

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

The following Management's Discussion and Analysis ("MD&A") of Monument Mining Limited ("Monument" or the "Company") as of May 30, 2019 should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended March 31, 2019 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The readers are also recommended to read this MD&A in conjunction with the audited consolidated financial statements for the year ended June 30, 2018 and related notes for additional details.

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

Additional information relating to the Company's activities may be found on the Company's website at [www.monumentmining.com](http://www.monumentmining.com) and at [www.sedar.com](http://www.sedar.com).

## 1. EXECUTIVE SUMMARY

### 1.1 Third quarter of Fiscal 2019 Highlights

---

- 4,225oz of gold produced (Q3 2018: 6,664oz);
- 3,732oz of gold sold for gross revenue of \$4.59 million (Q3 2018: 4,700oz of gold sold for gross revenue of \$6.27 million);
- Cash cost per ounce ("oz") of \$751/oz (Q3 2018: \$656/oz);
- All-in sustaining cost per ounce ("AISC") of \$1,108/oz (Q3 2018: \$841/oz)
- Gross margin of \$1.79 million (Q3 2018: \$3.19 million);
- Selinsing Pit 5/6 mining commenced with large pushback, 352,510 tonnes ("t") of waste was used to lift the main embankment wall at the Tailing Storage Facilities ("TSF") to increase capacity; and
- A NI43-101 Feasibility Study Technical Report completed at Selinsing, establishing economic viability for a six-year life of mine.

### 1.2 Business Overview

---

Monument Mining Limited (TSX-V: MMY, FSE: D7Q1) is an established Canadian gold producer and mining asset developer. The Company owns the Selinsing and Murchison gold project portfolios, including a 100% interest in the Selinsing Gold Mine, and the Mengapur copper and iron portfolio. Selinsing is located in Pahang State, within the Central Gold Belt of Western Malaysia, comprised of the Selinsing, Buffalo Reef, Felda Land and Famehub projects. Murchison is located in the Murchison region, Western Australia ("WA"), Australia, comprised of the Burnakura, Tuckanarra and Gabanintha projects. The Mengapur Copper and Iron Portfolio (the "Mengapur Project") is located in Pahang State, Malaysia.

Monument's primary business activities include advancing its mineral projects from the exploration stage to production stage and conducting mining and processing operations to generate profit from sustainable precious metal and base metal production. Its business strategy consists of four perspectives. The shareholder perspective is to satisfy a return to shareholders. The growth perspective is to increase our resource inventory for higher sustainable production. The internal operations process perspective is to maximize performance and enhance the exploration success and recovery of our resources. The financial performance perspective is to sustain low costs, maintain efficient operations, and increase the quality of the assets by converting exploration and evaluation projects to producing mines. The Company's long-term goal is to become a sustainable dividend paying, mid-tier gold, base metals and industrial mineral producer.

Monument has an experienced management team with a demonstrated ability to quickly build profitable operations. The Company employs approximately 190 people and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities. Monument's Head Office is located in Vancouver, British Columbia, Canada. It operates through its subsidiaries in Pahang State, Malaysia and Western Australia, Australia.

### 1.3 Review of Operations

---

In the third quarter of fiscal 2019 ended March 31, 2019, **the Company continued to focus on unlocking value in its development assets** by progressing studies towards financing, construction and production. The Selinsing Gold Sulphide Project, as Monument's priority to be placed into production, completed the feasibility study in January 2019, with delivery of an execution plan to commence construction subject project funding and plans to carry out exploration on sulphide targets that are open in all directions at depth of the current mining areas. At the Murchison Gold Project, following completion of the NI43-101 Resource Estimation Report in July 2018 for Burnakura, plans are to further progress exploration and mine optimization including underground mining to deliver a PEA study, which will drive potential Burnakura gold production. The success of these two projects would allow the Company to have years of future gold production. At the Mengapur Copper-Iron Project, following completion of the NI43-101 Resource Technical Report in October 2018, the Company is seeking funding partnership for a feasibility study with the opportunity for copper production.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

The Company is also strategizing its regional exploration programs for new discoveries based on its structural geology interpretation. The future of the Company is dependent on increasing mineral resources and reserves to realize the value that has been built in the past on its mineral assets. It is also actively looking for acquisition of new gold assets.

Selinsing Gold Mine had an original five-year life of mine with production starting in September 2009 and it is still in production to date from remaining oxide ore inventory. Over the years, the cash flow from the Selinsing Gold Mine has supported the strong balance sheet growth with gold and copper-iron portfolios in multiple jurisdictions. Its reserves and resources have been fully replaced with a six-year life of mine according to the NI 43-101 Technical Report titled "Selinsing Gold Sulphide Project - NI 43-101 Technical Report" issued by Snowden Mining Industry Consultants Pty Ltd ("Snowden") (the "Snowden 2019 NI43-101 Report", or the "2019 Feasibility Study Report") at SEDAR ([www.sedar.com](http://www.sedar.com)) on January 31, 2019, and sulphide gold production is pending the plant upgrade to treat sulphide gold materials.

The third quarter gold production at the Selinsing Gold Mine continued to generate free cash of \$0.54 million from gold sold, compared to \$3.44 million in the same period last year. This was offset by \$1.70 million (Q3 fiscal 2018: \$1.57 million) spent on development and exploration, resulting reduction of total cash by \$1.16 million (Q3 fiscal 2018: increase of \$1.62 million after \$0.25 million paid for transaction fees on the gold prepaid sale).

Of the \$1.70 million (Q3 fiscal 2018: \$1.57 million), there was expenditure of \$1.30 million (Q3 fiscal 2018: \$0.89 million) in development, \$0.22 million (Q3 fiscal 2018: \$0.40 million) in exploration and \$0.18 million (Q3 fiscal 2018: \$0.28 million) in care of maintenance expenditure. The development expenditure included \$0.50 million (Q3 fiscal 2018: \$0.19 million) for pre-mining cutback at Selinsing Pit 5/6 to access leachable ore in transition zones, \$0.57 million (Q3 fiscal 2018: \$0.13 million) for TSF upgrade work to increase capacity using qualified waste materials and \$0.23 million (Q3 fiscal 2018: \$0.47 million) for the Selinsing Sulphide Project. The exploration expenditure included \$0.17 million (Q3 fiscal 2018: \$0.22 million) for drilling, geological analysis, and soil sampling at the Selinsing Gold Mine area and \$0.05 million (Q3 fiscal 2018: \$0.18 million) for regional geological study and drill program planning at the Murchison Gold Project. The care and maintenance expenditure included \$0.14 million (Q3 fiscal 2018: \$0.23 million) for Murchison and \$0.04 million (Q3 fiscal 2018: \$0.05 million) for Mengapur.

The Company has closely managed production and improved productivity with full commitment from its operation team to sustain positive cash flow, however, cash on hand and free cash flow are inadequate to support the planned capital required for growth and the Company is seeking disciplined external financing for its on-going business development.

The Company's operation and development is dependent on cash generated by its gold production from remaining oxide ore inventory at the Selinsing Gold Mine, its success in obtaining funding to convert its Selinsing Gold Plant from an oxide process to sulphide process, and to develop its Burnakura Project into a second cash generation operation. In management's opinion both projects are highly prospective. However, there is no guarantee that the Company can obtain funding as required due to uncontrollable factors, including a volatile global economic environment.

### 1.3.1 Development

#### Selinsing Gold Mine

On February 1, 2019, the Company released the Feasibility Study for the Selinsing Gold Sulphide Project, which was initiated in the fourth quarter of fiscal 2017 to demonstrate that the BIOX<sup>®</sup> sulphide treatment technology is the most preferred processing method to achieve best economic outcomes for the project. The Snowden 2019 NI43-101 Report has concluded economic viability of the Selinsing Gold Sulphide Project based on metallurgical testwork over sulphide samples, metallurgical processing design, Front-End Engineering Design, along with geological review and mine planning studies, covering mineral exploration, development, and production area of the Selinsing Gold Mine.

The Feasibility Study has demonstrated an approximately six-year life of mine (LOM) with an NPV of \$27.56 million based on reported oxide and sulphide ore reserves as of March 2018. Over the six-year LOM, a total 5.7 million tonnes of ore would be treated at an average grade of 1.45g/t for 223koz at a cost of \$863.67 per ounce. At a gold price of \$1,300 per ounce, the Selinsing Gold Mine Project would generate net cash flow after tax of \$97.00 million from operations, or \$45.00 million net of capital expenditure.

The economic evaluation does not include Inferred Mineral Resources. The analysis has been provided in the Feasibility Study to explore opportunities for a potential further increase in economics. Currently, the Inferred Mineral Resource inside the Reserve open pit designs contains an additional 20koz of gold, and outside of the open pit design contains 130koz of gold. Recommendations have been suggested to initiate further exploration programs, aimed on conversion of Inferred Mineral Resources to Indicated Mineral Resources. Should those conversions be successful, the Mineral Reserves could potentially be significantly increased. The Selinsing Gold Mine has a proven record of converting oxide Inferred Mineral Resources to recovered ounces in its 10-year production history. However, the previous production history may not be used as an indicator for future production.

During the third quarter, bioleach batch amenability tests (BAT) were conducted in-house using locally adapted bacteria to have a better understanding how the bioleach process works, and equipment specifications were prepared for the proposed pilot plant for use as the bioleach test facility.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

Mining was focused on cutback at Selinsing Pit 5/6, and Buffalo Reef during the third quarter to access leachable ore materials in transition zones which has resulted in a high stripping ratio. A Selinsing Pit 5 west wall failure interrupted mining for nearly a month while a geotechnical assessment was conducted by POB Consultants.

Based on detailed TSF design conducted by SRK Consulting (Australia) Pty Ltd ("SRK") for the Sulphide Project expansion, Selinsing has made significant progress in the first stage of the TSF expansion during the third quarter to lift up main embankment to 523.3 m RL in the NE valley, 520 m RL in the central section and 517 m RL in the west section. Construction work at the main embankment was 46% complete by the quarter end, targeting completion by July 2019, to allow for 2.3m beach freeboard from 531.0mRL to 533.3mRL. The increased TSF capacity is to accommodate continual production through the current oxide processing plant through June 2020. A total 352,510 tons of materials were filled during the third quarter borrowed from waste material removed from Selinsing Pit 5/6 (117,035t) and Buffalo Reef (235,475t).

### Murchison Gold Project

After updating the mineral resource estimation at Burnakura Gold Project in July 2018, the planned gold production was postponed until completion of the PEA to include underground mining opportunities that would potentially allow for a better return on investment and reduction of operation risks. The PEA program is designed to identify the economic potential in a large scale at Burnakura, Tuckanarra and Gabanintha (together the "Murchison Gold Project") including open pit and underground mining opportunities. The NOA 7/8 resource estimates form a significant part of the Indicated Resources at Burnakura, resulting in an initial internal economic assessment being carried out and completed in October 2018, on the underground mining potential with a corresponding increase in the existing mill capacity to 500ktpa from 260ktpa, based on which staged mining alternatives have been evaluated as a part of the ongoing PEA study.

Focus during the third quarter has been on the identification of geological host structures suitable for target drilling with a view to increase gold inventories. Geological data compilation was completed for Burnakura and near completion for Gabanintha during the quarter. A drilling program is planned to commence in the fourth quarter of fiscal 2019 with both near surface and deep targets.

### **1.3.2 Production**

Commenced in the third quarter, mining was focused on Selinsing Pit 5/6, and Buffalo Reef aiming to extract leachable ore materials in transition zones. Initial cutback was carried out with lower tonnage of ore being mined as well. Mining rate was slower than expected also attributed to Selinsing Pit 5 west wall failure that interrupted mining for nearly a month while a geotechnical assessment was conducted by POB Consultants. The mining production is expected to be picked up through next two quarters.

The third quarter gold recovered decreased by 48% to 3,849oz as a result of lower feed grade, offset by increased tonnes of ore processed, compared to 7,402oz recovered in the same quarter last year. Due to timing, gold produced, net of gold doré in transit and refinery adjustment, was 4,225oz (defined as good delivery gold bullion according to the London Bullion Market Association), a 37% decrease compared to 6,664oz in the same period last year. Profit margin is dependent on quantities of gold sold that may vary from gold production in the period, gold prices and the costs of gold sold. During the third quarter, mill feed included stockpiled super low-grade oxide ore, old tailing materials and oxide ore from production at Buffalo Reef and Selinsing. Total mill feed increased by 6% to 226,697t from 214,431t last year with an increase in the old tailings reclaim rate, offset by a lower crushing rate from repairs and heavy rainfall (refer to Figure 1: Operating and Financial Results).

During the three months ended March 31, 2019, mining operations at Selinsing generated a gross margin of \$1.79 million compared to \$3.19 million in the same period last year, before non-cash depreciation and accretion expenses of \$1.03 million (Q3 fiscal 2018: \$1.20 million). Gold production decreased by 12% or 2,439oz to 4,225oz during the third quarter from 6,664oz last year due to processing lower grade mill feed from mainly super low stockpiles and old tailings reclaim compared to oxide ore from Felda Block 7 last year. The Company sold a total of 3,732oz of gold for gross revenue of \$4.59 million comprised of 3,250oz at an average realized price of \$1,293 per ounce from production and 482oz at an average realized price of \$807 per ounce from delivered gold prepaid sales, compared to a total of 4,700oz of gold at an average realized price of \$1,335 per ounce for gross revenue of \$6.27 million last year from production. The weighted average London Fix PM gold price for the third quarter was \$1,299 per ounce (Q3 fiscal 2018: \$1,337 per ounce). Finished gold in inventory at March 31, 2019, totaled 7,566oz (March 31, 2018: 2,257oz).

