

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF

MONUMENT MINING LIMITED

(Expressed in thousands of United States dollars)

For the three and six months ended December 31, 2019

(Unaudited)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the three and six months ended December 31, 2019.

TABLE OF CONTENTS

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 1

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME 2

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 3

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS 4

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....5-26

MONUMENT MINING LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	December 31, 2019 Unaudited \$	June 30, 2019 Audited \$
ASSETS			
Current assets			
Cash and cash equivalents	4	5,051	9,341
Trade and other receivables	5	893	1,016
Loan receivable	6	1,500	-
Prepaid expenses and deposits		497	333
Inventories	7	18,745	20,690
Deferred financing costs	11	117	117
Total current assets		26,803	31,497
Non-current assets			
Property, plant and equipment	8	40,542	40,381
Exploration and evaluation	9	179,846	177,841
Intangible asset	10	1,272	1,272
Deferred financing costs	11	129	287
Total non-current assets		221,789	219,781
Total assets		248,592	251,278
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	15	3,261	4,573
Income tax payable	18	312	23
Deferred revenue	14	2,842	2,382
Lease liabilities	16	37	-
Total current liabilities		6,452	6,978
Non-current liabilities			
Lease liabilities	16	63	-
Asset retirement obligations	17	9,936	9,661
Deferred revenue	14	4,190	5,756
Deferred tax liabilities	19	2,880	2,193
Total non-current liabilities		17,069	17,610
Total liabilities		23,521	24,588
Equity			
Share capital	20	117,314	117,314
Capital reserves – warrants	21	2,612	2,612
Capital reserves – options	21	10,303	10,303
Capital reserves – restricted share units	21	969	967
Retained earnings	22	93,873	95,494
Total equity		225,071	226,690
Total liabilities and equity		248,592	251,278

Commitments and contingencies (Note 27)

Subsequent events (Note 30)

Approved on behalf of the Board:

“Robert Baldock”
Robert Baldock, Director

“Graham Dickson”
Graham Dickson, Director

MONUMENT MINING LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	Three months ended		Six months ended	
		December 31, 2019 \$	December 31, 2018 \$	December 31, 2019 \$	December 31, 2018 \$
Mining operations					
Revenue		6,606	5,663	12,949	11,193
Production costs	23	(4,040)	(3,154)	(7,737)	(5,963)
Gross margin from mining operations		2,566	2,509	5,212	5,230
Accretion of asset retirement obligation	17	(45)	(50)	(93)	(103)
Depreciation and amortization		(1,378)	(1,183)	(2,572)	(2,260)
Income from mining operations		1,143	1,276	2,547	2,867
Corporate expenses	24	(387)	(508)	(1,046)	(994)
Income before other items		756	768	1,501	1,873
Other income/(loss)					
Interest income		13	62	62	75
Sundry income		-	-	1	5
Interest expense	14,16	(463)	-	(961)	-
Foreign currency exchange (loss) gain		(820)	(143)	(509)	18
(Loss)/income from other items		(1,270)	(81)	(1,407)	98
(Loss)/income before income taxes		(514)	687	94	1,971
Tax expenses		(562)	(218)	(962)	(440)
Total comprehensive (loss)/income		(1,076)	469	(868)	1,531
Income per share					
- Basic	25	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00
- Diluted	25	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.01
Weighted average number of common shares					
- Basic	25	318,371,565	317,318,031	318,371,565	317,318,031
- Diluted	25	336,489,190	336,231,626	336,489,190	336,231,626

MONUMENT MINING LIMITED**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Common shares	Capital reserve - warrants	Capital reserve - options	Capital reserve - RSUs	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$
Balances at June 30, 2019	117,314	2,612	10,303	967	95,494	226,690
Share-based compensation	-	-	-	6	-	6
RSUs forfeited	-	-	-	(4)	-	(4)
Adjustment to retained earning (Note 22)	-	-	-	-	(753)	(753)
Net loss for the period	-	-	-	-	(868)	(868)
Balances at December 31, 2019	117,314	2,612	10,303	969	93,873	225,071
Balances at June 30, 2018	117,257	2,612	10,303	1,002	96,570	227,744
Common shares issued	24	-	-	(24)	-	-
Share-based compensation	-	-	-	15	-	15
Net income for the period	-	-	-	-	1,531	1,531
Balances at December 31, 2018	117,281	2,612	10,303	993	98,101	229,290

MONUMENT MINING LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

	Notes	Three months ended		Six months ended	
		December 31, 2019 \$	December 31, 2018 \$	December 31, 2019 \$	December 31, 2018 \$
Operating activities					
(Loss)/income for the period		(1,076)	469	(868)	1,531
Adjustments to reconcile net income to net cash provided from operating activities:					
Depreciation, depletion and amortization		1,389	1,184	2,594	2,263
Accretion expense on asset retirement obligations	17	45	51	93	103
Share-based compensation		(5)	2	(4)	3
Net interest expense		13	-	60	-
Unrealized foreign currency exchange loss/(gain)		612	91	466	(68)
Write-off financing costs	11	(103)	-	-	-
Deferred income tax expense		272	199	295	403
Cash provided from operating activities before change in working capital items		1,147	1,996	2,636	4,235
Change in non-cash working capital items:					
Trade and other receivables		114	(38)	123	(524)
Prepaid expenses and deposits		(128)	29	(163)	24
Inventories		(360)	(163)	(972)	(179)
Accounts payable and accrued liabilities		(1,556)	(746)	(393)	(1,712)
Deferred liabilities		-	-	(802)	-
Cash (used in) provided from operating activities		(783)	1,078	429	1,844
Financing activities					
Payment of lease liabilities		(10)	-	(17)	-
Loan receivable	6	(1,500)	-	(1,500)	-
Cash used in financing activities		(1,510)	-	(1,517)	-
Investing activities					
Expenditures on exploration and evaluation		(700)	(816)	(1,243)	(1,737)
Expenditures on property, plant and equipment		(934)	(1,171)	(1,959)	(2,285)
Loan receivable	6	1,500	-	-	-
Cash used in investing activities		(134)	(1,987)	(3,202)	(4,022)
Decrease in cash and cash equivalents		(2,427)	(909)	(4,290)	(2,178)
Cash and cash equivalents at the beginning of the period		7,478	13,745	9,341	15,014
Cash and cash equivalents at the end of the period	4	5,051	12,836	5,051	12,836
Cash and cash equivalents consist of:					
Cash		4,743	12,539	4,743	12,539
Restricted cash		308	297	308	297
		5,051	12,836	5,051	12,836

Supplemental Cash Flow Information (Note 28)

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

1. Corporate Information and Nature of Operations

Monument Mining Limited (“Monument” or “the Company”) is a Vancouver based gold producer, engaged in the operation of gold mines and acquisition, exploration and development of precious metals and other base metals mineral properties with a focus on gold. The Company is incorporated and domiciled under the Canada Business Corporations Act and listed on the Toronto Stock Venture Exchange (“TSX-V: MMY”) and Frankfurt Stock Exchange (“FSE: D7Q1”) with the head office located at 1100 Melville Street, Suite 1580, Vancouver, British Columbia, Canada V6E 4A6.

