008 for the same nine months period, the Company incurred operating expenses of \$1,546,715 compared to \$1,207,109.

General and administration expenses increased by 42 % to \$814,410 in the nine months period of fiscal 2009 comprised of salary expenses of \$492,590 and office rent, office services and others of \$306,820, from \$561,063 in the nine months period of fiscal 2008 comprised of salary expenses of \$315,750 and office rent, office services and others of \$143,800. The increase was mainly due to director fees of \$56,294 and write off of deferred financing cost of \$90,386 in fiscal 2009.

Shareholder communications and conference expenses decreased by 7 % to \$243,930 in the nine months of fiscal 2009 from \$261,574 in the same period of fiscal 2008, reflecting cost cut down due to the current market crisis.

Legal, accounting and audit expenses increased by \$120,531 to \$237,125 in the nine months period of fiscal 2009 from \$131,594 in the same period of fiscal 2008, an increase of \$105,531 mainly due to legal action taken by the Company against Sim Tze Chui AKA Jyn Tze Baker et al. for defamation \$48,998, 2008 additional audit fees of \$27,587 and increased general corporate legal services and others \$43,946.

The travel expense was \$198,225 compared to \$204,516 in the three months period ended March 31, 2008, a decrease of 3%. The regulatory and filing expense increased by 52% to \$42,807 in the nine months of fiscal 2009 from \$28,160 in the corresponding of fiscal 2008 primarily due to TSX Venture fees \$23,212 of which \$16,561 paid for adoption of the 2009 stock option plan.

During the nine months of fiscal 2009, the Company received \$275,958 interest income generated from a cash balance compared to \$84,416 in the same period of fiscal 2008. The Company incurred a foreign exchange loss of \$82,330 in the nine months of fiscal 2009 compared to \$71,486 in the same period of fiscal 2008. During the current quarter, the Company set up a series of forward foreign exchange contracts and the changes of the fair value of the contracts of \$20,763 were charged to the operations.

During the nine months of fiscal 2009, the Company granted 18,306,000 stock options to its directors, officers, employees and consultants, a fair value of stock-compensation estimate using a Black-Sholes pricing model totaled \$1,563,448 was credited to contributed surplus, of which \$1,171,274 was charged to operations, \$288,049 to mineral property interests and \$104,125 to property, plant and equipment.



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### 1.5 Summary of Quarterly Results

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

	Feb. 28, 2007	Jun. 30, 2007	Sep. 30, 2007 <sup>(1)</sup>	Dec. 31, 2007	Mar. 31, 2008	Jun. 30, 2008	Sep. 30, 2008	Dec. 31, 2008	Mar. 31, 2009
<b>From Continued Operations</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	83,179	(73,477)	1,615,219	376,614	593,876	299,584	848,652	902,217	758,015
Loss per share	0.02	(0.01)	0.02	0.00	0.01	0.01	0.01	0.01	0.00
<b>From discontinued operations for sale</b>									
Revenue	44,360	324,487	—	—	—	—	—	—	—
Net loss	22,166	(62,239)	—	—	—	—	—	—	—
Loss per share	0.01	(0.01)	—	—	—	—	—	—	—

- (1) Increase of net loss in quarter ended September 20, 2007 is due to stock based compensation expenses were charged to operations.
- (2) Increase in quarterly net loss from fiscal 2008 to date was primarily due to the change of business type from medical research to mineral exploration and mine development, and increased stock-based compensation expenses charged to operations resulted from stock purchase options granted over these periods.

### 1.6 Liquidity and Financial Condition

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

The Company's cash balance as at March 31, 2009 was \$9,552,333, increased from \$7,346,566 at June 30, 2008. During the nine month period, the Company generated cash inflow totaled \$2,595,767. An amount of \$2,110,466 was used in operations; \$4,571,522 was used to fund exploration programs, mineral property development and the construction of the gold treatment plant; a net \$9,277,755 was generated from the private placement closed on July 21, 2008, comprised of \$12,185,000 cash receipt from the balance of the \$28,048,000 subscriptions, offset by share issuance costs of \$2,907,245.