Cash cost per ounce increased by 14% to \$751/oz in the third quarter from \$656/oz in the same period last year primarily due to higher amount of operational waste mined, more consumables to process leachable sulphide ore with lower grade, compared last year from processing softer, highly oxidized ore from stockpile, improvements on tailings reclaim process, Felda Block 7 oxide ore and high grade Selinsing oxide ore encountered during cutback mining.

During the nine months ended March 31, 2019, mining operations at Selinsing generated a gross margin of \$7.02 million compared to \$6.21 million in the same period last year, before non-cash depreciation and accretion expenses of \$3.39 million (Nine months ended March 31, 2018: \$4.02 million). Gold production decreased by 14% or 2,013oz to 12,186oz during the period from 14,199oz last year. The Company sold a total of 12,882oz of gold for gross revenue of \$15.78 million comprised of 12,400oz at an average realized price of \$1,241 per ounce from production and 482oz at a realized price of \$807 per ounce from delivered gold prepaid sales, compared to a total of

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

12,100oz of gold at an average realized price of \$1,302 per ounce for gross revenue of \$15.75 million last year from production. The weighted average London Fix PM gold price for the period was \$1,244 per ounce (Nine months ended March 31, 2018: \$1,294 per ounce).

Cash cost per ounce decreased by 14% to \$679/oz in the nine months ended March 31, 2019 from \$789/oz in the same period last year primarily due to an increase in ore processed including more reclaimed old tailings, processing highly oxidized ore from stockpile at Selinsing and Buffalo Reef, and improvements on tailings reclaim process.

The production and financial results for the three and nine months ended March 31, 2019 and 2017 are summarized in the following table:

**Figure 1: Operating and Financial Results**

| Selinsing, Felda Block 7, Buffalo Reef                  |          | Three months ended |                | Nine months ended |                |
|---------------------------------------------------------|----------|--------------------|----------------|-------------------|----------------|
|                                                         |          | March 31, 2019     | March 31, 2018 | March 31, 2019    | March 31, 2018 |
| <b>Operating results</b>                                | Unit     |                    |                |                   |                |
| Ore mined                                               | t        | 34,826             | 72,403         | 121,864           | 188,312        |
| Waste removed <sup>(1)</sup>                            | t        | 905,402            | 279,943        | 2,372,531         | 770,300        |
| Stripping ratio                                         |          | 26.00              | 3.87           | 19.47             | 4.09           |
| Ore stockpiled                                          | t        | 765,373            | 1,311,717      | 765,373           | 1,311,717      |
| Ore processed                                           | t        | 226,697            | 214,431        | 705,427           | 655,515        |
| Average ore head grade                                  | g/t Au   | 0.76               | 1.38           | 0.82              | 0.99           |
| Process recovery rate                                   | %        | 72.2               | 78.0           | 68.6              | 73.1           |
| Gold recovery                                           | oz       | 3,849              | 7,402          | 12,760            | 15,305         |
| Gold production                                         | oz       | 4,225              | 6,664          | 12,186            | 14,199         |
| Gold sold                                               | oz       | 3,732              | 4,700          | 12,882            | 12,100         |
| <b>Financial results</b>                                |          |                    |                |                   |                |
| Gold sales                                              | US\$'000 | 4,590              | 6,275          | 15,783            | 15,751         |
| Gross margin                                            | US\$'000 | 1,807              | 3,193          | 7,037             | 6,210          |
| <u>Weighted average gold price</u>                      |          |                    |                |                   |                |
| London Fix PM                                           | US\$/oz  | 1,299              | 1,337          | 1,244             | 1,302          |
| Monument realized <sup>(2)</sup>                        | US\$/oz  | 1,299              | 1,335          | 1,243             | 1,302          |
| <u>Cash costs per ounce</u> <sup>(3)</sup>              |          |                    |                |                   |                |
| Mining                                                  | US\$/oz  | 165                | 134            | 154               | 153            |
| Processing                                              | US\$/oz  | 478                | 410            | 432               | 540            |
| Royalties                                               | US\$/oz  | 95                 | 108            | 88                | 92             |
| Operations, net of silver recovery                      | US\$/oz  | 13                 | 4              | 5                 | 4              |
| Total cash cost per ounce                               | US\$/oz  | 751                | 656            | 679               | 789            |
| <u>All-in sustaining costs per ounce</u> <sup>(4)</sup> |          |                    |                |                   |                |
| By-product silver recovery                              | US\$/oz  | 2                  | 1              | 1                 | 1              |
| Corporate expenses                                      | US\$/oz  | 10                 | 54             | 8                 | 61             |
| Accretion of asset retirement obligation                | US\$/oz  | 14                 | 11             | 12                | 12             |
| Exploration and evaluation expenditures                 | US\$/oz  | 44                 | 46             | 42                | 45             |
| Sustaining capital expenditures                         | US\$/oz  | 287                | 72             | 231               | 75             |
| Total all-in sustaining cost per ounce                  | US\$/oz  | 1,108              | 841            | 973               | 983            |

(1) Waste removed of 905,402t for the three months ended March 31, 2019 includes 361,007t operating waste and 544,395t cutback or pre-stripping, of which 352,510t were used for TSF construction fill; waste removed 2,372,531t for the nine months ended March 31, 2019 includes 1,249,297t operating waste and 1,123,234t for cutback or pre-stripping, of which 402,586t were used for TSF fill. The costs of waste removed for TSF fill is included in the TSF expenditures.

(2) Monument realized US\$/oz for the three and nine months ended March 31, 2019 excludes 482oz gold prepaid but delivered during the quarter for comparison purpose (Note 14). Prepaid gold was sold at US\$807/oz.

(3) Total cash cost per ounce includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, idle production costs, capital costs, exploration costs and corporate administration costs. Readers should refer to section 14 "Non-GAAP Measures".

(4) All-in sustaining cost per ounce includes total cash costs and adds sustaining capital expenditures, corporate administrative expenses for the Selinsing Gold Mine including share-based compensation, exploration and evaluation costs, and accretion of asset retirement obligations. Certain other cash expenditures, including tax payments and acquisition costs, are not included. Readers should refer to section 14 "Non-GAAP Measures".

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019  
(in United States dollars, except where noted)

Figure 2: Gold production and cash costs per ounce

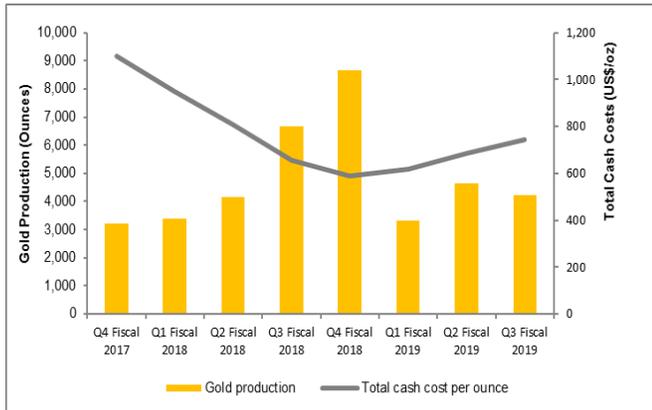
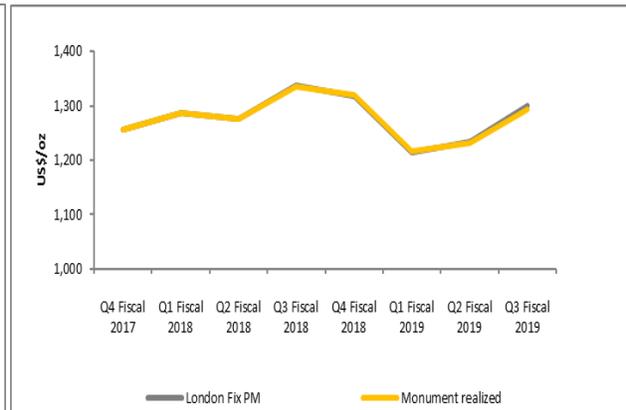


Figure 3: Quarterly Average Gold Price



### 1.3.3 Exploration

#### Malaysia

##### Near Mine Exploration

**Sulphide:** The Selinsing long-term exploration potential is on sulphide resources. At both Selinsing and Buffalo Reef deposits the sulphide mineralization is still open down dip, down plunge and along strike. Monument plans to follow-up with drilling programs at the Selinsing and Buffalo Reef deposits focused on adding resources and defining preferentially sulphide mineralization at depth below and around the existing pits within gap zones in between the known resources that contain little drill hole information, through extension drilling for Buffalo Reef, and to investigate underground opportunities with deep drilling at Selinsing Pits and extensions to the south. The main programs include: down dip and strike/plunge extension sulphide drilling program plus resource definition drilling for Buffalo Reef Central ("BRC") and Felda Block 7; and Selinsing Deeps sulphide gold high grade resource definition/extension drilling. The drilling program at Felda Block 7 will also enable the BRC and Buffalo Reef South ("BRS") open pits to be extended at depth.

**Oxide:** The Selinsing short-term exploration program is focused on existing mine areas such as BRS, BRC and BRN, locating more oxide and leachable sulphide ore through extensional drilling, to increase mill feed. Opportunities for infill drilling have also been verified for infill and extension drilling on and around Selinsing Pits, in particular Pit IV and Pit V west walls, aiming to intercept oxide shallow high-grade mineralization and using current understanding from structural information and interpretation, including historical underground developments. A diamond drilling program was initiated at the Selinsing Pit IV west wall and 60m out of a planned 680m has been completed during the third quarter and awaiting assay results.

##### Regional Exploration

**Soil Sampling Program:** As a part of Selinsing regional exploration program, soil sampling was continued during the third quarter, focused on the prioritized Peranggih/Panau area, initially at the Panau South target, which was completed with 202 primary samples collected during the third quarter. 24 samples were collected at Panau North. The access road to Panau East was surveyed, repaired, and sampling was continued with 31 samples collected during the third quarter. All samples are being sent to an independent laboratory in Western Australia for analysis.

Regional exploration is targeting larger strategic development areas surrounding the Selinsing Gold Mine, aimed to test regional resource potential. The current target areas have been selected for sampling and assaying including additional sections at Peranggih and Panau, in accordance with a geological study completed by Model Earth in 2015 and more recent geological studies. The soil sampling results could lead to identifying further regional drilling targets.

#### Western Australia

In fiscal 2019 Murchison exploration is focusing on establishment of disciplined regional discovery strategies to extend the current resources reported in the 2018 SRK NI43-101 Resource Estimation Report. Understanding and honouring geological controls within the modelling phase has been a key step to de-risking the resource. The Mineral Resource provides a solid foundation for the ongoing PEA study, which is being undertaken to support a production plan at the Murchison Gold Project.

During the third quarter, a compilation from historical records was continued to ensure that the database is complete with all available geological records to support targeted exploration. The compilation was completed for Burnakura and near completed for Gabanintha during the third quarter.

The Company has developed exploration milestones and strategy, preparing to commence exploration programs to test regional targets such as NOA 9, and deep underground potential targets at ANA, NOA 1, NOA 2, and NOA 7/8 areas.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

### 1.3.4 The Mengapur Copper-Iron Project

The Mengapur Project is a large economic scale Copper-Iron Project in the East Coast region of Malaysia within Pahang State. Significant exploration programs and metallurgical studies were carried out from 2011 to 2015. A geological and resource modelling study was carried out in 2018 and a NI43-101 Mineral Resource Estimate Technical Report was completed by Snowden and SEDAR filed in October 2018. As copper prices steadily rise, the Company intends to carry out follow-up work in fiscal 2019 to assess the opportunity for copper production.

The major mining lease for the Mengapur Project tenements was renewed for the two-year period beginning June 1, 2018; exploration license extension and mining lease applications to convert certain areas of the exploration license are pending approval by Pahang State for Star Destiny Sdn. Bhd. ("SDSB"), a 100% owned subsidiary of Monument. Management continues its dialogue with the Pahang State authority to speed-up this process.

