

Monument Reports Second Quarter Fiscal 2020 Results

Gross Revenue of \$6.6 Million and Cash Cost of US\$903/Oz

Vancouver, B.C., February 28, 2020, Monument Mining Limited (TSX-V: MMY and FSE: D7Q1) “Monument” or the “Company” today announced its second quarter production and financial results for the three ended December 31, 2019. All amounts are in United States dollars unless otherwise indicated (refer to www.sedar.com for full financial results).

President and CEO Cathy Zhai commented on second quarter fiscal 2020 financial results: “Our second quarter production was in line with last year’s same quarter, it has brought total year to date production to 9,679 ounce of gold higher than 7,961 ounces of gold in the same period of the last fiscal year. Additionally, the Peranggih area continues to be a target for mining pending results of bulk sample test work. Haul road construction was primarily completed during the quarter and trial mining commenced subsequent to the end of the second quarter”.

Ms. Zhai further commented: “In the second quarter at Murchison, a preliminary drilling plan was delivered, targeting down plunge of existing mineralization at the Burnakura and Gabanintha projects. Drilling commenced by the end of February 2020, subsequent to the end of the second quarter”.

Second Quarter Highlights:

- 4,473oz of gold sold for gross revenue of \$6.6 million (Q2 2019: 4,600oz for \$5.66 million);
- Average realized price per ounce (“oz”) excluding prepaid gold sales of \$1,486/oz (Q2 2019: \$1,231/oz);
- Cash cost per ounce (“oz”) of \$903/oz (Q2 2019: \$686/oz);
- All-in sustaining cost per ounce (“AISC”) of \$1,135/oz (Q2 2019: \$965/oz);
- 4,827oz of gold produced (Q2 2019: 4,653oz);
- Gross margin of \$2.57 million (Q2 2019: \$2.51 million);
- Majority haul road construction advanced for Peranggih trial mining;
- Additional six anomalous zones identified with strong association of Au, As, Sb, W and Mo at Peranggih.
- Drilling target at Murchison selected and drilling commenced subsequent to the second quarter end.

Second Quarter Production and Financial Highlights

	Three months ended December 31,		Six months ended December 31,	
	2019	2018	2019	2018
Production				
Ore mined (t)	88,255	56,734	135,052	87,039
Ore processed (t)	215,305	241,925	449,080	478,730
Average mill feed grade (g/t)	0.98	0.88	0.99	0.85
Processing recovery rate (%)	66%	72%	69%	68%
Gold recovery (oz)	4,456	4,960	9,783	8,911
Gold production ⁽¹⁾ (oz)	4,827	4,653	9,679	7,961
Gold sold (oz)	4,473	4,600	8,796	9,150
Financial (expressed in thousands of US\$)				
	\$	\$	\$	\$
Revenue	6,606	5,663	12,949	11,193
Gross margin from mining operations	2,566	2,509	5,212	5,230
Income before other items	756	768	1,501	1,873
Net (loss)/income	(1,076)	469	(868)	1,531
Cash flows (used in) provided by operations	(783)	1,078	429	1,844
Working capital	20,351	26,299	20,351	26,299
Earnings per share – basic and diluted (US\$/share)	0.00	0.00	0.00	0.00

	Three months ended December 31,		Six months ended December 31,	
	2019	2018	2019	2018
<u>Other</u>	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Average realized gold price per ounce sold ⁽²⁾	1,486	1,231	1,481	1,223
<u>Cash cost per ounce sold:</u>				
Mining	230	161	205	150
Processing	527	441	532	414
Royalties	135	82	128	86
Operations, net of silver recovery	11	2	14	2
Total cash cost per ounce sold	903	686	879	652
<u>All-in sustaining costs per ounce sold:</u>				
By-product silver recovery	1	1	1	1
Corporate expenses	2	7	8	7
Accretion of asset retirement obligation	10	11	11	11
Exploration and evaluation expenditures	49	35	49	40
Sustaining capital expenditures	170	226	198	208
Total all-in sustaining costs per ounce sold	1,135	965	1,145	920

(1) Defined as good delivery gold bullion according to London Bullion Market Association ("LBMA"), net of gold dofe in transit and refinery adjustment.