During the third quarter of fiscal 2009, the Company spent \$551,155 in operating activities compared to \$689,788 in the same quarter of fiscal 2008. The total cash consumed in mineral property maintenance and development, construction activities was increased to \$2,172,794 during the third quarter of fiscal 2009 from \$575,029 of the same period of the fiscal 2008 mainly due to cash consumed by Gold Treatment Plant constructions for Selinsing Project and properties maintenance cost.

The Company's working capital as at March 31, 2009 was \$10,036,532 compared to \$3,719,992 as at June 30, 2008, increased by \$6,316,540 mainly due to cash receipt upon completion of the \$28,048,000 financing during the first quarter of fiscal 2009, partially offset by funding construction and mineral properties, and pre-payment to secure construction service contracts.



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In the nine month period, shareholders' equity has increased by \$11,582,320 due to increase in share capital of \$28,390,756 for common shares issued for a private placement and ball mill purchase; increase in contributed surplus of \$1,563,448 for stock-based compensation, offset by a deficit of \$2,508,884 resulting from operations.

### 1.7 Capital Resources

The Company's capital resources as at March 31, 2009 included cash and cash equivalents. The Company's primary sources of funding are through equity financing by issuance of its stocks and debt financing, or both.

#### (a) Private placement

On July 21, 2008, the Company closed a private placement for total gross proceeds of \$28,048,000 by issuing 70,120,000 units at \$0.40 per unit, each unit comprising one fully paid share and one common share purchase warrant entitling the investor to purchase one additional common share of the Issuer at \$0.50 per share for a three-year term from closing. Costs of the financing include a 10% agent fee in the amount of \$2,804,800 paid to Qualson Global Limited and other associated legal and filing fees of \$79,389. All common shares issued upon the private placement and through exercise of the warrants issued on the private placement were subject to a four-month hold period expiring November 22, 2008.

The funds were raised to construct a 1200 tpd CIL treatment plant with a gold production capacity of up to 40,000 ounces per year, commence development of the open cut gold project, acquire two reverse circulation/diamond drill rigs in order to continue and expand its exploration program on Monument's Buffalo Reef property which is adjacent to the Company's Selinsing Gold Mine Project and elsewhere. The funds will also be used for other general working capital purposes.

#### (b) Convertible credit facility

Concurrently with the equity financing, the Company entered into a convertible credit facility for up to \$10.0 million.

The Company served a Drawdown Notice (the "Notice") to the Lenders after complying with all of the terms of the Convertible Debenture. The Notice required the Lenders to provide the \$10.0 M on or by the 12 December 2008. Monument has received a letter from the Lenders on December 3, 2008 advising that due to market conditions and the global credit melt down the Lenders would be unable to provide the funding.

#### (c) Ball Mill Purchase

On August 19, 2008, upon TSX Venture Exchange's acceptance of the Ball Mill Purchase Agreement between the Company and Avocet Mining PLC ("Avocet"), the Company purchased a 1.0 million tons per year capacity ball mill from Avocet. Consideration of \$3,250,001 for the mill was paid by the issuance of 8,125,003 units at \$0.40 per unit, at the same price and the same terms as the private placement disclosed above, with each unit representing one share and one share purchase warrant exercisable at \$0.50 for three years from date of issuance. The cost to close the transaction was \$23,055. Avocet is a greater than 10% shareholder of the Company.

**CONTRACTUAL OBLIGATIONS**

At March 31, 2009, the Company has aggregate operating leases of \$450,501 including the Company's leased office, accommodations and mineral properties tenement fees. The Company also committed \$5,931,584 at March 31, 2009 to its gold treatment plant construction at Selinsing Gold Project.