### 1.4 2019 Activity Highlights

---

- On July 5, 2018, the Company provided an update on the FEED study for the Selinsing Gold Sulphide Plant upgrade. Additional flotation testwork was commissioned at the Bureau Veritas laboratory in Perth on further samples of drill core from Buffalo Reef. The aim of the testwork is to provide independent verification of the flotation conditions reported by the in-house R&D team.
- On July 16, 2018, the Company announced significant intercepts at Peranggih with the continuity of the mineralization confirmed, extended and better defined. Highlights included 9.8m @ 10.29g/t Au.
- On July 18, 2018, the Company announced a NI43-101 Mineral Resource Update at the Burnakura Property in Western Australia. Indicated Resources have increased to 293Koz from 98.4Koz and Inferred Resources to 88Koz from 4.4Koz.
- On August 7, 2018, the Company announced a significant drill intercept at ANA for the Burnakura Project that was 1.3m @ 26.8g/t Au. High-grade mineralization was intercepted more than 170m down dip of the known mineralization at ANA and the favourable Banded Iron Formation horizon which controls the gold mineralization has been shown to be continuous at depth.
- On September 24, 2018, the Company announced NOA 7/8 Drilling Program Results at the Burnakura Gold Project that successfully extended NOA 7/8 northerly down plunge, confirming the understanding of mineralization. Significant intercept highlights included 12m @ 8.02g/t Au and 12m @ 6.80g/t Au.
- On October 1, 2018, the Company announced Shallow Oxide Drilling Program Results at the Burnakura Gold Project to delineate high-grade shallow oxide material. Significant intercept highlights included 11m @ 2.8g/t Au and 3m @ 8.8g/t Au, at the Lewis area.
- On October 29, 2018, the Company filed a Mineral Resource Estimate for the Mengapur Cu-Au Deposit, NI43-101 Technical Report. A total of 39.5 Mt @ 0.43% Cu and 0.18 g/t Au of Indicated Mineral Resources, along with 50.9 Mt @ 0.44% Cu and 0.11 g/t Au of Inferred Mineral Resources, was reported above a 0.3% Cu cut-off grade.
- On November 8, 2018, the Company provided an update on the progress of the Burnakura Gold Project at Murchison in Western Australia. An initial internal economic assessment was completed under the ongoing PEA study with an increase of mill capacity to 500ktpa from 260ktpa. Based on those assessments, development has been re-strategized and planned gold production is postponed until completion of the PEA to include underground mining opportunities.
- A geological structural study was also completed for Murchison, reflecting new geological information to interpret regional geology. Regional and localized drill targets have been identified and ranked with priority at Burnakura, and for entire Murchison Gold Project. Several highly prospective exploration targets based on structural mapping have been developed by International Geoscience Structural Geology.
- On December 14, 2018, the Company announced the results from its Annual General Meeting. All of management's nominees for directors being Robert F. Baldock, Cathy Zhai, Zaidi Harun, Graham Dickson, and Michael John Kitney were approved by shareholders. All resolutions were approved as proposed by more than 99% of the shares voted.
- On January 31, 2019, the Company announced results of a positive Feasibility Study at Selinsing, establishing the economic viability of the project for a six-year life of mine through the extension of the existing oxide plant to incorporate additional sulphide ore extraction. The NI 43-101 Technical Report is titled "Selinsing Gold Sulphide Project - NI 43-101 Technical Report" (Snowden 2019 TR).
- On March 3, 2019, the Company announced the readiness of Selinsing gold plant conversion at the Selinsing Gold Mine in Malaysia.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

### 2. PROJECT UPDATE

#### 2.1 Selinsing Gold Portfolio

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

Among those properties, Selinsing and Buffalo Reef are primary gold properties acquired on June 25, 2007 and are at development and production stage while others are at exploration and evaluation stage. The 1.00 million tpa gold processing plant is situated on the Selinsing site, easily accessible by all of its owned properties.

The Federal Land Development Authority ("FELDA") Land is gazetted as a group settlement area covering 3,920 acres owned by local individual ("Settlers"). The Company acquired exclusive irrevocable exploration licenses over 896 acres of Felda Land through its subsidiary Able Return Sdn Bhd from Settlers, with consent from the Federal Land Development Authority. Pursuant to these agreements with Settlers, certain portions of Felda Land can be converted to mining leases upon exploration success at the Company's discretion, subject to regulatory approval. The exclusive mining permits will be automatically assigned for mining to the Company in event of approval of the mining leases obtained by those Settlers. In October 2017, a portion of Felda Land ("Felda Block 7") was converted into proprietary mining leases.

Famehub Properties were acquired in September 2010, containing approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef along the trend and east of the Selinsing Gold Mine. The Company has reviewed the exploration programs at all of these properties, targeting the consolidation of its Selinsing and Buffalo Reef properties together with the Famehub Properties around the Selinsing Gold Mine as a long-term exploration strategic portfolio in order to extend the life of the mine. Snowden completed a NI 43-101 Technical Report on the Famehub area dated January 31, 2019 that can be found on Monument's website.

#### 2.1.1 Resources and Reserves and Results of the Feasibility Study

According to the Snowden 2019 NI43-101 Report dated January 31, 2019, the Company has Proven and Probable Mineral Reserves at Selinsing Gold Mine, including the Selinsing and the adjacent Buffalo Reef and Felda Block 7 deposits in Pahang State, Malaysia. All Mineral Reserves and Mineral Resources were updated by Snowden as Independent qualified person defined under NI 43-101 standards ([www.sedar.com](http://www.sedar.com)).

The tables below summarize the newly estimated Mineral Reserves and Mineral Resources by classification and ore type, all expressed in metric tonnes and Troy ounces (1 ounce = 31.1035 g).

| Selinsing-Buffalo Reef/Felda Reserves as of March 31, 2019 (Snowden) |                                          |      |          |                                                |      |          |                                              |      |          |                               |      |          |
|----------------------------------------------------------------------|------------------------------------------|------|----------|------------------------------------------------|------|----------|----------------------------------------------|------|----------|-------------------------------|------|----------|
| Category                                                             | OXIDE (above approx. 0.4 g/t Au cut-off) |      |          | TRANSITION (above approx. 0.75 g/t Au cut-off) |      |          | SULPHIDE (above approx. 0.75 g/t Au cut-off) |      |          | OXIDE + TRANSITION + SULPHIDE |      |          |
|                                                                      | kTonnes                                  | g/t  | Au (kOz) | kTonnes                                        | g/t  | Au (kOz) | kTonnes                                      | g/t  | Au (kOz) | kTonnes                       | g/t  | Au (kOz) |
| <b>Mineral Reserves (based on a US\$1,300/oz gold price)</b>         |                                          |      |          |                                                |      |          |                                              |      |          |                               |      |          |
| Proven*                                                              | 1,265                                    | 0.47 | 19       | -                                              | -    | -        | 45                                           | 1.53 | 2        | 1,310                         | 0.51 | 21       |
| Probable**                                                           | 991                                      | 0.91 | 29       | 757                                            | 1.72 | 41.9     | 2,680                                        | 2.03 | 175.1    | 4,428                         | 1.73 | 246      |
| P+P                                                                  | 2,256                                    | 0.67 | 48       | 757                                            | 1.72 | 42       | 2,725                                        | 2.02 | 177      | 5,738                         | 1.45 | 267      |

\*Proven Reserve is entirely stockpile material;

\*\*Probable Oxide Reserve comprises oxide ore in Selinsing, Buffalo Reef, Felda deposits, and in Selinsing Old Tailings; Probable Transition and Sulphide Reserve comprises ore in Selinsing, Buffalo Reef and Felda deposits.

The updated Mineral Reserves are estimated using an average gold price of \$1,300 per ounce.

| Selinsing-Buffalo Reef/Felda Resources as of March 31, 2019 (Snowden)                                   |                                  |      |          |                                       |      |          |                                     |      |          |                               |      |          |
|---------------------------------------------------------------------------------------------------------|----------------------------------|------|----------|---------------------------------------|------|----------|-------------------------------------|------|----------|-------------------------------|------|----------|
| Category                                                                                                | OXIDE (above 0.3 g/t Au cut-off) |      |          | TRANSITION (above 0.5 g/t Au cut-off) |      |          | SULPHIDE (above 0.5 g/t Au cut-off) |      |          | OXIDE + TRANSITION + SULPHIDE |      |          |
|                                                                                                         | kTonnes                          | g/t  | Au (kOz) | kTonnes                               | g/t  | Au (kOz) | kTonnes                             | g/t  | Au (kOz) | kTonnes                       | g/t  | Au (kOz) |
| <b>Mineral Resources, reported inclusive of Reserves (based on a potential US\$2,400/oz gold price)</b> |                                  |      |          |                                       |      |          |                                     |      |          |                               |      |          |
| Measured*                                                                                               | 1,265                            | 0.47 | 19       | -                                     | -    | -        | 45                                  | 1.53 | 2        | 1,310                         | 0.51 | 21       |
| Indicated**                                                                                             | 1,533                            | 0.85 | 42       | 1,086                                 | 1.49 | 52       | 8,052                               | 1.60 | 415      | 10,671                        | 1.48 | 509      |
| M+I                                                                                                     | 2,798                            | 0.68 | 61       | 1,086                                 | 1.49 | 52       | 8,097                               | 1.60 | 417      | 11,981                        | 1.38 | 530      |
| Inferred***                                                                                             | 349                              | 1.05 | 11.8     | 485                                   | 1.22 | 19       | 5,563                               | 1.79 | 319      | 6,397                         | 1.70 | 350      |

\*Measured Resource is entirely stockpile material; \*\*Indicated Oxide Resource is a combination of oxide mineralization occurring in Selinsing and Buffalo Reef/Felda deposits plus Selinsing Old Tailings material; Indicated Transition and Sulphide Resource comprises mineralization occurring in Selinsing and Buffalo Reef/Felda deposits; \*\*\*Inferred Resource comprises mineralization occurring in Selinsing and Buffalo Reef/Felda deposits.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019  
(in United States dollars, except where noted)

Based on the above reserves, the 2019 Feasibility Study has demonstrated an approximately six-year life of mine (LOM) with an NPV of \$27.56 million based on reported oxide and sulphide ore reserves as of March 2018. Over the six-year LOM, a total 5.7 million tonnes of ore would be treated at an average grade of 1.45g/t for 223koz at a cost of \$863.67 per ounce. At a gold price of \$1,300 per ounce, the Selinsing Gold Mine Project would generate net cash flow after tax of \$97.00 million from operations, or \$45.00 million net of capital expenditure.

The opportunity to consider Inferred Resources was discussed in the Feasibility Study. The Inferred Mineral Resource inside the Reserve open pit designs potentially contains an additional 20koz of gold. The Inferred Mineral Resource external to the open pit design contains 130koz of gold. Recommendations have been suggested to initiate further exploration programs, aimed on conversion of Inferred Mineral Resources to Indicated Mineral Resources. Should those conversions be successful, the Mineral Reserves could potentially be significantly increased. The Selinsing Gold Mine has a proven record in converting oxide Inferred Mineral Resources to recovered ounces, even though historical record should not be used as an indicator of future performance.

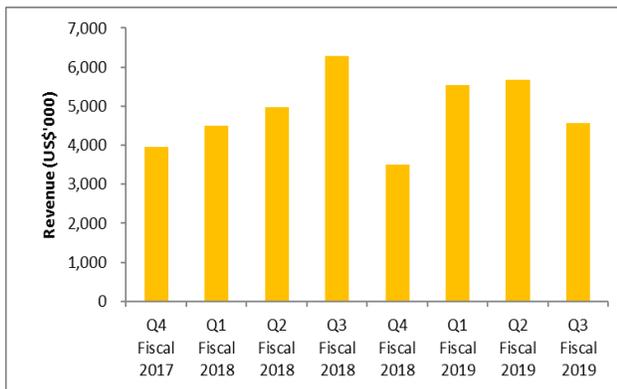
### 2.1.2 Production

For the quarter ended March 31, 2019 the Selinsing gold plant processed a total of 226,697t (Q3 fiscal 2018: 214,431t) and gold recovery was 3,849oz (Q3 fiscal 2018: 7,402oz). The process recovery was 69.2% for third quarter and in line with 78.0% in the same period last year. For the quarter ended March 31, 2019, mill feed comprised of 73% SLG oxide, 5% oxide and 22% old tailings compared to the same period last year of 52% SLG oxide, 35% oxide and 13% old tailings. Total materials mined during the third quarter included 191,885t waste cutback at Selinsing and 352,510t for tailings storage facility construction, compared to last year that included nil t for tailings storage facility construction.

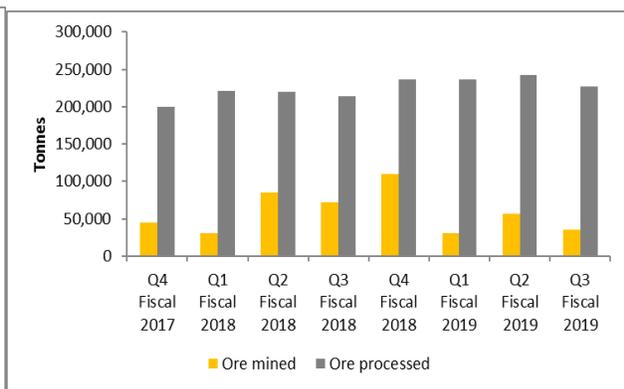
For the nine months ended March 31, 2019 the Selinsing gold plant processed a total of 705,427t (Nine months ended March 31, 2018: 655,515t) and gold recovery was 12,760oz (Nine months ended March 31, 2018: 15,304oz). The process recovery decreased to 68.6% for the nine-month period from 69.1% in the same period last year. For the nine months ended March 31, 2019, mill feed comprised of 68% SLG oxide, 12% oxide, 19% old tailings and 1% leachable sulphide compared to the same period last year of 71% SLG oxide, 18% oxide, and 11% old tailings. Total materials mined during the nine months ended March 31, 2019 included 720,647t waste cutback at Selinsing and Buffalo Reef and 402,586t of waste removed for the tailings storage facility upgrade, compared the same period last year that included 158,664t waste cutback at Buffalo Reef and 113,620t for tailings storage facility construction.