(2) Monument realized 1,486US\$/oz for the three months ended December 31, 2019 which excludes gold prepaid delivered of 723oz for comparison purposes. For the six months ended December 31, 2019 Monument realized 1,481US\$/oz which excludes gold prepaid ounces delivered of 1,446oz for comparison purposes.

Q2 2020 Production Analysis

- Gold production of 4,827oz, a 4% increase compared to 4,653oz in the corresponding period of the previous year, this was the result of higher feed grade offset by a slightly reduced recovery rate compared to the second quarter fiscal 2019.
- Average mill feed grade increased to 0.98g/t from 0.88g/t and ore processed decreased to 215,305t from 241,925 in the same period last year. Ore processed included leachable sulphide ore, super low-grade oxide, old tailings material and oxide ore from production at Selinsing, Felda Block 7 and Buffalo Reef.
- Cash cost per ounce increased by 32% to \$903/oz from \$686/oz in the same period last year primarily due to an increase in the amount of leachable sulphide ore being processed, high sulphide ore consumes more chemicals such as cyanide, lime and oxygen to achieve better recoveries. The ore is also harder which consumes more wear parts in crushing and steel balls in grinding to achieve target grinding size for optimum leaching conditions.
- Mining rates of leachable sulphide ore increased significantly during the quarter to replenish stockpile levels and transition from oxide production to sulphide production increasing costs during an initial ramp up phase completed in the second fiscal quarter 2020.

Q2 2020 Financial Analysis

- Gross margin of \$2.57 million before non-cash amortization and accretion, an increase of 3% compared to \$2.51 million in the same quarter last year. The increase in gross margin reflected a decrease in the amount of gold sold, but at a higher average realized gold price offset by higher processing costs due to harder material being processed by the mill.
- Net loss for the quarter of \$1.08 million, or \$nil per share compared to Net income of \$0.47 million or (\$nil) per share in the same period last year. Net loss for Q2 fiscal 2020 includes non-cash interest expense of \$0.47 million (Q2 fiscal 2019: \$nil) and a foreign exchange loss of \$0.82 million (Q2 fiscal 2019: \$0.14 million).
- Gold sales generated of \$6.61 million for the quarter compared to \$5.66 million in the same period last year. The revenue resulted from 3,750oz of gold sold (Q2 fiscal 2019: 4,600oz) at an average realized gold price of \$1,486 per ounce (Q2 fiscal 2019: \$1,231 per ounce) plus an additional 723oz delivered in fulfilling gold prepaid obligations at an average realized gold price of \$1,429 per ounce for the quarter.
- Average London Fix PM gold price was \$1,485 per ounce for the quarter compared to \$1,233 per ounce for the same

period last year. Total production costs increased by 28% in the quarter to \$4.04 million, compared to \$3.15 million in the same period last year. The increase in production costs reflected higher processing and mining costs despite less gold being sold in the second fiscal quarter 2020 compared to same period last year.

- Cash and cash equivalents balance as at December 31, 2019 of \$5.05 million, a decrease of \$4.29 million from the balance held at June 30, 2019 of \$9.34 million. As at December 31, 2019, the Company had positive working capital \$20.35 million (June 30, 2019: \$24.52 million), including restricted cash of \$0.30 million. The decrease in working capital during the six months ended December 31, 2019 resulted from a decrease in cash, reduction in inventory offset by increases to a short term loan receivable and a reduction to accounts payable and accrued liabilities.
- Cash investment in exploration and evaluation activities totalled \$0.70 million compared to \$0.82 million in the corresponding period last year, cash of \$0.30 million was used at the Selinsing Gold Portfolio in Malaysia mainly related to Sulphide Project Development, Peranggih trial mining preparations including road construction completion, \$0.36 million was used at the Murchison Gold Portfolio in Australia mainly for care and maintenance and drill program planning; and \$0.04 million on the Mengapur Copper and Iron Project in Malaysia for care and maintenance.
- Cash expenditure on property, plant and equipment (“PPE”) of \$0.93 million, compared to \$1.17 million in the same period last year. The main PPE expenditures were at Selinsing including \$0.59 million for capitalized mining waste, various plant equipment and tailing storage facility upgrades of \$0.17 million and \$0.17 million on the Selinsing Sulphide Project.