	2009	2010	2011	2012	2013	Total
Operations lease	\$ 64,501	\$ 120,030	\$121,240	\$ 109,313	\$ 35,418	\$ 450,501
Construction	2,037,549	3,443,534	-	-	-	5,481,082
	\$ 2,102,050	\$ 3,563,563	\$ 121,240	\$ 109,313	\$ 35,418	\$ 5,931,584

**1.8 Off Balance Sheet Arrangements**

Not applicable.

**1.9 Transactions with Related Parties**

There was the following related party transactions during the three months ended March 31, 2009:

On August 19, 2008, upon TSX Venture Exchange's acceptance of the Ball Mill Purchase Agreement between the Company and Avocet, the Company purchased 1.0 million tons per year capacity ball mill from Avocet. Consideration of \$3,250,001 for the mill was paid by the issuance of 8,125,003 units at \$0.40 per unit, at the same price and the same terms as the private placement disclosed above, with each unit representing one share and one share purchase warrant exercisable at \$0.50 for three years from date of issuance. The cost to close the transaction was \$23,055. Avocet is a shareholder of the Company.

During the third quarter ended March 31, 2009, the Company paid consulting fees to the following directors:

- (i) George Brazier, director of the Company, \$15,000 was paid for his general corporate consulting services which was charged to operations. Of the total, \$5,250 was included in due to related parties.
- (ii) Lorenzo Trentini, director of the Company up to March 29, \$33,225 was paid for his investor relation consulting service which was charged to operations.

**1.10 Fourth Quarter**

Not applicable.

**1.11 Proposed Transactions**

None.

**1.12 Critical Accounting Estimates**

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates made in the preparation of these consolidated financial statements include determining accrued liabilities, valuation of mineral properties, value of assets retirement obligation, assumptions used in calculating fair-value of Agents' options and share purchase warrants, and valuation of allowance for future income tax assets. Actual results could differ from those estimates used in the preparation of the consolidated financial statements and could impact future results of operations and cash flows.

### 1.13 Changes in Accounting Policies including Initial Adoption

Effective July 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") relating to financial instruments. As required by the transitional provisions of these new standards, these new standards have been adopted with no restatement to prior period financial statements.

Section 3855 – Financial Instruments – Recognition and Measurement, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is removed from the balance sheet.

As a result of the adoption of these new standards, the Company has classified its cash and cash equivalents, fair value on forward exchange contracts as held-for-trading measured at fair value. Accounts receivable are classified as loans and receivables; Accounts payable, certain accrued liabilities are classified as other liabilities, all of which are measured at amortized cost.

The adoption of these new standards had no impact on the Company's deficit position as at July 1, 2007.

Section 1530 – Comprehensive Income – Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. Under this section, the Company is required to present comprehensive income and its components in a financial statement showing (i) net income for the period; (ii) each component of revenue, expense, gain and loss that is recognized in other comprehensive income; and (iii) the total of (i) and (ii). As at June 30, 2008, the Company has no other comprehensive income, and as such, comprehensive loss equals net loss.

As a consequence of adopting Sections 1530 and 3855, the Company has also adopted Section 3861, "Financial Instruments – Disclosure and Presentation", and Section 3865, "Hedges".

(c) Section 1506 – Accounting Changes – This is the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and correction of errors. Changes in accounting policies are only permitted when required by a primary source of generally accepted accounting principles or when the change will result in more reliable and more relevant information.

The following accounting standards have been issued but are not yet effective:

(d) Section 1535 – Capital Disclosures – This standard requires disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate an entity's objectives, policies and procedures for managing capital. This standard is effective for the Company beginning on July 1, 2008. The Company is currently evaluating the effects of adopting this standard.

(d) Sections 3862/3863 – Financial Instruments – Disclosure (Section 3862) and Presentation (Section 3863) – These standards will replace CICA Handbook Section 3861, "Financial Instruments – Disclosure and Presentation". These sections provide users with information to evaluate the significance of the financial instruments for the entity's financial position and performance, nature and extent of risks arising from financial instruments, and how the entity manages those risks. Section 3863 deals with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The new sections are effective for the Company beginning on July 1, 2008. The Company expects that its financial statement disclosures will be expanded to incorporate the new additional requirements.