The Company’s 100% owned Selinsing Gold Mine is located in Pahang State, Malaysia, and has been in commercial production since September 2010. The Company’s exploration and development mineral assets are 100% owned through its subsidiaries, including the Selinsing gold portfolio in Pahang State, Malaysia comprised of the Selinsing, Buffalo Reef, Felda Land and Famehub projects (together “Selinsing”), and Murchison gold portfolio in Western Australia, Australia (“WA”) comprised of the Burnakura, Tuckanarra and Gabanintha projects; and the Mengapur copper and iron portfolio (“Mengapur”) in Pahang State, Malaysia.

The condensed interim consolidated financial statements of the Company for the period ended December 31, 2019, comprising the Company and its subsidiaries, were authorized for issue in accordance with a resolution of the directors on February 27, 2020. These condensed interim consolidated financial statements are presented in thousands of United States (US) dollars and all values are rounded to the nearest thousand dollars except per share amounts or where otherwise indicated.

2. Basis of Preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, and International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended June 30, 2019, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

These condensed interim consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain derivatives, which are measured at fair value and were prepared using accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended June 30, 2019.

3. Significant Accounting Policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company’s most recent annual financial statements for the year ended June 30, 2019, except for the adoption of IFRS - 16 *Leases* (Note 3b).

a) Critical accounting estimates and judgments

When preparing interim financial statements, management makes a number of judgments, estimates and assumptions in the recognition and measurement of assets, liabilities, income and expenses. Actual financial results may not equal the estimated results due to differences between estimated or anticipated events and actual events. The judgments, estimates and assumptions made in the preparation of these condensed interim consolidated financial statements were similar to those made in the preparation of the Company’s annual financial statements for the year ended June 30, 2019.

b) New and amended standards and interpretations

IFRS 16 - Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases that have superseded IAS 17 – Leases. IFRS 16 has eliminated the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17.

Identification of a lease

IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is considered to exist if a lessee has the right to use an identified asset, to obtain substantially all of the economic benefits from the use of an identified asset during the term of the arrangement, and the right to direct the use of that asset.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

Recognition and measurement

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term or the end of the useful life of the identified asset. In addition, the right-of-use asset may be reduced due to impairment losses if any and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Impact of adoption of IFRS 16 - Transition

On July 1, 2019, the Company has adopted IFRS 16 - Leases ("IFRS 16") using the modified retrospective application method, with the cumulative effect of initially applying the standard recorded as an adjustment to retained earnings and no restatement of comparative information.

In transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after July 1, 2019.

The Company has elected to measure its right-of-use assets at amounts equal to the associated lease liabilities as at the adoption date which, resulted in a \$0.11 million increase in right-of-use assets (Note 8) and lease liabilities (Note 16), with no adjustment necessary to retained earnings.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly the statements of comprehensive loss on a straight-line basis over the lease term.

The following table summarizes the difference between operating lease commitments disclosed immediately preceding the date of initial application and lease liabilities recognized in the consolidated statement of financial position at the date of initial application. The associated right-of-use assets were measured at the amount equal to the lease liability at July 1, 2019:

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

	\$
Operating lease commitments as at June 30, 2019	248
Recognition exemption for :	
Short term leases	(4)
Leases of low value assets	(20)
Commitments attributable to non-lease components	(104)
Discount using the incremental borrowing rate as at July 1, 2019	(5)
Lease liabilities recognized as at July 1, 2019	115

Right-of-use assets and lease liabilities are related to the Company's building rental contract. The incremental borrowing rate for lease liabilities initially recognized on adoption of IFRS 16 was 2.9%.

Due to the recognition of additional right-of-use assets and lease liabilities, during the six months ended December 31, 2019, depreciation expense increased by \$0.02 million and nominal financing costs being recognized, respectively, under IFRS 16 compared to the previous standard. Additionally, operating cash flows increased by \$0.02 million with a corresponding \$0.02 million increase in financing cash outflows.

Right-of-use assets are presented in the same line item as it presents underlying assets of the same nature that it owns. The Company presents lease liabilities in the statement of financial position.

c) IFRIC 23, Uncertainty over Income Tax Treatments

This interpretation sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Company adopted this standard as of July 1, 2019 and there was no impact on its unaudited condensed interim consolidated financial statements.

4. Cash and Cash Equivalents

	December 31, 2019	June 30, 2019
	\$	\$
Cash and cash equivalents	4,743	9,036
Restricted cash	308	305
	5,051	9,341

Restricted cash represents issued letters of credit and fixed deposits which act as guarantees for utilities, custom duties and certain equipment.

5. Trade and Other Receivables

	December 31, 2019	June 30, 2019
	\$	\$
Interest receivable	30	61
Goods and services tax receivable	195	295
Third Parties receivable (Note 9(c))	649	643
Other receivables	19	17
	893	1,016

Trade and other receivables are non-interest bearing. Third Parties receivable relates to topsoil iron production pursuant to a Harmonization Agreement (Note 9(c)). During the six months ended December 31, 2019, \$0.65 million (June 30, 2019: \$0.64 million) of the Third Parties receivable was offset against the Third Party payable (Note 15).

6. Loan Receivable

	December 31, 2019
	\$
Opening balance as at June 30, 2019	-
Loan advanced	1,500
Closing balance as at December 31, 2019	1,500

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

The Company provided a four-month loan of \$1.50 million bearing 7% interest compounding monthly to Concept Capital Management (“CCM”) through its Malaysian subsidiary Able Return Sdn Bhd (“ARSB”) from August 26, 2019 to December 26, 2019. On December 26, 2019, CCM exercised the option to extend the loan for an additional two months expiring February 26, 2020 with an additional 3% interest charge on the outstanding balance of the loan. The loan is secured by gold to be delivered to CCM under the gold prepaid sale (Note 14).

7. Inventories

	December 31, 2019	June 30, 2019
	\$	\$
Current assets		
Mine operating supplies	1,341	1,583
Stockpiled ore	764	5,934
Work in progress	3,433	2,857
Finished goods (a)	13,207	10,316
	18,745	20,690

The cost of inventory that was incurred and recorded against cost of gold sold during the six months ended December 31, 2019 was \$10.31 million (Fiscal 2019: \$8.20 million) including \$0.52 million resulting from a stockpile reduction of 285k tonnes of super low grade ore arising from an updated stockpile survey.

(a) Finished goods includes 8,403 ounces of saleable gold at December 31, 2019 (June 30, 2019: 7,520 ounces).