The figures below illustrate production results on a consolidated basis including Selinsing, Buffalo Reef and Felda Block 7 operations.

**Figure 7: Selinsing Gold Mine: Revenue**



**Figure 8: Selinsing Gold Mine: Operating Metrics**



The Company commenced mining at the southern area of the Buffalo Reef project in January 2013 and the northern area in July 2014. The oxide ore mined is sold under commercial terms to Able, the owner of the Selinsing processing plant. Production output is consolidated with the Selinsing gold mine. During the third quarter total ore mined from Buffalo Reef was 5,220t (Q3 fiscal 2018: 20,944t).

### 2.1.3 Development

For the three and nine months ended March 31, 2019, development was focused on Selinsing Pit 5/6 cutback, TSF upgrade and the Selinsing Sulphide Project development that completed the 2019 Feasibility Study on February 1, 2019.

#### Feasibility Study and Project Execution Plan

The Company incurred expenditures of \$0.19 million (Q3 fiscal 2018: \$0.37 million) and \$0.61 million (Nine months ended March 31, 2018: \$0.81 million) on the Sulphide Project for the three and nine months ended March 31, 2019, respectively, under Plant, property and equipment, Construction in progress (Note 8).

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

The Feasibility Study for the Selinsing Gold Sulphide Project was completed and released on February 1, 2019. The mining aspects were optimised by Monument with updated cost and revenue information. The mine design for the reserve pit shell was largely unchanged in comparison with the 2016 Preliminary Feasibility Study except for revision in the Selinsing Pit area based on an updated geotechnical study conducted by Peter O'Bryan and Associates ("POB"). The economic viability of the project described in the Feasibility Study is primarily driven by adding flotation and BIOX® processes to the current Selinsing Gold Processing Plant to treat sulphide ore. The significant Feasibility Study has focused on metallurgical testwork, metallurgical processing design and Front-End Engineering Design in relation to sulphide ore treatment, and procurement of equipment to build flotation and BIOX® plants, along with geological review and mine planning studies. The metallurgical factors for sulphide were developed by Monument from in-house and independent testwork by Outotec and reviewed by OMC and the oxide metallurgical factors are generated from site production data. While an execution plan is in place to start up construction of the Selinsing Gold plant upgrade, the project team continues to optimize costs including expected maintenance and reagent consumptions to lower operating cost estimates and sourcing local equipment to lower capital cost estimates.

During the third quarter, bioleach batch amenability tests (BAT) were conducted in-house using locally adapted bacteria. The bioleach tests were conducted as training exercises for metallurgists and technicians to have better understanding of how the bioleach process works and essential parameters to be monitored. Equipment specifications were also prepared for the proposed pilot plant for use as the BIOX® test facility, including the crusher, ball mill, pumps, cyclone, rougher and cleaner flotation cells, reagent mixing and dosing pumps. A potential underground desktop study was also carried out indicating potential in the Selinsing area but more inventories over a 3g/t Au cut-off grade and sourcing an available and cost-effective contractor arrangement is required. Major follow-up work will be for further resource definition and conversion of the Inferred open pit potential as well as extensions for underground mining. The main emphasis will be in the Buffalo Reef area for fresh/sulphide material.

### Selinsing Pit 5/6 Cutback and Tailings storage facility upgrade

The Company incurred expenditures of \$1.05 million (Q3 fiscal 2018: \$0.19 million) and \$2.66 million (Nine months ended March 31, 2018: \$0.65 million) on Selinsing Pit 5/6 cutback and TSF upgrades for the three and nine months ended March 31, 2019, respectively, under Plant, property and equipment, Mineral properties (Note 8).

Cutback and pre-stripping were focused on Selinsing Pit 5/6 and Buffalo Reef aiming to access leachable ore materials in transition zones for mill feed to the current processing plant. For the three months ended March 31, 2019, cutback and pre-stripping totalled 784,020t for \$0.87 million and of that total 352,510t for \$0.39 million was allocated to the TSF upgrade. For the nine months ended March 31, 2019, cutback and pre-stripping totalled 1,901,255t for \$2.14 million and of that total 402,586t for \$0.44 million was allocated to the TSF upgrade.

During the third quarter, SRK Consulting issued a detailed design of the tailings storage facility expansion including the basis of design, spring water management, embankment design, stability assessment and surface water management. The designed embankment raise would be from 531.0mRL to 533.3mRL to allow for 2.3m beach freeboard. Construction of the new spring water management system was completed, and construction proceeded for the TSF main embankment with installation of various seepage channels, excavating the stream diversion, removal of unwanted materials and backfilling. The 2.3m raise is expected to be completed in July 2019 and storage capacity is planned to be adequate for production to the end of June 2020. The next embankment raise is required once sulphide project is initiated and it is estimated the embankment will need to be raised to 540mRL for the life of sulphide plant production.

The total required TSF fill materials for the current 2.3m raise is approximately 896,067t. As of March 31, 2019, 46% or 402,586t of the total was complete, with 493,481t remaining. TSF filled materials were borrowed from waste cutback, comprised of 145,949t from Selinsing Pit 5/6, 248,457t from Buffalo Reef and 8,180t from Felda Block 7. For the three months ended March 31, 2019, the TSF upgrade incurred a total \$0.57 million: \$0.39 million from borrowing materials and \$0.18 million for construction, design and inspection. For the nine months ended March 31, 2019, the TSF upgrade incurred \$0.96 million: \$0.44 million from borrowing materials and \$0.52 million for construction, design and inspection.

### **2.1.4 Exploration**

Total exploration expenditures at the Selinsing Gold Portfolio of \$0.17 million (Q3 fiscal 2018: \$0.22 million) was incurred for the three months ended March 31, 2019, comprised of \$0.12 million (Q3 fiscal 2018: \$0.20 million) at Peranggih, \$0.01 million (Q3 fiscal 2018: \$0.01 million) at Buffalo Reef and, \$0.03 million (Q3 fiscal 2018: \$0.01 million) at Selinsing Deep. Total exploration expenditure at the Selinsing Gold Portfolio of \$0.54 million (Fiscal 2018: \$1.06 million) was incurred for the nine months ended March 31, 2019, comprised of \$0.39 million (Fiscal 2018: \$0.95 million) at Peranggih, \$0.06 million (Fiscal 2018: \$0.08 million) at Buffalo Reef and, \$0.09 million (Fiscal 2018: \$0.03 million) at Selinsing Deep.

Exploration activities during the third quarter comprised of auger drilling at the old tailings, a continuation of the soil sampling program and refinements on diamond and RC drilling design.

**Oxide:** The Selinsing short-term exploration program is focused on existing mine areas such as BRS, BRC and BRN, locating more oxide and leachable sulphide ore through extensional drilling, to increase mill feed. Opportunities for infill drilling have also been verified for infill and extension drilling on and around Selinsing Pits, in particular Pit IV and Pit V west wall, aiming to intercept oxide shallow high-grade

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

mineralization and using current understanding from structural information and interpretation, including historical underground developments. A diamond drilling program was initiated at the Selinsing Pit IV west wall and 60m out of a planned 680m had been completed during the third quarter.

**Sulphide:** The Selinsing long-term exploration potential is on sulphide resources. At both Selinsing and Buffalo Reef deposits the sulphide mineralization is still open down dip, down plunge and along strike. Monument plans to follow-up with drilling programs at the Selinsing and Buffalo Reef deposits focused on adding resources and defining preferentially sulphide mineralization at depth below and around the existing pits within gap zones in between the known resources that contain little drill hole information, through extension drilling for Buffalo Reef, and to investigate underground opportunities with deep drilling at Selinsing Pits and extensions to the south. The main programs include: down dip and strike/plunge extension sulphide drilling program plus resource definition drilling for Buffalo Reef Central ("BRC") and Felda Block 7; and Selinsing Deeps sulphide gold high grade resource definition/extension drilling. The drilling program at Felda Block 7 will also enable the BRC and Buffalo Reef South ("BRS") open pits to be extended at depth.

**Soil Sampling Program:** As a part of the Selinsing regional exploration program, soil sampling was continued during the third quarter, focused on the prioritized Peranggih/Panau area, initially at the Panau South target, which was completed with 202 primary samples collected, plus field duplicates. 24 samples were collected at Panau North. The access road to Panau East was surveyed, repaired, and sampling was continued in the third quarter, with 31 samples collected.

Regional exploration is targeting larger strategic development areas surrounding the Selinsing Gold Mine, aimed to test regional resource potential. The current target areas have been selected for sampling and assaying including additional sections at Peranggih and Panau, according to a geological study completed by Model Earth in 2015, together with more recent geological studies. These studies investigated the structural and lithological controls on the regional mineralization distribution. The soil sampling results could lead to identifying further regional drilling targets.

### 2.1.5 Environment, Safety and Health

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

- The Department of Minerals and Geosciences ("JMG") with mining and processing activities including environmental jurisdiction inside the Company's project tenements;
- The Department of the Environment ("DOE"), whose jurisdiction lies outside the Company's tenements regarding air and water quality discharge; and
- The Department of Safety and Health ("DOSH"), primarily concerned with occupational safety and health, lifting equipment, pressurized vessels, storage and handling of hazardous chemicals.

During the quarter ended March 31, 2019, Selinsing operations recorded no lost time accidents. All reported accidents and incidents were shared among supervisors and staff at safety toolbox meetings and new safety topics were raised at each of these meetings. Regular safety inspections were carried out by the HSE department and notices of improvement sent out to various departments for any immediate corrective action required on HSE issues. Third party environmental compliance audits were conducted by accredited independent consultants and laboratories on drinking water quality, environmental audits, scheduled waste, and chemical storage, in addition to borehole water quality, ambient air quality and environmental noise monitoring.

The DOSH certificate update for all machinery was submitted during the third quarter including renewal for the elution column, tower crane and portable air compressor. The Company's Health, Safety and Environment compliance committee met to ensure the requirements of JMG, DOE and DOSH are adhered to in a timely manner.

### 2.1.6 Litigation

**The Arci Suit:** On July 30, 2015, the Company announced that the former partners of ARCI ("ARCI") have filed a suit against TRA Mining (Malaysia) Sdn. Bhd. ("TRA"), SMSB (the Plaintiff in the 5% JV Suit), Monument and two of its subsidiaries in the Shah Alam High Court, Malaysia alleging, among others, that ARCI is the owner of MC 1/113 and thus entitled to the profits generated by Monument from the said mining certificate. Monument vehemently denies any liability in respect of ARCI's Claim.

The ARCI Suit had been struck out by the Shah Alam High Court on August 24, 2016. ARCI appealed to the Court of Appeal against the decision of the Shah Alam High Court. The Court of Appeal had on December 12, 2018 dismissed ARCI's appeal. The matter is now deemed closed as ARCI did not appeal against the decision of the Court of Appeal within the timeline provided by the applicable Malaysian law.

## 2.2 Murchison Gold Portfolio

---

The Murchison Gold Portfolio is 100% owned by the Company and acquired in 2014, consisting of the Burnakura, Gabanintha, and Tuckanarra gold properties, located in the Murchison Mineral Field, a highly prospective historical gold province within the Murchison District of Western Australia. Burnakura and Gabanintha are located 40 km southeast of Meekatharra, WA and 765 km northeast of Perth, WA. Tuckanarra is located approximately 40 km southwest of Burnakura.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

The Murchison Gold Portfolio includes a number of mining and exploration tenements and lease applications covering approximately 514 square kilometres of mining land prospective for resource extension, and a fully operational gold processing plant at the Burnakura site, a newly developed camp site and all necessary infrastructure. Underground mining was carried by the previous owner of the Burnakura gold processing plant for several months and shortly after it was placed in administration.

### 2.2.1 Resources

The Murchison Gold Project consists of a historical resource of 300koz Au of Indicated Resource and 344koz Au of Inferred Resources reported to a 1.0g/t Au lower cut-off, at time of acquisition in 2014, within a number of previously operated open pits and underground mine. The Company believes that the quality of the data supporting the resources meets industry standards and considers this historical resource estimate to be relevant to its ongoing review of the Murchison Gold Project. The historical resources were reported in line with the JORC guidelines, and resource confidence categories and the reliability of the estimate are consistent with this standard, however they are not yet in full compliance with NI43-101 standards.

The current updated mineral resource estimation at Burnakura reported in the SRK NI43-101 Report dated July 2018, comprised of an Indicated Mineral Resource of 4.043mt@2.3g/t Au for 293koz and an Inferred Mineral Resource of 1.551mt@1.8g/t Au for 88koz at a 0.5g/t Au grade cut-off for Open Pit and 3.0 g/t Au for Underground. The Company continued to improve its internal mining studies and these figures represents a positive outcome toward the preparation of a preliminary economic assessment in respect of the Burnakura deposits. The company is planning to continue a confirmation program over the remainder of the historical resources combined with exploration to add new resources.