Development

Selinsing Gold Mine

Second quarter development focused on two objectives at the Selinsing Gold Mine (1) Optimize the sulphide gold project; (2) continue TSF and mine development for gold production.

Sulphide Gold Project:

The sulphide plant upgrade construction is anticipated to take 18 months inclusive of commissioning activities. Consideration is being assessed by the procurement team, aiming to reduce the completion time for long lead items such as stainless steels for BIOX® based applications, the provision of HV power supply, the BIOX® agitators, flotation cells and thickeners.

TSF Development:

Following completion of construction of the TSF main embankment to 533.3 mRL at the Selinsing Gold Mine, which has increased the TSF capacity for fiscal 2020 production, a plan for the second stage TSF lift to 535.5 mRL was finalized to meet fiscal 2021 production requirements through the current oxide processing plant. Construction planning was initiated during the second quarter, targeting completion in April 2020. Preliminary planning for the final stage TSF lift to 540mRL commenced subsequent to the second quarter, aimed to meet sulphide gold production capacity. The construction will be withheld until completion of funding.

Sulphide Leachability Test Work:

Metallurgical drilling was undertaken at Selinsing and Buffalo Reef pits for investigating the leachability of transitional sulphide ore through the current CIL circuit by adding lead nitrate and blended with super low grade ore.

The majority of samples showed good leachability with gold recovery above 70% at Selinsing pit 5. Mining progressed to 465mRL for the east and the west of the main pit 5 area and the actual recoveries have reached 68.8% during three and six month period ended December 31, 2019.

Buffalo Reef metallurgical drilling of 395m over 8 holes was also completed during the first quarter, with good intercepts of transition and fresh material. However, CIL test-work on transition samples gave initially poor results but some improvement was achieved after the lead nitrate addition.

During the quarter the Pit 4 south west cut-back design was completed. Mining of the Pit 4 south west cut-back commenced in November 2019 at an elevation of 540 mRL and progressed to 520 mRL by the end of the quarter.

Peranggih Bulk Mining:

Haul truck road construction was primarily completed during the quarter which included 14 new culvert crossings along a 10km length from the Selinsing Northern tenement boundary to the south of the Peranggih tenement. Subsequent to December 31, 2019 trial mining commenced with the first two-week mining operation delivering a total 14,342t of material including

5,558t of bulk sample and 8,784t of waste. An additional 11,428t bulk sample is planned to be mined and sent to the Selinsing run-of-mine pad to feed the mill in a separate mining operation at a 1,024 average/day production rate, anticipated to be completed by the end of the third fiscal quarter 2020. Once the bulk sample has been mined in its entirety it will be fed into the existing Selinsing oxide gold processing plant on a campaign basis to confirm average grade of the close-spaced drilled area, to quantify the presence of coarse gold and to test the metallurgical performance at plant scale.

Murchison Gold Project

During the second fiscal quarter 2020, the Murchison Gold Project primarily completed data updates and a GIS systems upgrades. A preliminary drill hole plan was also delivered during the second quarter for a drilling program targeting down plunge of existing mineralization at Burnakura and Gabanintha projects. Drilling commenced by the end of February 2020, subsequent to the quarter end.