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

8. Property, Plant and Equipment

	Mineral Properties (a)	Buildings, plant and equipment (b)	Construction in Progress (c)	Total
	\$	\$	\$	\$
Cost				
As at June 30, 2018	53,705	45,523	4,456	103,684
Addition	3,893	428	549	4,870
Change in ARO provision	59	37	-	96
Transfer from exploration and evaluation (d)	1,099	-	-	1,099
Reclassification	26	-	(705)	(679)
As at June 30, 2019	58,782	45,988	4,300	109,070
Recognition of ROU assets	-	115	-	115
As at July 1, 2019	58,782	46,103	4,300	109,185
Addition	1,606	187	181	1,974
Change in ARO provision	52	33	-	85
Reclassification	75	42	(117)	-
As at December 31, 2019	60,515	46,365	4,364	111,244
Accumulated depreciation				
As at June 30, 2018	(42,928)	(22,869)	-	(65,797)
Charge for the period	(553)	(2,339)	-	(2,892)
As at June 30, 2019	(43,481)	(25,208)	-	(68,689)
Charge for the period	(909)	(1,104)	-	(2,013)
As at December 31, 2019	(44,390)	(26,312)	-	(70,702)
Net book value				
As at June 30, 2018	10,777	22,654	4,456	37,887
As at June 30, 2019	15,301	20,780	4,300	40,381
As at December 31, 2019	16,125	20,053	4,364	40,542

a) Included under mineral properties are open pit mining areas in commercial production at the Selinsing Gold Mine in Pahang State, Malaysia, which are subject to depletion on a units of production basis.

b) Included in additions for buildings, plant and equipment for the six months ended December 31, 2019 is an amount of \$0.11 million for right-of-use assets which were initially recognized upon the adoption of IFRS 16 on July 1, 2019, (Note 3b)).

c) Included under Construction in Progress is Sulphide Plant conversion work upgrades at the Selinsing Gold Mine in Malaysia and the Burnakura Project crushing plant upgrade in Western Australia. Construction expenditures are not subject to depreciation until they are available for use.

As of December 31, 2019, total expenditures were \$4.36 million, comprised of \$2.83 million (June 30, 2019: \$2.70 million) for the Selinsing Sulphide Plant conversion, of which \$0.18 million were incurred during the six months ended December 31; and \$1.53 million for the Burnakura crushing plant upgrade. A \$0.12 million were reclassified during the current year from construction: \$0.08 million to old tailings and \$0.04 million to buildings, plant and equipment.

d) On January 31, 2019 a Feasibility Study was completed under "Selinsing Gold Sulphide Project - NI 43-101 Technical Report". There was no material impact on the accounting estimate in relation to the underlying mineral properties for Selinsing, Felda Block 7 and Buffalo Reef other than \$1.10 million which has been reclassified from exploration and evaluation (Note 9) to mineral properties. The reclassification was required due to Selinsing Deep Pits 5/6 entering production in February 2019 and from the commencement of production, being subject to depletion on a units of production basis.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

9. Exploration and Evaluation

	Selinsing Gold Portfolio	Murchison Gold Portfolio	Mengapur Copper and Iron Portfolio	Total
	\$	\$	\$	\$
	Note 9 (a)	Note 9 (b)	Note 9 (c)	
Balance, June 30, 2018	25,596	29,455	120,043	175,094
Transfer to mineral properties (Note 8(c))	(1,099)	-	-	(1,099)
Assay and analysis	22	-	-	22
Drilling	66	3	-	69
Geological	189	164	54	407
Metallurgical	4	-	-	4
Plant maintenance	-	162	-	162
Site activities	426	559	539	1,524
Asset retirement obligations	-	8	(465)	(457)
Property fees	-	241	105	346
Mine development	1,767	52	-	1,819
Impairment loss	-	(50)	-	(50)
Balance, June 30, 2019	26,971	30,594	120,276	177,841
Assay and analysis	30	-	-	30
Drilling	75	-	-	75
Geological	40	163	-	203
Metallurgical	99	-	-	99
Plant maintenance	-	73	-	73
Site activities	122	157	259	538
Asset retirement obligations	-	5	-	5
Property fees	19	182	-	201
Mine development	779	2	-	781
Balance, December 31, 2019	28,135	31,176	120,535	179,846

a) Selinsing Gold Portfolio

The Selinsing Gold Exploration and Evaluation Portfolio including Selinsing Deep, a part of Buffalo Reef and Felda Land, Peranggih and Famehub which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Mine is located. The Company acquired a 100% interest in the Selinsing Gold Project and Buffalo Reef Prospect in June 2007 and other projects later on through its 100% owned subsidiaries: Able Return Sdn. Bhd. and Damar Consolidated Exploration Sdn. Bhd.. Certain deposits across the portfolio have been placed into production and have been classified under mineral property (Note 8 a)).

As of December 31, 2019, expenditure totaled \$28.14 million including \$2.55 million for the Selinsing Sulphide Project development where the economic viability has been established prior to commencement of commercial production over Selinsing Deep, Buffalo Reef and Block 7, and \$25.59 for the continuous exploration underneath the sulphide orebodies and other exploration areas of the Selinsing Gold Portfolio.

Selinsing Deep

Selinsing Deep's expenditure as of December 31, 2019 was totaled \$2.28 million comprised of \$1.30 million for exploration and \$0.98 million for mine development relating to the Selinsing Sulphide Project, except \$1.10 million transferred from exploration and evaluation to mineral properties due to commencement of production at pit 5 and pit 6 (Note 8 d)). Of total expenditure, \$0.81 million were incurred for the six months ended December 31, 2019, of which \$0.03 million for exploration and \$0.78 million for Sulphide project development.

Buffalo Reef

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a company incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef tenement property interests. Buffalo Reef's expenditure as of December 31, 2019 totaled \$17.44 million comprised of \$15.14 million for exploration and \$1.15 million for mine development relating to the Selinsing Sulphide Project. Certain deposits at Buffalo Reef have been placed into

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

production and have been classified under mineral properties (Note 8 a)). An additional \$0.13 million was incurred for exploration at Buffalo Reef during the six months ended December 31, 2019 bringing the total expenditure balance to \$17.44 million.

Felda Land

The Felda Land is located east and south adjacent to Selinsing and Buffalo Reef, gazetted as a group settlement area covering 3,920 acres of land. The Company acquired exclusive irrevocable exploration licenses over 896 acres of Felda Land through a subsidiary of Able Return Sdn Bhd from settlers – individual owners of blocks on the Felda Land, with consent from Federal Land Development Authority (“FELDA”).

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 should be automatically assigned for mining to the Company in the event of approval of mining leases obtained by those settlers. Included in Felda land, Block 7, covering a 39.12-acre area of Felda Land (“Felda Block 7”) was converted to proprietary mining leases in October 2017. It is adjacent east of Buffalo Reef as the extension of the BRC oxide ore body and the nearby existing gold process plant.

Felda Land's expenditure as of December 31, 2019 totaled \$0.55 million for mine development relating to the Selinsing Sulphide Project, of which \$0.13 million were incurred during the six months ended December 31, 2019. Expenditure in relation to oxide orebody were placed into production and have been classified under mineral properties (Note 8 a)).