**Figure 9: 2018 Mineral Resource estimate breakdown for Burnakura Project**

| Updated Mineral Resources, Burnakura Gold Project (SRK, July 2018) |                  |                           |                |             |               |
|--------------------------------------------------------------------|------------------|---------------------------|----------------|-------------|---------------|
| Deposit                                                            | Category         | Lower cut-off<br>(Au g/t) | Tonnes<br>(Kt) | Au<br>(g/t) | Gold<br>(Koz) |
| NOA1-6                                                             | Indicated        | 0.5                       | 1,030          | 2.1         | 68            |
|                                                                    | Inferred         | 0.5                       | 609            | 2.3         | 44            |
| ANA                                                                | Indicated        | 0.5                       | 2,141          | 1.6         | 107           |
|                                                                    | Inferred         | 0.5                       | 92             | 1.5         | 4             |
| Authaal                                                            | Indicated        | 0.5                       | -              | -           | -             |
|                                                                    | Inferred         | 0.5                       | 556            | 1.4         | 25            |
| Federal City                                                       | Indicated        | 0.5                       | 96             | 1.3         | 4             |
|                                                                    | Inferred         | 0.5                       | 259            | 1.3         | 11            |
| <b>TOTAL*</b>                                                      | <b>Indicated</b> | <b>0.5</b>                | <b>3,267</b>   | <b>1.7</b>  | <b>179</b>    |
|                                                                    | <b>Inferred</b>  | <b>0.5</b>                | <b>1,516</b>   | <b>1.8</b>  | <b>84</b>     |
| NOA7-8**                                                           | Indicated        | 3.0                       | 776            | 4.6         | 114           |
|                                                                    | Inferred         | 3.0                       | 35             | 3.9         | 4             |
| <b>GRAND-TOTAL</b>                                                 | <b>Indicated</b> |                           | <b>4,043</b>   | <b>2.3</b>  | <b>293</b>    |
|                                                                    | <b>Inferred</b>  |                           | <b>1,551</b>   | <b>1.8</b>  | <b>88</b>     |

Notes:

- (1) Small discrepancies may occur due to rounding.
- (2) All Mineral Resources have been reported on a dry tonnage basis.
- (3) SRK is unaware of any issues that materially affect the Mineral Resources in a detrimental sense.
- (4) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- (5) Mineral Resources estimated by David Slater (Principal Consultant, SRK), QP.
- (6) \*Open pit Resources (NOA1-6, ANA, Authaal, Federal City) are constrained in a Lerchs Grossman pit shell
- \*\*Underground Resources (NOA7-8) are constrained to >3g/t and 200m vertical depth.

### 2.2.2 Exploration

During the third quarter, a geological structural study was completed with updates reflecting new geological information to interpret regional geology. Regional and localized drill targets have been identified and ranked with priority at Burnakura and entire Murchison Gold Project for further confirmation. Compilation of historical data is also being carried out to check any gaps in existing data including reports, drill hole database and geochemical data.

Burnakura: An exploration plan has been developed for both regional and underground deep potential during the third quarter. The NOA line of mineralization has been identified for major underground potential. Mineralization at NOA underground is hosted and controlled by northerly plunging folds. Work is being undertaken to identify further northerly plunging folds for potential repeats of

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

the NOA line of mineralization. Deep potential was also identified at ANA, where the most recent drilling program extended the mineralized structure 180m down dip. Further drillholes are being planned to test this mineralized structure down to 400m.

**Tuckanarra:** Geological modelling continued to support opportunities for open pit resources at Tuckanarra. The Cable, Bollard and Bottle Dump deposits are in the process of being re-modelled for internal mining studies. Further, a study of the exploration potential was completed, highlighting there is potential for further discoveries along untested prospective strike, in particular at the Bottle Dump deposit.

**Gabanintha:** A review and study of historical drilling data has continued and highlighted that the mineralization is open at depth. A structural study identified a new regional exploration target named Lorena, which displays a similar structural regime that hosts the Terrell, Yagahong and Kavanagh mineralization. Deep underground potential was also identified under the Yagahong pit. Drilling programs were revised and planned to commence in the fourth quarter of fiscal 2019, pending an internal review. Heritage survey work has also been arranged in the fourth quarter.

For the nine months ended March 31, 2019, exploration at Murchison incurred expenditure of \$0.09 million (Fiscal 2018: \$0.17 million) on geological work.

### 2.2.3 Development

Following the updated mineral resource estimation at Burnakura Gold Project from July 2018, an initial internal economic assessment was completed during the third quarter under the PEA study with an increase of mill capacity to 500ktpa from 260ktpa. Based on those assessments, the Company has re-strategized development of the Burnakura Gold Project. The planned gold production is postponed until completion of the PEA to include underground opportunities that would potentially allow for a better return.

The PEA program is designed to identify the economic potential in a large scale at Burnakura, Tuckanarra and Gabanintha (together the "Murchison Gold Projects") including open pits and underground mining opportunities. The NOA 7/8 resource estimates form a significant part of the Indicated Resources at Burnakura, resulting in an initial internal economic assessment being carried out in June 2018 and completed during the in October 2018 on the underground mining potential with a corresponding increase in the existing mill capacity to 500ktpa from 260ktpa, based on which staged mining alternatives have been evaluated as a part of the PEA study. The metallurgical drill samples were assayed and further diagnostic leaching testwork has also been carried out on NOA7/8 core samples.

The ongoing PEA study is preliminary in nature, including Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

The Company has ensured that the plant and other facilities are being kept in good condition through proper care and maintenance with a view to ensure efficient commissioning in the future, and the site accommodation and catering are fully functional in readiness for Company personnel and mining contractors to commence on site.

During the nine months ended March 31, 2019, the Company incurred expenditures of \$0.41 million (Fiscal 2018: \$0.67 million) on site activities, \$0.05 million (Fiscal 2018: \$0.39 million) on mine development and \$0.13 million (Fiscal 2018: \$0.19 million) on plant maintenance at the Murchison Gold Project.

## 2.3 Mengapur Copper-Iron Project

---

The Mengapur is located in Pahang State, Malaysia, approximately 130 kilometers from Monument's wholly-owned Selinsing Gold Mine near Sri Jaya, 12 kilometers from a highway and 75 kilometers from the Malaysian port of Kuantan. The Mengapur Project includes a mining tenement held by Cermat Aman Sdn. Bhd. ("CASB") and an exploration tenement held by Star Destiny Shd. Bhd. ("Star Destiny"). Following significant exploration programs and metallurgical studies carried out from 2011 to 2015, a geological and resource modelling study has been carried out in 2018 and a NI43-101 Mineral Resource Estimate Technical Report was released in October 2018.

### 2.3.1 Resources

The technical report titled "Mineral Resource Estimate for the Mengapur Cu-Au Deposit, NI43-101 Technical Report" and dated October 29, 2018, is available on the SEDAR website. It was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects by John Graindorge BSc (Hons); Grad. Cert. Geostatistics, MAusIMM(CP), Principal Consultant, Resources, Snowden Mining Industry Consultants Pty Ltd., the Qualified Person.

The project has been drilled using mostly diamond core drilling down to a nominal spacing of approximately 40m by 40m in a significant portion of the project area. The 2018 Mineral Resource estimate has incorporated a total of approximately 112,000m completed to date, of which nearly 53,000m were completed by Monument between 2011 and 2014. Drilling was primarily comprised of diamond core drilling, with some minor RC drilling. The geological interpretation has considered all known material items and represents an accurate reflection of the current geological understanding, of the copper oxide, transition and sulphide skarn type mineralization.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

Figure 10 below presents the 2018 Mineral Resource estimate for the Mengapur project, reported above a 0.3% Cu cut-off grade. To establish the requirement for the grade, quantity and quality of the mineralization to have reasonable prospects of eventual economic extraction, a cut-off grade of 0.3% Cu was selected, representing an assumption of an open-pit mining approach with limited selectivity and is based on values used at other similar deposits, along with consideration of the continuity above the cut-off grade. The cut-off grade of 0.3% Cu is considered by Monument to be the base case scenario at this stage; however further study is required to assess mining and processing options, along with costs.

**Figure 10: Mengapur August 2018 Mineral Resource estimate (0.3% Cu lower cut-off)**

| Indicated Mineral Resource |              |             |             |            |                   |                    |                    |
|----------------------------|--------------|-------------|-------------|------------|-------------------|--------------------|--------------------|
| Material type              | Tonnes<br>Mt | Cu<br>%     | Au<br>g/t   | Ag<br>g/t  | Contained Cu<br>t | Contained Au<br>oz | Contained Ag<br>oz |
| Oxide                      | 6.3          | 0.45        | 0.17        | 9.7        | 28,300            | 34,000             | 1,960,000          |
| Transitional               | 9.7          | 0.48        | 0.15        | 9.8        | 46,800            | 47,000             | 3,060,000          |
| Fresh                      | 23.5         | 0.41        | 0.21        | 4.5        | 96,400            | 159,000            | 3,400,000          |
| <b>Total Indicated</b>     | <b>39.5</b>  | <b>0.43</b> | <b>0.18</b> | <b>6.6</b> | <b>170,000</b>    | <b>229,000</b>     | <b>8,380,000</b>   |
| Inferred Mineral Resource  |              |             |             |            |                   |                    |                    |
| Type                       | Tonnes<br>Mt | Cu<br>%     | Au<br>g/t   | Ag<br>g/t  | Contained Cu<br>t | Contained Au<br>oz | Contained Ag<br>oz |
| Oxide                      | 15.5         | 0.41        | 0.06        | 19.1       | 63,600            | 29,900             | 9,520,000          |
| Transitional               | 12           | 0.5         | 0.1         | 17         | 60,000            | 38,600             | 6,560,000          |
| Fresh                      | 23.4         | 0.43        | 0.14        | 6.9        | 100,600           | 105,300            | 5,190,000          |
| <b>Total Inferred</b>      | <b>50.9</b>  | <b>0.44</b> | <b>0.11</b> | <b>13</b>  | <b>224,000</b>    | <b>180,000</b>     | <b>21,270,000</b>  |

(1) Small discrepancies may occur due to rounding.

(2) All Mineral Resources have been reported on a dry tonnage basis.

(3) Snowden is unaware of any issues that materially affect the Mineral Resources in a detrimental sense.

(4) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(5) Mineral Resources estimated by John Graindorge (Principal Consultant, Snowden), QP.

(6) The majority of the interpreted mineralization is within 200m of the surface and as such considered by Snowden to be within the limits of extraction by open-pit mining.

### 2.3.2 Development

The Mengapur Project is a large economic scale project in the Company's pipeline of projects. Since acquisition of Mengapur, the Company has carried out extensive exploration programs to confirm historical resources and metallurgical testwork in studying downstream products. The resource confirmation and definition drilling were largely completed in fiscal 2014.

During fiscal 2018, geological and resource modelling work was resumed. A NI43-101 Mineral Resource Estimation Technical Report was SEDAR filed in October 2018. As copper prices rise, the Company intends to carry out follow-up work in fiscal 2019 to assess the opportunity for copper production.

During the quarter ended March 31, 2019, the Company incurred costs of \$0.55 million (Fiscal 2018: \$0.68 million) on exploration and evaluation at Mengapur, including \$0.06 million on resource study work, \$0.09 million on property fees and \$0.40 million on site activities, which included \$0.23 million of amortization. Site activities at Mengapur included environmental compliance, erosion and sediment control. Care and maintenance activities were carried out to ensure the facility and assets are kept in good condition.

**Intec Interim License:** In February 2015, Monument and Intec International Projects Pty Ltd ("Intec") entered the Heads of Agreement which was amended in August 2017 (together the "Intec Agreements"). Pursuant to the Intec Agreements, the Company was granted an interim license with an expiry date of January 16, 2017 and subsequently extended to January 16, 2022, to exploit the Intec patented technology at the Company's alpha sites in Malaysia, including Mengapur. Subject to the success of staged testwork and certain conditions, Monument will obtain a full license to treat sulphide gold or copper materials using Intec technology across designated territories including Australia and South East Asia countries.

**Tenements:** The mining lease at the 100% owned subsidiary CASB was renewed during the third quarter for the two-year period beginning June 1, 2018. The prospecting exploration permit of SDSB expired on September 23, 2012. The Company submitted an application of renewal in November 2011 to the Pahang State authority. The Company also submitted additional mining lease applications in 2009, 2010 and 2012 covering sections of the same area. The Company has yet to receive an official notification from the Pahang State authority in response to its applications. Management continues its dialogue with the Pahang State authority to speed-up this process. According to the Mining Enactment 2001 of Malaysia, until receipt of official notification with the Company's consent, the exploration rights remain intact.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

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

### 3. FINANCIAL RESULTS

#### 3.1 Summary

During the three months ended March 31, 2019, operations processed Selinsing and Buffalo Reef oxide ore, super low-grade oxide ore and old tailings through the Selinsing Gold Plant in transition from oxide ore production to sulphide ore production. The production gross margin is expected to vary from time to time due to recovery rates and volatile gold prices.