(e) Amendments to Section 1400 – Going Concern – This section was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The new requirements are effective for the Company beginning on July 1, 2008. The Company is currently evaluating the impact of this amended standard.

(f) International Financial Reporting Standards ("IFRS") – In 2006, the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement of comparative amounts reported by the Company for the year ending June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The Company discussed its IFRS Plan with the auditors during the third quarter and submitted this plan to the Audit Committee subsequent to the end of the third quarter. The Plan was adopted by the Audit Committee respectively.

#### 1.14 Financial Instruments and Other instruments

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None.



## MANAGEMENT'S DISCUSSION & ANALYSIS

For the nine months ended March 31, 2009

Form51-102F

### 1.15 Outstanding Share Data

The following details the share capital structure as at May 28, 2009, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Remaining life / Expiry date	Exercise price	Number of securities	Total
Common shares				155,640,028
Stock options				
	July 5, 2012	\$0.50	3,300,000	
	February 18, 2011	\$0.58	70,000	
	August 15, 2013	\$0.40	13,390,000	
	July 5, 2012	\$0.50	1,200,000	
	August 15, 2013	\$0.40	690,000	
	December 5, 2013	\$0.25	2,476,000	
	February 9, 2014	\$0.25	<u>550,000</u>	21,676,000
Warrants				
	June 25, 2009	\$0.65	22,544,500	
	July 21, 2011	\$0.50	70,120,000	
	August 19, 2013	\$0.50	<u>8,125,003</u>	100,789,503
Agents' options	June 25, 2009	\$0.50		1,994,800

### 1.16 Risks and Uncertainties

Monument Mining Limited is an exploration and development company which looks for gold resources. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into production. Major expenses may be required 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, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company has no producing mines and has no source of operating cash flow other than through debt and/or equity financing. Any further significant work would likely require additional equity or debt financing. The Company has very limited financial resources and there is no assurance that additional funding will be available to allow the Company to proceed with any plans for exploration and development of its mineral properties.

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

**(a) Title to mineral property interests**

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

**(b) 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.

**(c) 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.

**(d) Foreign Exchange Risk**

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received by the Company are not denominated in Canadian dollars. The majority of the Company's expenditures for property, plant and equipment and mineral property interests are in Malaysian ringgit and Australian dollars. The Company's ability to make these payments to satisfy its obligations for work commitments will be affected by foreign currency rate fluctuations. The Company is also exposed to foreign currency risk to the extent that it holds cash in Malaysian ringgit. As at March 31, 2009, the Company held the equivalent of \$199,084 (2008 - \$48,162) in Malaysian ringgit.

On February 13, 2009, through its wholly-owned Malaysian subsidiary, Polar Potential Sdn. Bhd., the Company entered into a number of forward foreign exchange contracts to reduce its exposure to foreign currency risk. The contracts oblige the Company to convert \$5,000,000 to Malaysian ringgits in the amount of RM 14,538,080 at predetermined exchange rates on a monthly basis from February to June 2009. For the quarter ended March 31, 2009, total \$1,100,000 was converted to Malaysian



ringgit under the forward contracts. As at March 31, 2009, total \$3,900,000 forward exchange contracts were remaining to purchase 11,341,590 Malaysian Ringgits in the next three months at a weighted average exchange rate of 2.9081 CND/RM.

***1.17 Disclosure Controls and Internal Controls over Financial Reporting***

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**DISCLOSURE CONTROLS AND PROCEDURES**

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

An evaluation of the effectiveness of the design and operation of disclosure controls and procedures was conducted as of March 31, 2009, by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company's management, including the CEO and CFO, or persons performing similar functions.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING**

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

The Company's management, including the CEO and CFO, has evaluated the effectiveness of the internal controls over financial reporting. Based on this revaluation, management has concluded that internal controls over financial reporting were designed effectively as of March 31, 2009.

As a result of this review it was determined that there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting, except the internal control has been extended to include the subsidiaries located in Malaysia.

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