Perangqih

The Perangqih area is located about 10km north of the Selinsing Gold Mine and is in the same regional shearing structure as the Selinsing and Buffalo Reef gold deposits. Exploration and evaluation expenditures as of December 31, 2019 totaled \$2.82 million including \$0.23 million incurred during the six months in fiscal 2020 primarily for bulk mining preparation including assay work, road construction and permitting.

Famehub

On August 13, 2010, the Company acquired a 100% interest in Famehub Venture Sdn. Bhd. (“Famehub”), a company incorporated in Malaysia to purchase a land package consisting of approximately 32,000 acres of prospective exploration land as well as the associated data base. This land is located to the east of the Selinsing Gold project and the Buffalo Reef prospect. No exploration and evaluation expenditures were incurred in the current period at Famehub and the total exploration and expenditures balance as at December 31, 2019 is \$5.05 million.

b) Murchison Gold Portfolio

The Company has a 100% interest in the Murchison Gold Portfolio which consists 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 south west of Burnakura.

As of December 31, 2019, the Murchison Gold Portfolio totalled \$31.18 million and was comprised of \$24.52 million (\$8.41 million for acquisition and \$16.11 million for exploration and development) for Burnakura, \$3.18 million (\$2.88 million for acquisition and \$0.30 million for exploration) for Gabanintha and \$3.48 million (\$3.13 million for acquisition and \$0.35 million for exploration) at Tuckanarra.

Burnakura

In February 2014, Monument acquired the Burnakura Gold Project and Gabanintha Gold Project that includes a number of mining and exploration tenements, lease applications, a fully operational gold processing plant, developed camp site and all necessary infrastructure.

Exploration and evaluation expenditures of \$0.49 million were incurred during the six months ended December 31, 2019 for Burnakura including \$0.07 million for plant maintenance, \$0.12 million for continuous resource definition, drill program planning and economic studies, \$0.14 million in property fees and \$0.16 million for camp maintenance.

Gabanintha

The Gabanintha Gold Project was acquired in conjunction with Burnakura, containing a number of prospective tenements located 20 km to the east of Burnakura. Exploration and evaluation expenditures of \$0.06 million were incurred during the six months ended December 31, 2019 at Gabanintha.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

Tuckanarra

In November 2014, Monument acquired, free and clear of any encumbrances, a 100% interest in Tuckanarra consisting of two exploration licenses, six prospecting licenses and a mining lease covering a total of 416 square km and containing approximately 100,000 historical indicated and inferred Joint Ore Reserves Committee (JORC) compliant ounces of gold. Exploration and evaluation expenditures of \$0.03 million were incurred during the six months ended December 31, 2019 at Tuckanarra. The total exploration and evaluation balance as at December 31, 2019 for Tuckanarra was 3.48 million (\$3.13 million for acquisition and \$0.35 million for exploration)

c) Mengapur Copper and Iron Portfolio

The Mengapur Copper and Iron Project (the “Mengapur Project”) 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”). As of December 31, 2019, the Mengapur Project totalled \$120.54 million that was comprised of \$96.87 million for acquisition and \$23.67 million for exploration and development.

Exploration and evaluation expenditures of \$0.26 million were incurred in the six months ended December 31, 2019 for the Mengapur Project including \$0.26 million for site care and maintenance which included \$0.15 million of amortization.

CASB

In February and December 2012, the Company acquired a 100% interest in CASB, a Malaysian company, through Monument Mengapur Sdn. Bhd. (“MMSB”) its wholly owned Malaysian subsidiary. As a result, the Company holds a 100% interest in the mining lease held by CASB, except for certain free digging oxide magnetite material contained in topsoil which remained with the previous owner Mengapur, Malaco Mining Sdn. Bhd. and its group of companies and shareholders (collectively, “Malaco”).

MMSB is the exclusive operator of the Mengapur Project and entered into a Harmonization Agreement with Phoenix Lake Sdn. Bhd. (“PLSB”) and ZCM Minerals Sdn. Bhd. (“ZCM”) (together the “Third Parties”). In May 2019, ZCM assigned its right to Area A to PLSB. Pursuant to the Harmonization Agreement, the Third Parties have exclusive rights to mine near-surface oxide iron ore contained in top soil overburden at Area A and Area B under certain conditions and to purchase mined oxide iron ore from MMSB for \$RM28 per tonne. MMSB has the full right to protect its other mineral assets in the same top soil and continue developing access to sulfide and transitional resources. The Company carried out grade control and supervision over the mining operation including collecting proceeds from iron ore sales on behalf of Malaco, with all operating costs incurred by MMSB to maintain iron ore operations to be recovered in full. The Third Parties have discontinued iron ore production since January 2015. As at December 31, 2019, a balance of \$0.65 million is receivable and overdue by the Third Parties to MMSB (Note 5).

Star Destiny

On November 21, 2011, the Company acquired a 100% interest in Star Destiny Sdn. Bhd. (“Star Destiny”) through its wholly owned Malaysian subsidiary; MMSB. Star Destiny holds an exploration permit covering a 750-hectare property in Pahang State, Malaysia, adjacent to Mengapur.

The prospecting exploration license for Star Destiny (the “Star Destiny EL”) expired on September 23, 2012. No activities have been carried out at the operation since license expiry, except for desktop studies. The Company submitted an application for renewal of the Star Destiny EL in November 2011 with the Pahang State authority; it also submitted several applications to convert certain sections of the Star Destiny EL to mining lease (s) after the acquisition. The Company has yet to receive an official notification from the Pahang State authority in response to its applications and several inquiries regarding the title status. According to the Malaysia Mining Enactment 2007, the Company has considered its status quo for the Star Destiny tenement title remaining intact.

No exploration and evaluation expenditures were incurred relating to Star Destiny during the six months ended December 31, 2019.

10. Intangible Asset

On February 6, 2015, pursuant to the Heads of Agreement entered into by Monument and Intec International Projects Pty Ltd (“Intec”) and its amendment made on August 26, 2017 (together 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 Intec patented technology at the Company’s alpha sites in Malaysia. Subject to the success of trial commercialization test-work 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.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

The consideration of 14 million fully paid Monument common shares were issued to Intec at CAD\$0.25 per share for an aggregate deemed value of CAD\$3.50 million, which has been valued according to IFRS 2 "Share-based Payments" at the closing date market price of CAD\$0.10 per share for an aggregate cost of \$1.12 million (CAD\$1.40 million).

The following table includes total transaction costs including \$0.15 million incurred in due diligence:

	Total \$
Shares issued for Intec License	1,118
Due diligence costs	154
	1,272

The cost of acquisition and conversion of the interim license to a full license, should test-work be successful, are recorded in intangible assets with impairment testing at each reporting date. Once the full license is granted, the cost will be amortized over the life of the license on a straight-line basis. If the Company decides not to use Intec technology, the balance of the intangible asset would be expensed immediately. There have been no costs incurred during the six months ended December 31, 2019.