**Figure 11: Financial highlights**

|                                                        | Fiscal 2017 |         | Fiscal 2018 |         |        | Fiscal 2019 |       |        |
|--------------------------------------------------------|-------------|---------|-------------|---------|--------|-------------|-------|--------|
|                                                        | Q4          | Q1      | Q2          | Q3      | Q4     | Q1          | Q2    | Q3     |
|                                                        | \$          | \$      | \$          | \$      | \$     | \$          | \$    | \$     |
| Revenues (000's)                                       | 3,954       | 4,502   | 4,974       | 6,275   | 3,498  | 5,530       | 5,663 | 4,590  |
| <u>Weighted average gold price</u>                     |             |         |             |         |        |             |       |        |
| London Fix PM (per ounce)                              | 1,257       | 1,286   | 1,275       | 1,337   | 1,318  | 1,214       | 1,233 | 1,299  |
| Monument realized (per ounce)                          | 1,255       | 1,286   | 1,275       | 1,335   | 1,320  | 1,215       | 1,231 | 1,299  |
| Net earnings (loss) before other items and tax (000's) | (2,442)     | (1,060) | (423)       | 1,093   | (659)  | 1,105       | 768   | 269    |
| Earnings (loss) per share before other items and tax:  |             |         |             |         |        |             |       |        |
| - Basic                                                | (0.01)      | (0.00)  | (0.00)      | 0.00    | (0.00) | 0.00        | 0.00  | 0.00   |
| - Diluted                                              | (0.01)      | (0.00)  | (0.00)      | 0.00    | (0.00) | 0.00        | 0.00  | 0.00   |
| Net earnings (loss) after other items and tax (000's)  | (3,909)     | (1,504) | (1,820)     | (1,491) | 66     | 1,062       | 469   | (914)  |
| Earnings (loss) per share:                             |             |         |             |         |        |             |       |        |
| - Basic                                                | (0.01)      | (0.00)  | (0.01)      | (0.00)  | 0.00   | 0.00        | 0.00  | (0.00) |
| - Diluted                                              | (0.01)      | (0.00)  | (0.01)      | (0.00)  | 0.00   | 0.00        | 0.00  | (0.00) |

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

For the three months ended March 31, 2019 net loss was \$0.92 million, or (\$0.00) per share (basic) compared to net loss of \$1.49 million or \$(0.00) per share (basic) in the same period last year. The decrease in net loss was mainly due to a \$3.00 million legal settlement expense in third quarter last year.

Selinsing Gold Mine production generated income of \$0.76 million compared to income of \$1.99 million in same period last year due to less gold produced and sold, and corporate expenses was \$0.49 million which decreased by 46% or \$0.41 million from \$0.90 million last year due to lower salaries and wages, stock-based compensation and legal expense.

Loss from other items of \$0.38 million was comprised of foreign currency exchange loss of \$0.45 million (Q3 fiscal 2018: loss of \$3.29 million) from appreciation of the US dollar and \$0.06 million (Q3 fiscal 2018: \$0.01 million) of interest income.

For the nine months ended March 31, 2019 net income was \$0.62 million, or \$0.00 per share (basic) compared to net loss of \$4.82 million or \$(0.02) per share (basic) in the prior year. The increase in earnings was mainly due to higher gross margin from mining operations, lower corporate expenses, decreased in foreign currency exchange loss and a \$3.00 million legal settlement expense in the same period last year. Mining operations generated income of \$3.63 million compared to \$2.19 million in the same period last year, and corporate expenses was \$1.48 million which decreased by 43% or \$1.10 million from \$2.58 million in the same period last year. Loss from other items was \$0.29 million comprised of foreign currency exchange loss of \$0.43 million (Nine months ended March 31, 2018: \$1.41 million loss), offset by interest income \$0.14 (Nine months ended March 31, 2018: \$0.03 million).

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

### 3.2 Operating Results: Sales and Production Costs

For the quarter ended March 31, 2019, mining operations before non-cash amortization and depreciation generated a gross margin of \$1.79 million, decreased by 43% or \$1.40 million from \$3.19 million in the same period last year. Income from mining operations was \$0.76 million compared to \$1.99 million last year after non-cash depletion and accretion of \$1.03 million compared to \$1.20 million, respectively.

Gold recovery decreased by 48% during the third quarter to 3,849oz (Q3 fiscal 2018: 7,402oz) compared to the same quarter last year on lower feed grade and recovery rate, offset by a 6% increase in ore processed to 226,697t (Q3 fiscal 2018: 214,431t).

Total cash cost per ounce sold increased to \$751/oz in the third quarter from \$656/oz in the same period last year, together with decreased ounces sold the profit margin has reduced before non-cash items to \$1.79 million from \$3.19 million last year.

#### Sales

Gold sales generated \$4.59 million for the quarter ended March 31, 2019 compared to \$6.27 million in the same period last year. The revenue resulted from 3,250oz of gold sold (Q3 fiscal 2018: 4,700oz) from production at an average realized gold price of \$1,293 per ounce (Q3 fiscal 2018: \$1,335 per ounce) for the quarter and 482oz delivered in fulfilling gold prepaid obligations at an average realized gold price of \$807 per ounce. The weighted average London Fix PM gold price was \$1,299 per ounce for the quarter compared to \$1,337 per ounce for the same quarter last year.

#### Production Costs

Total production costs in the quarter ended March 31, 2019 was \$2.80 million, compared to \$3.08 million in the same period last year, reflecting higher production costs offset by lower amounts of gold sold in the third quarter. Cash cost per ounce increased by 14% to \$751/oz in the third quarter from \$656/oz in the same period last year that resulted from lower feed grade and gold recovery rate, offset by an increase in ore processed by 6% from improved old tailings reclaim. Feed grade decreased over the same period last year, primarily due to less oxide ore production at Buffalo Reef and no production at Felda Block 7 and increased reclaiming of lower grade old tailings.

A breakdown and further analysis of the cash cost components is provided below, and Figure 13 shows a historical graphical summary demonstrating the breakdown by quarter.

Figure 14: Production costs

|                                          | Three months ended |                | Nine months ended |                |
|------------------------------------------|--------------------|----------------|-------------------|----------------|
|                                          | March 31, 2019     | March 31, 2018 | March 31, 2019    | March 31, 2018 |
| <b>Production cost breakdown ('000s)</b> |                    |                |                   |                |
| Mining                                   | 618                | 630            | 1,988             | 1,851          |
| Processing                               | 1,783              | 1,925          | 5,569             | 6,534          |
| Royalties                                | 354                | 508            | 1,140             | 1,111          |
| Operations, net of silver recovery       | 47                 | 19             | 68                | 45             |
| <b>Total production costs</b>            | <b>2,802</b>       | <b>3,082</b>   | <b>8,765</b>      | <b>9,541</b>   |

#### Mining

Mining was focused on Selinsing Pit 5/6, and Buffalo Reef Damar aiming to extract leachable ore materials in transition zones. Initial cutback was carried out during the third quarter reflected in the high pre-stripping ratio and lower tonnage of ore being mined. The mining rate was slower than expected due to a Selinsing Pit 5 west wall failure that interrupted mining for nearly a month while a geotechnical assessment was conducted by POB Consultants. The POB geotechnical recommendations have been completed and mining production is expected to be picked up through next two quarters. The unloading of the top of the failed west wall area provided material for TSF

Figure 12: Gross margin

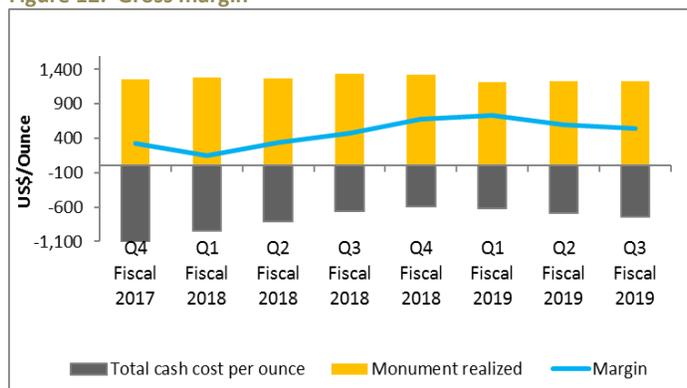
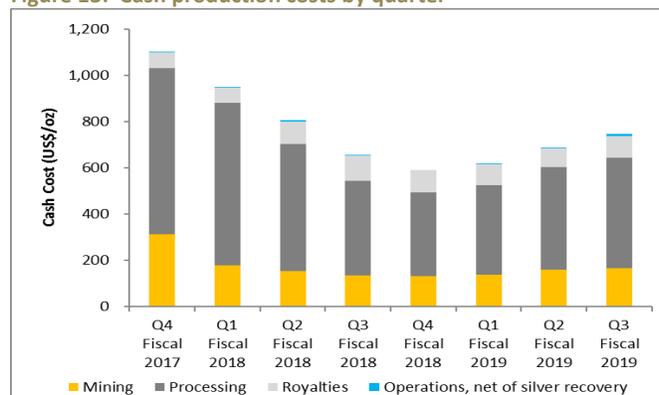


Figure 13: Cash production costs by quarter



## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

construction, consequently increasing the strip ratio and operational waste costs during the quarter. Total operation mining cash cost increased and the cash cost per ounce of mining operations was higher by 24% to \$166/oz from \$134/oz in the same quarter last year, mainly due to a higher waste to ore ratio from pre-stripping carried out at Selinsing Pit 5/6 and Buffalo Reef that aims to extract leachable ore materials in transition zones for mill feed to the current processing plant, and an decrease in gold sales in the quarter ended March 31, 2019. Mining production was 34,826t of ore for the third quarter compared to 72,403t of ore mined in the same period last year. Total waste removed increased to 905,402t (Q3 fiscal 2018: 279,943t) that included 191,885t for cutback at the Selinsing pit and 352,510t for TSF material during the third quarter, bringing total materials mined to 940,227t compared to 352,347t in the same period last year. As a result of an increase in total materials mined and production from the Selinsing pit, the cost per tonne mined decreased by 33% from \$1.86/t to \$1.25/t.

The stripping ratio presented in Figure 1 of 26.00 for the third quarter and 3.87 in the same quarter last year, accounted for waste mined from both operations and development. There was 191,885t for cutback at Selinsing, where mining has resumed and 352,510t for TSF construction during the third quarter compared to no tonnes for cutback or TSF construction in the same quarter last year, the cost of which were capitalized and not included in the mining operations.

### Processing

Total processing cash costs for the quarter ended March 31, 2019 were \$1.78 million compared to \$1.92 million in the same period last year with less gold sold in the current period. Gold feed grade decreased with no oxide ore production from Felda Block 7 compared to 51,459t from Felda Block 7 in the same quarter last year.

Processing cost per tonne increased by 10% from \$10.46/t to \$11.45/t in the third quarter primarily due to more consumables to process leachable sulphide ore from Selinsing, more water detoxified to bring down the TSF water level following heavy rainfall, and increased tailings pump and screen maintenance costs, compared to third quarter in previous year. Total ore processed increased by 6% to 226,697t from 214,431t in the same period last year from an increased old tailing reclaim rate. Mill feed comprised of 164,685t from stockpiled super low-grade oxide ore, 13,150t from oxide ore and 48,862t from old tailings compared to the same quarter last year of 112,394t super low-grade oxide ore, 73,248t oxide ore and 28,789t old tailings.

### Royalties

The Company pays royalties to the Malaysian Government, and an additional 2% to the PKNP (Pahang State Development Corporation) for gold produced from the Buffalo Reef tenements. Total royalties cost decreased by 30% to \$0.35 million for the quarter ended March 31, 2019 compared to \$0.51 million in the same quarter last year, offset by royalty rate increase from 5% to 10% for gold produced from Selinsing starting January 1, 2019. Royalties paid are affected by average gold spot prices, source of production and the amount of gold produced and sold in the period.

### **Non-cash Costs**

For the quarter ended March 31, 2019, non-cash production expenses of \$1.03 million (Q3 fiscal 2018: \$1.20 million) included depreciation and amortization of \$0.98 million and accretion of asset retirement obligations in the amount of \$0.05 million, compared to \$1.15 million and \$0.05 million in the same period last year, respectively.

### **Nine months ended March 31, 2019**

For the nine months ended March 31, 2019, mining operations before non-cash amortization and depreciation generated a gross margin of \$7.02 million, increased by 13% or \$0.81 million from \$6.21 million in the same period last year. Income from mining operations was \$3.63 million compared to \$2.19 million in the same period last year after non-cash depletion and accretion of \$3.39 million compared to \$4.02 million, respectively.

Gold recovery decreased by 17% during the nine-month period to 12,760oz (Nine months ended March 31, 2018: 15,304oz) compared to the prior year nine-month period on lower feed grade, offset by ore processed that increased by 8% to 705,427t (Nine months ended March 31, 2018: 655,515t). Total cash cost per ounce sold decreased to \$679/oz in the nine-month period from \$789/oz in the same period last year, together with increased ounces sold the profit margin has raised before non-cash items to \$7.02 million from \$6.21 million in the same period last year.

### **Sales**

Gold sales generated \$15.78 million for the nine months ended March 31, 2019 compared to \$15.75 million in the same period last year. The revenue resulted from 12,400oz of gold sold (Nine months ended March 31, 2018: 12,100oz) from production at an average realized gold price of \$1,241 per ounce (Nine months ended March 31, 2018: \$1,302 per ounce) for the nine-month period and 482oz settled on a gold prepaid sale at an average realized gold price of \$807 per ounce. The weighted average London Fix PM gold price was \$1,244 per ounce for the nine months period compared to \$1,294 per ounce for the previous year same period.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

### Production Costs

Total production costs decreased by 8% in the nine months ended March 31, 2019 to \$8.77 million, compared to \$9.54 million in the same period last year, during the same period a higher amount of gold was sold. Cash cost per ounce decreased by 14% to \$679/oz in the nine-month period from \$789/oz in the same period last year that resulted from an increase in ore processed by 8%, offset by decrease in feed grade by 17%.