Exploration Progress

Malaysia

Subsequent to December 31, 2019 on February 19, 2020 the Company announced the discovery of a new anomaly at the Mentique Prospect, 1km parallel to the west of the Peranggih Gold Prospect. Following a soil sampling program conducted at the Peranggih vicinity, sample results indicate the Mentique Prospect displays as a significant anomalous zone that correlates well with 2 adjacent fault structures both trending in NW-SE and N-S directions. Superimposed folds are interpreted to have played important roles for gold enrichment. Based on the pathfinder element distribution, mineralization at Mentique has an Au-Sb-As-W-Mo association. Follow up drilling is being planned to confirm the continuation of mineralization along strike based on the soil geological mapping.

About Monument

Monument Mining Limited (TSX-V: MMY, FSE:D7Q1) is an established Canadian gold producer that owns and operates the Selinsing Gold Mine in Malaysia. Its experienced management team is committed to growth and is advancing several exploration and development projects including the Mengapur Copper and Iron Project, in Pahang State of Malaysia, and the Murchison Gold Projects comprising Burnakura, Gabanintha and Tuckanarra in the Murchison area of Western Australia. The Company employs approximately 195 people in both regions and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities.

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Non-IFRS measures

This news release refers to cash costs per ounce sold, all-in sustaining costs per ounce sold ("AISC"), AISC per ounce sold, sustaining capital expenditures and exploration and evaluation expenditures included in AISC calculations. These are measures with no standardized meaning under International Financial Reporting Standards ("IFRS"), i.e. they are non-IFRS measures, and may not be comparable to similar measures presented by other companies. Their measurement and presentation is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

AISC per ounce sold and Cash Cost per ounce sold

AISC per gold oz sold and cash cost per gold ounce sold are non-IFRS measures based on guidance announced by the World Gold Council ("WGC") in September 2013 and updated in November 2018. The WGC is a non-profit association of the world's leading gold mining companies established in 1987 to promote the use of gold to industry, consumers and investors. The WGC is not a regulatory body and does not have the authority to develop accounting standards or disclosure requirements. The WGC has worked with its member companies to develop a measure that expands on IFRS measures such as

operating expenses and non-IFRS measures to provide visibility into the economics of a gold mining Company. Current IFRS measures used in the gold industry, such as operating expenses, do not capture all of the expenditures incurred to discover, develop and sustain gold production. The Company believes the AISC measure provides further transparency into costs associated with producing gold and will assist analysts, investors and other stakeholders of the Company in assessing its operating performance, its ability to generate free cash flow from current operations and its overall value. Combined AISC does not include corporate G&A.

Forward-Looking Statement

This news release includes statements containing forward-looking information about Monument, its business and future plans ("forward-looking statements"). Forward-looking statements are statements that involve expectations, plans, objectives or future events that are not historical facts and include the Company's plans with respect to its mineral projects and the timing and results of proposed programs and events referred to in this news release. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The forward-looking statements in this news release are subject to various risks, uncertainties and other factors that could cause actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. These risks and certain other factors include, without limitation: risks related to general business, economic, competitive, geopolitical and social uncertainties; uncertainties regarding the results of current exploration activities; uncertainties in the progress and timing of development activities; foreign operations risks; other risks inherent in the mining industry and other risks described in the management discussion and analysis of the Company and the technical reports on the Company's projects, all of which are available under the profile of the Company on SEDAR at www.sedar.com. Material factors and assumptions used to develop forward-looking statements in this news release include: expectations regarding the estimated cash cost per ounce of gold production and the estimated cash flows which may be generated from the operations, general economic factors and other factors that may be beyond the control of Monument; assumptions and expectations regarding the results of exploration on the Company's projects; assumptions regarding the future price of gold of other minerals; the timing and amount of estimated future production; the expected timing and results of development and exploration activities; costs of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; exchange rates; and all of the factors and assumptions described in the management discussion and analysis of the Company and the technical reports on the Company's projects, all of which are available under the profile of the Company on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.