11. Deferred Financing Costs

As at December 31, 2019, deferred financing costs of \$0.25 million (June 30, 2019: \$0.40 million) comprised of \$0.01 million (June 30, 2019: \$0.10 million) for project financing and \$0.24 million (June 30, 2019: \$0.30 million) for the gold prepaid sale (Note 14), as described in the following table:

	December 31, 2019 \$	June 30, 2019 \$
Opening balance	404	103
Gold prepaid transaction cost (Note 14)	(58)	301
Write-off financing costs (a)	(103)	-
Foreign currency exchange gain	3	-
Closing balance	246	404
	246	404
Current portion	117	117
Non-current portion	129	287
	246	404

(a) \$0.10 million in deferred financing costs were related to the previous Burnakurra project financings and were written off against retained earnings as part of the prior year's adjustment totaled \$0.75 million (Note 22).

12. Capital Management

The Company manages its capital to ensure that it will be able to continue to meet its financial and operational strategies and obligations, while maximizing the return to shareholders through the optimization of its operations, exploration activities and if required equity financing. Management continuously monitors its capital position and periodically reports to the Board of Directors.

The Company is sensitive to changes in commodity prices and foreign exchange. The Company's policy is to not hedge gold sales. The Company's capital management policy has not changed in the six months ended December 31, 2019.

The Company's objectives when managing capital are to:

- Ensure the Company has sufficient cash available to support the mining, exploration and other areas of the business in any gold price environment;
- Ensure the Company has the capital and capacity to support a long-term growth strategy; and
- Minimize counterparty credit risk.

Other than restricted cash (Note 4) the Company is not subject to any externally imposed capital restrictions. Monument has the ability to adjust its capital structure by issuing new equity, issuing new debt and by selling or acquiring assets. The Company can also control how much capital is returned to shareholders through dividends and share buybacks.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

The capital of the Company consists of items included in equity and debt, net of cash and cash equivalents.

	December 31, 2019	June 30, 2019
	\$	\$
Total equity attributable to shareholders	225,071	226,690
Less: cash and cash equivalents	(5,051)	(9,341)
Total capital	220,020	217,349

13. Financial Instruments and Financial Risk

The Company's financial instruments are classified and measured at amortized cost (cash and cash equivalents, restricted cash, trade and other receivables, loan receivable and accounts payable and accrued liabilities).

a) Fair value measurement

The carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables, loan receivable and accounts payable and accrued liabilities are considered reasonable approximations of their fair values due to the short-term nature of these instruments.

The Company does not have any financial assets or financial liabilities measured at fair value subsequent to initial recognition.

b) Risk exposures and responses

The Company's financial instruments are exposed to market risk, credit risk, and liquidity risk.

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.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent that financial instruments held by the Company are not denominated in US dollars.

As at the reporting date, the Company is exposed to foreign currency risk through the following assets and liabilities denominated in Malaysian ringgit (RM), the Australian dollar (AUD) and the Canadian dollar (CAD):

	December 31, 2019			June 30, 2019		
	\$	\$	\$	\$	\$	\$
(in 000's, US dollar equivalent)	AUD	RM	CAD	AUD	RM	CAD
Financial instrument – assets						
Cash and cash equivalents	105	188	121	60	201	139
Restricted cash	-	306	2	-	303	2
Trade and other receivable	15	656	26	15	644	62
Financial instruments – liabilities						
Accounts payable and accrued liabilities	43	3,068	952	113	3,444	1,016
Lease liabilities	-	-	110	-	-	-

The Company has not hedged any of its foreign currency risks.

Based on the above net exposures as at December 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 \$0.02 million (June 30, 2019: \$0.12 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 \$0.05 million (June 30, 2019: increase/decrease \$0.04 million) in net income and a 5% depreciation or appreciation of the AUD against the US dollar would result in an increase/decrease of approximately \$0.01 million (June 30, 2019: increase/decrease \$0.01 million) in net income.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or foreign currency risk. The Company has not hedged any of its commodity price risks.

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

Management considers credit risk on The Company's trade receivables as minimal.

Credit risk related to The Company's on the loan receivable (Note 6) is low as the loan is secured by gold to be delivered to the borrower, CCM, under the gold prepaid sale (Note 14).

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents (Note 4). The maximum exposure to credit risk is the carrying amounts as at December 31, 2019. The amount of \$0.51 million (June 30, 2019: \$0.52 million) is held with a Malaysian financial institution, \$0.11 million (June 30, 2019: \$0.06 million) with an Australian financial institution and \$4.43 million (June 30, 2019: \$8.76 million) is held with Canadian financial institutions.

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 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. The table below summarizes the maturity profile of the Company's non-derivative financial liabilities as at December 31, 2019 and June 30, 2019.

	December 31, 2019		June 30, 2019	
	\$	\$	\$	\$
	Current	Non-Current	Current	Non-Current
	<1 year	1-3 years	<1 year	1-3 years
Non derivative liabilities				
Accounts payable and accrued liabilities	3,261	-	4,573	-
Lease liabilities	37	72	-	-
	3,298	72	4,573	-

14. Deferred Revenue

As at December 31, 2019 the Company had deferred revenue of \$7.03 million (June 30, 2019: \$8.14 million) which represents the balance of the gold delivery obligation of 6,025 ounces (June 30, 2019: 7,471 ounces).

Pursuant to the Gold Sale Agreement entered into with CCM (the "Purchaser") effective January 23, 2018, the Company received a total of \$7.00 million from the sale of 8,676 ounces of gold to the Purchaser. The gold delivery obligation is 241 ounce per month over a 36-month period commencing February 28, 2019, after a twelve-month grace period, to January 31, 2022 through its subsidiary Monument Murchison Pty Ltd (the "Seller"). Deferred revenue of \$6.65 million was recorded, net of transaction costs. Upon adoption of IFRS 15 on July 1, 2018, transaction costs of \$0.35 million were reclassified to deferred financing costs (Note 11) and amortized to cost of sales on a per ounce of gold delivered basis. The gold prepaid sale is guaranteed by the Company and its Malaysian subsidiary, ARSB and is secured by certain assets of the Company.

As at December 31, 2019 the Company had deferred revenue of \$7.03 million (June 30, 2019: \$8.14 million) which represents the balance of the gold delivery obligation of 6,025 ounces (June 30, 2019: 7,471 ounces).

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

For six month period ended as at December 31, 2019, the Company has delivered 2,651 ounces of gold to the Purchaser. The following table reflects the change of deferred revenue:

	December 31, 2019	June 30, 2019
	\$	\$
Opening balance	8,138	6,650
Gold prepaid	-	-
Transaction costs on gold prepaid	-	350
Impact of adopting IFRS 15 on July 1, 2018 (a)	-	759
Interest expense	960	2,104
Revenue recognized on gold deliveries	(2,066)	(1,725)
		-
Closing balance	7,032	8,138
Current portion	2,842	2,382
Non-current portion	4,190	5,756
	7,032	8,138

(a) The Company adopted IFRS 15 on July 1, 2018, using the modified retrospective approach. The impact of the initial adoption was an adjustment to reduce the opening retained earnings on July 1, 2018 of \$0.76 million with a corresponding increase to the deferred revenue balance (Note 3(t) on the audited consolidated financial statement as at June 30, 2019).