#### Mining

Total operation mining cash cost increased due to an increase in gold sales in the nine months ended March 31, 2019, and the cash cost per ounce of mining operations was slightly increased to \$154/oz from \$153/oz in the same period last year and a increase in production cost per tonne. Mining production was 121,864t of ore for the nine months period compared to 189,189t of ore mined in the same period last year. Total materials mined were 2,494,395t compared to 958,612t in the same period last year. As a result, cost per tonne mined decreased by 27% from \$1.80/t to \$1.31/t.

The stripping ratio presented in Figure 1 of 19.47 for the nine-month period and 4.07 in the same period last year, accounted for waste mined from both operations and development. There was 720,647t removed for cutback and 402,586t for TSF construction in this nine-month period compared to 158,664t removed for the TSF construction in the same period last year, the cost of which were capitalized and not included in the mining operations.

#### Processing

Total processing cash costs for the nine months ended March 31, 2019 were \$5.57 million compared to \$6.53 million in the same period last year with more gold sold in the current period, offset by lower feed grade.

Processing cost per tonne increased by 8% in the nine-month period primarily due to more consumables used to process harder ore from Selinsing, higher maintenance, lower feed grade and higher detoxification consumable costs for reducing the TSF water level after heavy rainfall. Total ore processed increased by 8% to 705,427t from 655,515t in the prior year. Mill feed comprised of 482,498t from stockpiled super low-grade oxide ore, 89,899t from oxide ore, 2,240t from leachable sulphide ore, and 130,790t from old tailings compared to the same period last year of 465,773t super low-grade oxide ore, 119,934t oxide ore, and 69,808t old tailings.

#### Royalties

The Company pays royalties to the Malaysian Government based upon 5% of the market value of gold produced, an additional 2% to the PKNP (Pahang State Development Corporation) for gold produced from the Buffalo Reef ore and an additional 5% for gold produced from Felda Block 7. The royalty rate increased to 10% starting January 1, 2019 for Selinsing production. Total royalties cost increased by 3% to \$1.14 million for the nine months ended March 31, 2019 compared to \$1.11 million in the same period last year, due to increase in production at Selinsing and gold sold. Royalties paid are affected by average gold spot prices and the amount of gold produced and sold in the period.

### Non-cash Costs

For the nine months ended March 31, 2019, non-cash production expenses of \$3.39 million (Nine months ended March 31, 2018: \$4.02 million) included depreciation and amortization of \$3.24 million and accretion of asset retirement obligations in the amount of \$0.16 million, compared to \$3.87 million and \$0.15 million in the same period last year, respectively.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

### 3.3 Corporate General and Administrative

Figure 15: Corporate Costs

|                                  | Three months ended |                | Nine months ended |                |
|----------------------------------|--------------------|----------------|-------------------|----------------|
|                                  | March 31, 2019     | March 31, 2018 | March 31, 2019    | March 31, 2018 |
|                                  |                    |                | \$                | \$             |
| General and administration       | 344                | 380            | 990               | 1,195          |
| Stock-based compensation         | 2                  | 241            | 4                 | 358            |
| Legal, accounting and audit      | 77                 | 220            | 239               | 766            |
| Shareholder communications       | 30                 | 32             | 108               | 110            |
| Travel                           | 23                 | 13             | 88                | 91             |
| Regulatory compliance and filing | 12                 | 12             | 50                | 55             |
| Amortization                     | 3                  | 3              | 4                 | 6              |
| <b>Total Corporate Costs</b>     | <b>491</b>         | <b>900</b>     | <b>1,483</b>      | <b>2,581</b>   |

Corporate expenditure for the quarter ended March 31, 2019 of \$0.49 million (Q3 fiscal 2018: \$0.90 million) decreased by \$0.41 million or 46% compared to the same period last year. The decrease was mainly due to lower stock-based compensation from RSUs vested in the prior year period (Q3 fiscal 2018: \$0.24 million), legal and professional costs that were \$0.08 million (Q3 fiscal 2018: \$0.22 million), or 65% lower for the third quarter due to decreased litigation costs, and general and administration costs that were \$0.34 million (Q3 fiscal 2018: \$0.38 million), or 9% lower for the third quarter due to reduced salaries and wages from changes in executive management.

Corporate expenditure for the nine months ended March 31, 2019 of \$1.48 million (Nine months ended March 31, 2018: \$2.58 million) decreased by \$1.10 million or 43% compared to the same period last year. Legal, accounting and audit expenses decreased by \$0.53 million, or 69%, to \$0.24 million in the nine-month period compared to \$0.77 million in the same period last year due to decreased litigation costs. The stock-based compensation costs were \$0.00 million (Nine months ended March 31, 2018: \$0.36 million) or 99% lower from RSUs vested in the prior year period. General and administration costs were \$0.99 million (Nine months ended March 31, 2018: \$1.2 million), or 17% lower for the nine-month period, primarily due to a \$0.18 million, or 17% decrease in salaries and wages expenses to \$0.85 million (Nine months ended March 31, 2018: \$1.03 million) from change in executive management.

### 3.4 Other Income (Loss)

Loss from other items for the quarter ended March 31, 2019 was \$0.38 million compared to loss of \$3.29 million in the same quarter last year. The change for the third quarter was mainly Q3 fiscal 2018a \$3.00 million legal settlement expense in the same quarter last year.

Loss from other items for the nine months ended March 31, 2019 was \$0.29 million compared to other loss \$4.36 million in the same period last year. The change for the period was mainly due to \$0.98 million decrease in foreign currency exchange loss to \$0.43 million (Nine months ended March 31, 2018: \$1.41 million loss) due to a lower US dollar.

### 3.5 Income Taxes

Income tax expense for the quarter ended March 31, 2019 was \$0.80 million (Q3 fiscal 2018: income tax recovery of \$0.71 million) consisting of current tax expense of \$1.09 million (Q3 fiscal 2018: income tax recovery \$0.74 million) and offset by deferred tax recovery of \$0.29 million (Q3 fiscal 2018: deferred tax expenses \$0.03 million).

Income tax expense for the nine months ended March 31, 2019 was \$1.24 million (Nine months ended March 31, 2018: \$0.06 million) consisting of current tax expense of \$1.83 million (Nine months ended March 31, 2018: \$0.21 million) and offset by deferred tax recovery of \$0.59 million (Nine months ended March 31, 2018: \$0.15 million).

## 4. LIQUIDITY AND FINANCIAL CONDITION

The Company's principal cash requirements are working capital used for business development, general administration, property maintenance and development, construction of the gold treatment plant expansions, production operations at Selinsing and exploration. The Company's cash and cash equivalents as at March 31, 2019 was \$11.67 million including \$0.30 million restricted cash, \$6.65 million gold prepaid net of financing fees, and remaining cash balance of \$4.72 million in comparison with \$15.01 million reported at June 30, 2018 that included \$0.30 million restricted cash, \$6.65 million gold prepaid net of financing fees and \$8.06 million remaining cash.

For the quarter ended March 31, 2019, total cash generated from operations was \$0.54 million (Q3 fiscal 2018: \$3.44 million). Changes in working capital items increased cash from operating activities by \$0.43 million (Q3 fiscal 2018: increase of \$2.54 million). The working capital increase for the third quarter was primarily due to decrease in accounts receivable and increase in accounts payable and accrued

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

liabilities. For the quarter ended March 31, 2018, the \$2.54 million working capital increase was primarily due to timing of accounts receivables and increase in accounts payable and accrued liabilities.

For the nine months ended March 31, 2019, total cash generated from operations was \$2.38 million (Nine months ended March 31, 2018: \$6.34 million). Changes in working capital items reduced cash from operating activities by (\$1.96) million (Nine months ended March 31, 2018: increase of \$3.26 million). The (\$1.96) million working capital reduction was primarily due to increase in inventories and decrease in accounts payable and accrued liabilities. For the nine months ended March 31, 2018, the \$3.26 million working capital increase was primarily due to reduction of inventories and increase in accounts payable and accrued liabilities.

The inventory balance of \$21.73 million at March 31, 2019 (June 30, 2018: \$22.85 million) decreased by \$1.12 million in the nine month period mainly from decreases in stockpile of \$4.33 million and old tailings of \$0.33 million, offset by increases in mine supplies of \$0.10 million, the gold-in-circuit ("GIC") and gold doré of \$1.47 million and finished goods of \$1.97 million. The GIC increase was mainly due to higher contained gold and average production cost that resulted from added consumables and power costs to process harder carbonaceous material. The portion of the ore stockpile that is to be processed more than 12 months from March 31, 2019 is classified as non-current inventory. As at March 31, 2019, non-current assets include ore stockpiled of 250,974 tonnes (June 30, 2018: 595,023 tonnes), the large decrease in long-term stockpile resulted from processing higher quantities from stockpile during cutback waste removal at Selinsing Pit 5/6 and Buffalo Reef to extract leachable ore materials in transition zones.

For the three and nine months ended March 31, 2019, financing activities generated \$nil million compared to \$0.25 million paid for transaction fees and net \$4.75 million generated, respectively, from a gold prepaid sale in the same periods last year.

Cash investment in exploration and evaluation activities totalled \$0.40 million during the third quarter compared to \$0.68 million in the same period last year, of which \$0.19 million (Q3 fiscal 2018: \$0.41 million) was used on the Murchison Gold Portfolio in Western Australia for exploration on the regional control structure, geological modeling, and mine development study; \$0.17 million (Q3 fiscal 2018: \$0.22 million) on the Selinsing Gold Portfolio for drilling at old tailings, soil sampling and regional geology study, and \$0.04 million (Q3 fiscal 2018: \$0.05 million) on the Mengapur Copper and Iron Project in Malaysia for geological resource estimation reporting. For the nine months ended March 31, 2019, cash investment in exploration and evaluation was \$2.13 million including \$1.34 million at Murchison, \$0.54 million at Selinsing and \$0.26 at Mengapur compared to \$1.82 million in the same period last year including \$1.13 million at Murchison, \$0.55 million at Selinsing and \$0.14 at Mengapur.

Cash investment in property, plant and equipment ("PPE") during the third quarter was \$1.30 million, compared to \$0.89 million in the same period last year. The main expenditure on PPE was at Selinsing that included \$1.07 million (Q3 fiscal 2018: \$0.27 million) for capitalized mining waste, various plant equipment and tailing storage facility upgrades and \$0.23 million (Q3 fiscal 2018: \$0.47 million) on the Sulphide Project. For the nine months ended March 31, 2019, cash investment in PPE was \$3.59 million compared to \$3.34 million in the same period last year. Expenditures were mainly for Selinsing with \$2.97 million including \$2.67 million for cutback and TSF construction compared to \$2.52 million last year that included \$1.61 million for the acquisition of mining rights over Felda Block 7 primary mining leases.

The Company had positive working capital of \$25.34 million at March 31, 2019, compared to \$27.10 million at June 30, 2018, including restricted cash of \$0.30 million. The decrease in working capital during the third quarter is mainly resulted from decrease in cash and trades receivables and increase in the current portion of deferred revenue, offset by an increase in current inventory, and lower accounts payable and accrued liabilities.

### 5. CAPITAL RESOURCES

The Company's capital resources as at March 31, 2019 included cash and cash equivalents. The Company's primary sources of funding are cash flow generated from the sale of gold, debt, equity financing through the issuance of stock, and other financial arrangements that can be reasonably considered and available to provide financial resources to the Company. The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions, capital asset upgrades and working capital.

The Company entered into a \$7.00 million Gold Prepaid Sale Transaction with Concept Capital Management ("CCM" or the "Purchaser"). Pursuant to the Sale of Gold Agreement, the Company's Australian subsidiary, Monument Murchison Pty Ltd (the "Seller") received a \$7.00 million prepayment and committed to deliver a total 8,676 ounces of gold to the Purchaser over a 36-month period commencing February 28, 2019 to January 31, 2022. Due to postponed gold production at the Burnakura Gold Project, the gold delivery obligation has been taken over by the Company's Malaysian subsidiary, Able Return Sdn Bhd, as a guarantor.

CCM had the option to purchase additional ounces of gold at 620 ounces per unit for \$0.50 million up to 3,720 ounces for a total \$3.00 million to be prepaid to the Seller before January 28, 2019, which was expired during the quarter ended March 31, 2019.

During the quarter ended March 31, 2019, 482 ounces of gold were delivered, leaving 8,194 ounces of gold to be delivered to CCM at 241 ounces of gold per month over the remaining 34-month period to January 31, 2022.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

In conjunction with the above transaction, the Company continues to seek additional funding to place its Selinsing Sulphide Project into production. The Company continues to assess the Burnakura early stage production decision. Upon success, this would potentially allow the Company to generate a second source of cash flow from the Australian operations.