15. Accounts Payable and Accrued Liabilities

	December 31, 2019	June 30, 2019
	\$	\$
Current liabilities		
Trade payables	2,351	2,852
Employment payables and accruals	182	199
Third Party payable (Note 9(c))	728	720
Accrued liabilities (Note 26)	-	802
	3,261	4,573

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest-bearing and are normally settled on 30-day terms.
- Employment payables and accruals and accrued liabilities include a legacy payment (Note 26), vacation pay, employment benefits and related withholding taxes.
- Third Party payable in the amount of \$0.73 million (June 30, 2019: \$0.72 million) is pending receipt of the Third Parties payment in relation to the Third Parties' iron ore operations at Mengapur (Note 9(c)).

16. Lease Liabilities

	\$
Opening balance as at June 30, 2019	-
Recognized upon adoption of IFRS 16 as at July 1, 2019	115
Interest expenses	2
Lease payments	(17)
Closing balance as at December 31, 2019	100
Current portion	37
Non-current portion	63
	100

Upon the adoption of IFRS 16 on July 1, 2019, the Company has recognized a right-of-use asset and lease liability of \$0.11 million (Note 2) (June 30, 2019: \$nil) on a long-term office lease.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

	\$
Undiscounted lease payment obligations:	
Less than one year	39
One to five years	81
Total undiscounted lease liabilities as at July 1, 2019	120
Discounted lease liabilities as at July 1, 2019	115
Less: current portion	(36)
Non-current portion	79

17. Asset Retirement Obligations

The Company's ARO as at December 31, 2019 consists of reclamation and closure costs for mine development and exploration activities. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total cash flows required to settle the Company's obligations before being discounted is estimated to be \$10.66 million (June 30, 2019: \$10.57 million), comprised of \$9.56 million (June 30, 2019: \$9.47 million) for Malaysian projects and \$1.10 million (June 30, 2019: \$1.10 million) for the Western Australia Projects.

As at December 31, 2019 the present value of the Company's ARO was \$9.94 million (June 30, 2019: \$9.66 million), comprised of \$5.64 million (June 30, 2019: \$5.41 million) for the Selinsing Gold Portfolio using a pre-tax risk-free rate of 3.15% (June 30, 2019: 3.55%) and an deflation rate of 1.00% (June 30, 2019: 0.20%); \$1.08 million (June 30, 2019: \$1.07 million) for the Murchison Gold Portfolio using a pre-tax risk-free rate of 0.75% (June 30, 2019: 1.00%) and an inflation rate of 1.70% (June 30, 2019: 1.30%); and \$3.22 million (June 30, 2019: \$3.18 million) for Mengapur Project recorded at cost.

Significant reclamation and closure activities include land rehabilitation, slope stabilization, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities.

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

The following is an analysis of the asset retirement obligations:

	December 31, 2019	June 30, 2019
	\$	\$
Opening balance	9,661	10,081
Accretion expense	95	221
Reclamation performed	-	(2)
Reassessment of liabilities	86	(377)
Foreign currency exchange loss (gain)	94	(262)
Closing balance	9,936	9,661

18. Income Tax

	December 31, 2019	June 30, 2019
	\$	\$
Opening balance - Income tax payable	114	450
<i>Adjustment to Opening balance:</i>		
Income tax expense increase (a)	145	-
<i>Changes during current period:</i>		
Income tax expense increase	811	1,756
Tax installments paid	(745)	(2,057)
Foreign currency exchange gain	(10)	(35)
Income tax payable	315	114
Minus: Income tax receivable	(3)	(91)
Net Income tax payable	312	23

As at December 31, 2019, income tax payable of \$0.32 million (June 30, 2019: \$0.11 million) results from gold production and net income at Selinsing. Income tax receivable relates to \$0.03 million of tax payment installments for the current tax year in Malaysia (June 30, 2019: \$0.09 million, tax refund relating to fiscal 2017).

(a) \$0.14 million in income tax expense was reassessed and written off against retained earnings as part of a prior year's adjustment totaled \$0.75 million (Note 22).

19. Deferred Tax Liability

	December 31, 2019	June 30, 2019
	\$	\$
Opening balance	2,193	3,154
<i>Adjustment to Opening balance:</i>		
Adjustment due to IFRS 15 adoption (Note 3)	-	(182)
Deferred tax recovery decrease (a)	505	-
<i>Changes during current period:</i>		
Deferred income tax expense (recovery)	151	(710)
Foreign currency exchange loss (gain)	31	(69)
Closing balance	2,880	2,193

(a) \$0.51 million in deferred tax recovery was reassessed and written off against retained earnings as part of a prior year's adjustment totaled \$0.75 million (Note 22).

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

20. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Common shares

Issued and outstanding:

	Number of shares	Value assigned \$
Balance, June 30, 2017	322,718,030	117,172
RSUs redeemed	1,600,001	85
Balance, June 30, 2018	324,318,031	117,257
RSUs redeemed	1,053,534	57
Balance, June 30, 2019 and December 31, 2019	325,371,565	117,314

7.00 million common shares included in the total issued and outstanding shares as of June 30, 2017, June 30, 2018 and June 30, 2019 were held in escrow according to the Intec Agreements (Note 10). Upon completion of each of the three phases of test-work, Intec would earn 25%, 25% and 50% of the remaining 7.00 million escrow shares accordingly. The earned escrow shares will be released to Intec 30 days after the completion of each testing phase upon satisfactory results. Should Monument make an election not to proceed with the test-work, any earned shares will be released to Intec within 10 business days and the remaining escrow shares will be returned to Monument for cancellation.

21. Capital Reserves

	December 31, 2019 \$	June 30, 2019 \$
Warrants (a)	2,612	2,612
Options (b)	10,303	10,303
Restricted share units (c)	969	967
	13,884	13,882

a) Share purchase warrants

As at December 31, 2019 (June 30, 2019 and June 30, 2018 – nil) there were no warrants outstanding.

b) Stock options

At the Annual General Meeting of Shareholders ("AGM") held on December 15, 2016, the Company's shareholders approved an Amended 5% Fixed Stock Option Plan (the "2016 Stock Option Plan") to replace the Company's 2015 15% Fixed Stock Option Plan. The total number of shares reserved for issuance under the 2016 Stock Option Plan is 16,210,905. As a result, 13,043,666 stock options were voluntarily forfeited by Management under the new plan.

As at December 31, 2019, there are a total of 12,140,406 (June 30, 2019 – 12,140,406) common shares available for future grant under the 2016 Stock Option Plan, comprised of an initial 16,210,905 common shares reserved for issuance of which 4,070,499 have been exercised.

The general terms of stock options granted under the 2016 Stock Option Plan include a stock option life of up to ten years and a vesting period of up to two years.

	Number of common shares under option plan	Weighted average exercise price CAD\$
Balance, June 30, 2017 and June 30, 2018	200,000	0.33
Forfeited/expired	(200,000)	0.33
Balance, June 30, 2019 and December 31, 2019	-	-

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

As at December 31, 2019 there were no stock options outstanding.

The following table summarizes the stock options outstanding at June 30, 2018 and June 30, 2017:

Exercise price CAD\$	Options outstanding			Options exercisable	
	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price CAD\$
0.33	200,000	04-Sep-18	0.18	200,000	0.33

c) Restricted share units

At the AGM held on December 15, 2016, the Company's shareholders approved a fixed 10% Restricted Share Unit plan (the "RSU Plan"). Under the RSU Plan, the total number of shares reserved for grant is 32,421,800, of which 21,043,666 have been granted at December 31, 2019, 2,653,535 have been redeemed, 166,667 have been forfeited, 18,223,464 are still outstanding and 11,544,801 remain available for future grant as at December 31, 2019.

Of the 21,043,666 RSUs granted under the RSU Plan, 19,243,666 units for \$0.99 million were vested immediately and can be redeemed any time up to December 31, 2021; the remaining 1,800,000 units for \$0.11 million are subject to vesting terms over a three-year period equally from the granting date. The underlying fair value of granted RSUs is amortized over the corresponding vesting periods as compensation expenses against capital reserves. Once vested and units are redeemed, the cost of issuance of shares will be credited to share capital against capital reserves.

Restricted share units outstanding	Number of common shares
Balance, June 30, 2017	21,043,666
Redeemed	(1,600,001)
Balance, June 30, 2018	19,443,665
Redeemed	(1,053,534)
Forfeited	(66,667)
Balance, June 30, 2019	18,323,464
Forfeited	(100,000)
Balance, December 31, 2019	18,223,464

During the six months ended December 31, 2019, no RSU's were redeemed (December 31, 2018: \$0.02 million credited to share capital for 520,200 RSUs redeemed). \$0.01 million (December 31, 2018: \$nil) has been credited to expenses for 100,000 RSU forfeitures and \$0.01 million (December 31, 2018: \$0.02 million) has been expensed and allocated to production costs and exploration expenditures against capital reserves.

22. Adjustment to Retained Earnings

	\$
Opening balance as at June 30, 2019	95,494
<i>Adjustment to retained earnings:</i>	
Income tax expense increase (Note 18)	(145)
Deferred tax recovery decrease (Note 19)	(505)
Write-off financing costs (Note 11)	(103)
Total adjustment to retained earnings	(753)
Net loss for the period	(868)
Closing balance as at December 31, 2019	93,873

During the three and six months ended December 31, 2019 a total of \$0.75 million were adjusted and recorded under retained earnings comprised of \$0.10 write off against deferred financing costs (Note 11) associated to previous year's Murchison financing, and \$0.65 million resulted from fiscal 2019 tax reassessment, including \$0.14 million recorded against tax expense (Note 18) and \$0.51 million recorded against deferred tax recovery (Note 19).

MONUMENT MINING LIMITED**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

23. Production Costs

	Three months ended December 31,		Six months ended December 31,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Mining	1,031	740	1,802	1,371
Processing	2,358	2,030	4,682	3,786
Royalties	604	375	1,128	785
Operations, net of silver recovery	47	9	125	21
	4,040	3,154	7,737	5,963

24. Corporate Expenses

	Three months ended December 31,		Six months ended December 31,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Office and general expenses	33	26	94	56
Rent and utilities	8	18	16	30
Salaries and wages	278	283	582	558
Share-based compensation	(5)	2	(4)	3
Legal, accounting and audit	51	83	133	162
Shareholders communication	36	36	87	78
Travel	44	24	78	66
Regulatory compliance and filing	34	34	38	38
Project investigation and financing	(103)	-	-	-
Amortization	11	2	22	3
	387	508	1,046	994

25. Income/(Loss) Per Share

The calculation of basic and diluted income/(loss) per share for the relevant periods is based on the following:

	Three months ended December 31,		Six months ended December 31,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Income/(Loss) for the period	(1,076)	469	(868)	1,531
Basic weighted average number of common shares outstanding	318,371,565	317,318,031	318,371,565	317,318,031
Effect of dilutive securities:				
Restricted share units	18,117,625	18,913,595	18,117,625	18,913,595
Diluted weighted average number of common share outstanding	336,489,190	336,231,626	336,489,190	336,231,626
Basic earnings per share	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00
Diluted earnings per share	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00

All options are potentially dilutive in the six months ended December 31, 2019 but excluded from the calculation of diluted earnings per share are those for which the average market prices are below the exercise price.

Under the "Deed of Variation" to the "Heads of Agreement" executed on February 14, 2015, the terms of the escrow period have been extended to January 16, 2022 and the Company agreed to release 7,000,000 million shares from escrow. The remaining 7,000,000 shares in escrow with Intec have been excluded from the weighted average number of shares outstanding because these shares are to be earned subject to success of the trial commercialization test-work and certain milestones. Unearned shares upon termination will be returned to treasury (Note 10).

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

26. Related Party Transactions

Key management personnel

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 whom directly report to the CEO.

The remuneration of the key management of the Company as defined above including salaries and director fees is as follows:

	Three months ended December 31,		Six months ended December 31,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Salaries	232	238	470	478
Directors' fees	34	33	68	68
Share-based payments	(5)	2	(4)	3
	261	273	534	549

During the six months ended December 31, 2019, \$0.80 million (December 31, 2018: \$0.39 million) was paid out in relation to legacy payments that had been expensed in previous periods.

Net amounts due to related parties as at December 31, 2019 were \$nil (December 31, 2018: \$0.76 million) and \$0.04 million (December 31, 2018: \$nil) relating to director fees were included within current accrued liabilities.

The directors' fees are paid on a quarterly basis and the unpaid amounts due to directors are recorded against accrued liabilities and are unsecured and bear no interest.

27. Commitments and Contingencies

	2020	2021	2022	2023	2024	Total
	\$	\$	\$	\$	\$	\$
Lease commitments	33	42	23	-	-	98
Mineral property obligations	445	606	754	619	767	3,191
Purchase commitments	1,527	37	37	7	4	1,612
	2,005	685	814	626	771	4,901

Lease commitments relates to the future contractually obligated payments associated with the long-term office lease recognized as the right-of-use asset. 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 6,025 ounces of gold (Note 14) over a remaining 25-month period from January 1, 2020 to January 31, 2022.

28. Supplemental Cash Flow Information

	Three months ended December 31,		Six months ended December 31,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Interest received	33	28	57	57
Net income tax (paid) refund received	(294)	(19)	(713)	(39)
Non-cash working capital, financing and investing activities:				
Share-based compensation charged to mineral properties	-	-	-	1
Amortization charged to mineral properties	107	108	215	213
Amortization inherent in inventory	(982)	(768)	5,220	8,250
Expenditures on mineral properties in accounts payable	(188)	(232)	27	155
Plant and equipment costs included in accounts payable	(4)	-	101	101

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

29. Segment Disclosures

The Company operates primarily in the gold mining industry and its major product is gold. Its activities include gold production, acquisition, exploration and development of gold and other base metal properties. The Company's mining operations are in Malaysia. Other than the exploration area segment, no operating segments have been aggregated to form reportable operating segments.