Figure 16: Commitment and Contingencies (000's)

|                              | 2019       | 2020         | 2021       | 2022         | 2023       | Total        |
|------------------------------|------------|--------------|------------|--------------|------------|--------------|
|                              | \$         | \$           | \$         | \$           | \$         | \$           |
| Operating leases             | 23         | 74           | 79         | 76           | 7          | 259          |
| Mineral property obligations | 489        | 940          | 891        | 1,066        | 786        | 4,172        |
| Purchase commitments         | 209        | -            | -          | -            | -          | 209          |
| <b>Total</b>                 | <b>721</b> | <b>1,014</b> | <b>970</b> | <b>1,142</b> | <b>793</b> | <b>4,640</b> |

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

In addition to commitments outlined in the above table, the Company is obligated to deliver 8,194 ounces of gold related to the gold prepaid sale (Note 14) over a remaining 34-month period to January 31, 2022.

### 6. OFF BALANCE SHEET ARRANGEMENTS

None.

### 7. TRANSACTIONS WITH RELATED PARTIES

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

The remuneration of the key management of the Company as defined above including salaries, director fees and share-based payments is as follows:

Figure 17: Key management compensation (000's)

|                           | Three Months Ended |                | Nine months ended |                |
|---------------------------|--------------------|----------------|-------------------|----------------|
|                           | March 31, 2019     | March 31, 2018 | March 31, 2019    | March 31, 2018 |
| Salaries                  | 236                | 247            | 714               | 768            |
| Directors' fees           | 35                 | 36             | 103               | 110            |
| Share-based payments      | 1                  | 250            | 4                 | 371            |
| <b>Total compensation</b> | <b>272</b>         | <b>533</b>     | <b>821</b>        | <b>1,249</b>   |

Amounts due to related parties as at March 31, 2019 were a \$0.77 million (March 31, 2018: \$nil) legacy payment included as non-current accrued liabilities, due to the CEO change announced January 2, 2018, and \$0.03 million (March 31, 2018: \$0.04 million) relating to director fees. The directors' fees are paid on a quarterly basis. The unpaid amounts due to directors are recorded against accrued liabilities, unsecured and bear no interest.

### 8. SUBSEQUENT EVENTS

None.

### 9. CRITICAL ACCOUNTING ESTIMATES

Refer to note 3 of the consolidated financial statements as at June 30, 2018. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions that affect the amounts reported. Significant estimates and areas where judgment is applied include: purchase price allocation and valuation of deferred consideration assets, ore reserves and mineral resource estimates, depreciation and amortization and determination of useful lives, inventory valuation, exploration and evaluation expenditures, impairment of non-current assets, provision for reclamation and remediation obligations, deferred taxes, share-based payments, derivative assets and liabilities, determination of commencement of commercial production, title to mineral properties, realization of

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

assets, functional currency, business combinations and own use contracts. Actual results could differ from the Company's use of estimates and judgements.

### 10. CHANGES IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

Refer to note 3 of the condensed consolidated interim financial statements as at March 31, 2019.

### 11. FINANCIAL INSTRUMENTS – RISK EXPOSURE AND OTHER INSTRUMENTS

The Company's financial instruments are classified and measured subsequent to initial recognition at amortized cost including cash and cash equivalents, restricted cash, trade and other receivables, and accounts payable and accrued liabilities. Refer to the consolidated financial statements as at June 30, 2018 for the details of the financial statement classification and amounts of income, expenses, gains and losses associated with the relevant instruments. Details provided include a discussion of the significant assumptions made in determining the fair value of financial instruments. The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk, and liquidity risk as outlined below.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: foreign currency risk, price risk and interest rate risk. The Company mitigates market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

#### **Foreign Currency risk**

The Company is exposed to foreign currency risk to the extent financial instruments held by the Company are not denominated in US dollars. The Company operates in Canada, Australia and Malaysia whereby operations sell commodities and incur costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

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

Based on the above net exposures as at March 31, 2019 and assuming that all other variables remain constant, a 5% depreciation or appreciation of the RM against the US dollar would result in an increase/decrease of approximately \$0.13 million (June 30, 2018: \$0.11 million) in the Company's net income, a 5% depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately \$0.04 million (June 30, 2018: \$0.06) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately \$0.01 million (June 30, 2018: \$0.02) in net income.

Figure 18: Monthly USD to CAD Exchange Rates

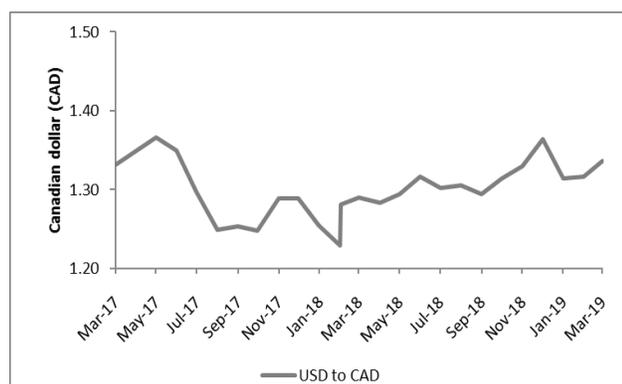
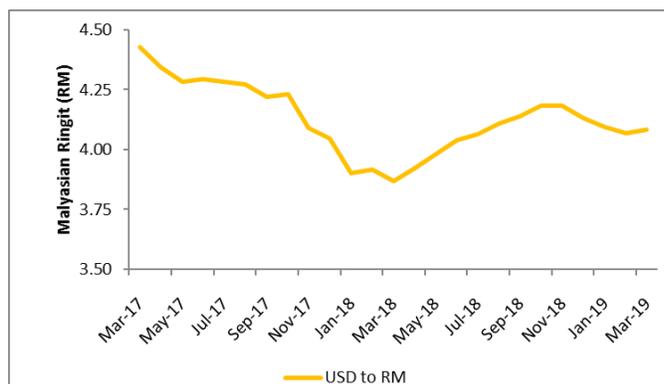


Figure 19: Monthly USD to RM Exchange Rates



## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

### Commodity price risk

For the three months ended March 31, 2019, the Company's revenues and cash flows were impacted by gold prices in the range of \$1,280 to \$1,344 per ounce (Q3 fiscal 2018: \$1,308 to \$1,355 per ounce) based on London Fix PM prices. The Company has not hedged its exposure to commodity price fluctuations.

### Interest rate risk

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

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

### Credit risk

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

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents. The maximum exposure to credit risk is the carrying amounts at March 31, 2019. The amount of \$0.57 million (June 30, 2018: \$1.47 million) is held with a Malaysian financial institution, \$0.19 million with an Australian financial institution (June 30, 2018: \$0.29 million) and \$10.91 million (June 30, 2018: \$13.25 million) is held with Canadian financial institutions. To mitigate exposure to credit risk, the Company has established policies to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable credit worthiness, and to ensure liquidity of available funds.

### Liquidity risk

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

## 12. OUTSTANDING SHARE DATA

The following details the share capital structure as at May 30, 2019, the date of this MD&A (Figure 20).

Subsequent to the quarter ended March 31, 2019, 600,001 RSUs were vested on May 25, 2019, holders have five days from the date of vesting to redeem RSUs.

Figure 20: Share capital structure

| Common shares <sup>(1)</sup> | Quantity    |
|------------------------------|-------------|
| Issued and outstanding       | 324,838,231 |

| Restricted share units | Quantity   |
|------------------------|------------|
|                        | 18,923,465 |

(1) 7,000,000 common shares are held in escrow in relation to the Intec Transaction. The terms of escrow period have been extended to January 16, 2022.

## 13. RISKS AND UNCERTAINTIES

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

Whether a mineral deposit, if ever discovered, will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure together with the impact on mine-ability and recoverability, as well as metal prices which are highly cyclical. Government regulations are also a significant factor including regulations

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

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 gold production at its Selinsing gold mine. The profitability of the production is dependent on various factors that may not be controllable by the Company.

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

### Litigation

The Company is subject to the litigation described herein and may in the future be subject to other legal proceedings related to its projects. Given the uncertain nature of these actions, the Company cannot reasonably predict the outcome of the ongoing litigation. If the Company is unable to resolve these matters favourably it may have a material adverse effect on the Company.

### Title to mineral property interests

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

To the Company's best knowledge, title to its mineral properties is in good standing.

### Realization of assets

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

### Reserves and resource estimates

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

### Profitability from production

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

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

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

### Environmental

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

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

---

### Additional funding for mineral property pipelines

The Company will continue to assess targets to increase its mineral resource base. Additional capital may be required from time to time to fund such acquisitions and development in order to fulfill its business strategy. The additional capital may come from public markets, debt financing and cash flows generated from current production, which are largely influenced by integrated world and regional economies which are out of the Company's control. Management has successfully mitigated those risks in the past through exercise of due care, experience and knowledge; however, those factors do not guarantee such risks will be successfully mitigated into the future.

### Foreign operations

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

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

The regulations the Company shall comply with in Malaysia include, but are not limited to, the Mineral Enactment Act 2001, Mineral Development Act 2004, Environmental Quality Regulations 1978, The Planning Guideline for Environmental Noise Limit and Controls, Factories and Machinery Act 1967, Occupational Safety and Health Act 1994, Income Tax Act 1967, Finance Act 2017, the Goods and Services Tax Act 2014 and Employment Act 1955.

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

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

## 14. NON-GAAP PERFORMANCE MEASURES

### Cash cost per ounce sold

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

### All-in sustaining cost per ounce sold

The Company reports all-in sustaining costs on a gold ounce sold basis. This performance measure has no standardized meaning and may not be comparable to similar measures presented by other issuers or used as a substitute for measures of performance prepared in accordance with GAAP. The Company follows the guidance note released by the World Gold Council, dated June 27, 2013, which is a non-regulatory market development organization for the gold industry whose members comprise global senior gold mining companies.

All-in sustaining costs are calculated by taking total cash costs and adding sustaining capital expenditures, corporate administrative expenses at the Selinsing Gold Mine including share-based compensation, exploration and evaluation costs, and accretion of asset retirement obligations. Sustaining capital expenditures are defined as those expenditures which do not increase annual gold ounce production at the Selinsing Gold Mine and exclude all expenditures for major growth or infrastructure projects and non-producing projects. Certain other cash expenditures, including tax payments and acquisition costs, are also not included. The Company believes that this

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019

(in United States dollars, except where noted)

measure represents the total costs of producing gold from current operations and provides the Company and other stakeholders of the company with additional information of the Company's operational performance and ability to generate cash flows.

### 15. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

#### Disclosure controls and procedures

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

### CAUTION ON FORWARD LOOKING STATEMENTS

*All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion and Analysis, but not limited to, any information as to the future financial or operating performance of Monument, constitute "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (referred to herein as "forward-looking statements"). These statements are based on expectations, estimates and projections as of the date of this Management's Discussion and Analysis. Forward-looking statements include, without limitation, statements with respect to: possible events; estimates of construction, commissioning and production of the gold treatment plant at Selinsing Gold Mine Project; exploration results and budgets; mineral reserve and resource estimates; capital expenditures; strategic plans; proposed financing transactions; the timing and amount of estimated future production; costs of production; mine life; success of exploration, development and mining activities; permitting timelines; estimates of fair value of financial instruments; currency fluctuations; requirements for additional capital; government regulation and permitting of mining operations and development projects; environmental risks; unanticipated reclamation expenses; litigation, title disputes or other claims; and limitations on insurance coverage. The words "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "guidance", "targets", "models", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might", or "will be taken", "occur" or "be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Monument as of the date of such statements, are inherently subject to significant business, political, economic and competitive uncertainties and contingencies. The estimates and assumptions of Monument contained or incorporated by reference in this Management's Discussion and Analysis, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Malaysia (including, without limitation, land acquisitions for and permitting and construction of new tailings facilities) being consistent with our current expectations; (3) development of the Phase IV plant expansion on a basis consistent with Monument's current expectations; (4) the viability, permitting and exploration of Mengapur project being consistent with Monument's current expectations; (5) political developments in Malaysian jurisdiction in which the Company operates being consistent with its current expectations; (6) the exchange rate between the Canadian dollar, Malaysian ringgit, Australian dollar and the U.S. dollar being approximately consistent with current levels; (7) certain price assumptions for gold; (8) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (9) production and cost of sales forecasts for Selinsing operations meeting expectations; (10) the accuracy of current mineral reserve and mineral resource estimates for the Company and any entity in which it now or hereafter directly or indirectly holds an interest; (11) labour and materials costs increasing on a basis consistent with Monument's current expectations; (12) outcomes and costs of ongoing litigation. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates that could impact the mark-to-market value of outstanding derivative instruments; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Malaysia, Australia or other countries in which the Company conducts business or may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and expected costs, developments and outcomes of ongoing litigation and other contests over title to properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect, and could cause, Monument's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Monument. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All*

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended March 31, 2019  
(in United States dollars, except where noted)

---

*of the forward-looking statements made in this Management's Discussion and Analysis are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the "Risk Factors" section. These factors are not intended to represent a complete list of the factors that could affect Monument. Monument disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.*

### **Other information**

*Where we say "we", "us", "our", the "Company", or "Monument" in this Management's Discussion and Analysis, we mean Monument Mining Limited and/or one or more or all of its subsidiaries, as may be applicable.*