The Company's reportable operating segments reflect the Company's individual mining interests and are reported in a manner consistent with the internal reporting used by the Company's management to assess the Company's performance.

Non-mining, corporate and other operations are reported in "Corporate".

a) Operating segments

December 31, 2019	Mine Operations	Exploration and Evaluation (Gold)	Exploration and Evaluation (Copper/Iron)	Corporate	Total
	\$	\$	\$	\$	\$
Balance sheet					
Current assets	21,339	214	744	4,506	26,803
Property, plant and equipment	27,320	5,604	7,516	102	40,542
Exploration and evaluation	-	59,311	120,535	-	179,846
Total assets	48,787	65,128	128,793	5,884	248,592
Total liabilities	18,181	1,120	3,966	254	23,521
June 30, 2019					
	\$	\$	\$	\$	\$
Balance sheet					
Current assets	21,703	207	738	8,849	31,497
Property, plant and equipment	27,047	5,613	7,716	5	40,381
Exploration and evaluation	-	57,564	120,277	-	177,841
Total assets	48,936	63,383	128,730	10,229	251,278
Total liabilities	18,448	1,174	3,944	1,022	24,588

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

For the three months ended December 31, 2019	Mine Operations	Exploration and Evaluation (Gold)	Exploration and Evaluation (Polymetallic)	Corporate	Total
	\$	\$	\$	\$	\$
Income statement					
Revenue	6,606	-	-	-	6,606
Income from mining operations	1,143	-	-	-	1,143
Corporate expenses	-	-	-	(387)	(387)
Other income, (expenses) and (loss)	(146)	(1,065)	(492)	433	(1,270)
Tax expense	(562)	-	-	-	(562)
Net income/(loss)	435	(1,065)	(492)	46	(1,076)
For the three months ended December 31, 2018					
	\$	\$	\$	\$	\$
Income statement					
Revenue	5,663	-	-	-	5,663
Income from mining operations	1,276	-	-	-	1,276
Corporate expenses	-	-	-	(508)	(508)
Other income, (expenses) and (loss)	65	182	695	(1,023)	(81)
Tax expense	(218)	-	-	-	(218)
Net income/(loss)	1,124	182	695	(1,532)	469
For the six months ended December 31, 2019					
	\$	\$	\$	\$	\$
Income statement					
Revenue	12,949	-	-	-	12,949
Income from mining operations	2,547	-	-	-	2,547
Corporate expenses	-	-	-	(1,046)	(1,046)
Other income, (expenses) and (loss)	(375)	(999)	(243)	210	(1,407)
Tax expense	(962)	-	-	-	(962)
Net income/(loss)	1,210	(999)	(243)	(836)	(868)
For the six months ended December 31, 2018					
	\$	\$	\$	\$	\$
Income statement					
Revenue	11,193	-	-	-	11,193
Income from mining operations	2,867	-	-	-	2,867
Corporate expenses	-	-	-	(994)	(994)
Other income, (expenses) and (loss)	(23)	148	632	(659)	98
Tax expense	(440)	-	-	-	(440)
Net income/(loss)	2,404	148	632	(1,653)	1,531

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

b) Geographical area information

The Company operates in three geographic areas – Australia, Malaysia and Canada. Revenues are generated 100% in Malaysia and sold to a single customer in the US.

December 31, 2019	Australia	Malaysia	Canada	Total
	\$	\$	\$	\$
Balance sheet				
Current assets	195	22,101	4,507	26,803
Property, plant and equipment	5,604	34,836	102	40,542
Exploration and evaluation	31,175	148,671	-	179,846
Total assets	36,974	205,734	5,884	248,592
Total liabilities	1,120	22,147	254	23,521
<hr/>				
June 30, 2019	Australia	Malaysia	Canada	Total
	\$	\$	\$	\$
Balance sheet				
Current assets	150	22,497	8,850	31,497
Property, plant and equipment	5,613	34,763	5	40,381
Exploration and evaluation	30,594	147,247	-	177,841
Total assets	36,357	204,692	10,229	251,278
Total liabilities	1,174	22,393	1,021	24,588
<hr/>				
For the three months ended	Australia	Malaysia	Canada	Total
December 31, 2019	\$	\$	\$	\$
Income statement				
Revenue	-	6,606	-	6,606
Income from mining operations	-	1,143	-	1,143
Corporate expenses	(8)	(83)	(296)	(387)
Other income, (expenses) and (loss)	(1,064)	(639)	433	(1,270)
Tax expense	-	(562)	-	(562)
Net income/(loss)	(1,072)	(141)	137	(1,076)
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For the three months ended	Australia	Malaysia	Canada	Total
December 31, 2018	\$	\$	\$	\$
Income statement				
Revenue	-	5,663	-	5,663
Income from mining operations	-	1,276	-	1,276
Corporate expenses	(8)	(107)	(393)	(508)
Other income, (expenses) and (loss)	182	761	(1,024)	(81)
Tax expense	-	(218)	-	(218)
Net income/(loss)	174	1,712	(1,417)	469

MONUMENT MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2019

(Unaudited, in thousands of United States dollars, except share and per share amounts or otherwise stated)

For the six months ended December 31, 2019	Australia \$	Malaysia \$	Canada \$	Total \$
Income statement				
Revenue	-	12,949	-	12,949
Income from mining operations	-	2,547	-	2,547
Corporate expenses	(17)	(223)	(806)	(1,046)
Other income, (expenses) and (loss)	(999)	(618)	210	(1,407)
Tax expense	-	(962)	-	(962)
Net income/(loss)	(1,016)	744	(596)	(868)
<hr/>				
For the six months ended December 31, 2018	Australia \$	Malaysia \$	Canada \$	Total \$
Income statement				
Revenue	-	11,193	-	11,193
Income from mining operations	-	2,867	-	2,867
Corporate expenses	(14)	(218)	(762)	(994)
Other income, (expenses) and (loss)	148	610	(660)	98
Tax expense	-	(440)	-	(440)
Net income/(loss)	134	2,819	(1,422)	1,531

30. Subsequent Events

Pursuant to the Loan Agreement signed in August 2019 between Monument and Concept Capital Management (“CCM”), subsequent to December 31, 2019 on February 26, 2020 (the “Settlement Date”), the loan owed by CCM to Monument in the amount of \$1.50 million principal plus \$0.11 million interest were fully settled by 983 ounces at \$1,635 per ounce, the gold price at London Fix PM on the Settlement Date. 983 ounces of gold have been deducted against gold forward delivery obligation, which is now reduced from total 8,676 ounces to 7,693 ounces of gold. As a result, remaining gold delivery amount has been adjusted at 241 ounces of gold each month till January 31, 2022, except no delivery from June to September, and only 222 ounces for October 2020.