

## Monument Reports Third Quarter Fiscal 2021 (“Q3 2021”) Results

### Gross Revenue of \$4.40 Million and Cash Cost of US1,315/Oz

Vancouver, B.C., May 31, 2021, Monument Mining Limited (TSX-V: MMY and FSE: D7Q1) “Monument” or the “Company” today announced its third quarter production and financial results for the nine months ended March 31, 2021. All amounts are expressed in United States dollars (“US\$”) unless otherwise indicated (refer to [www.sedar.com](http://www.sedar.com) for full financial results).

President and CEO Cathy Zhai commented: “Q3 sets a milestone with Monument restructuring its asset portfolio to focus on gold development and production by spinning off the Mengapur base metal project. The proceeds of \$30M has been received to advance gold portfolio. The market has reacted favorably to this move with trading volumes lifted in 2021 and the market capitalization raised significantly.”

Ms. Zhai continued: “The flotation construction at Selinsing was accelerated in the Q3 to place the sulphide project into production. In transition the oxide plant continues to process the leachable gold. It is exposed to the risk of bearing higher cash cost and AISC from time to time as reported in the current quarter. Peranggih oxide mineralized materials may help to improve profit margin. However, there is no guarantee to sustain positive cash flow especially when the mine shuts down due to the Covid-19 Pandemic. At Murchison work continued to optimize regional exploration targets as part of an extensive two-year exploration program, with the goal to turn Murchison into a cornerstone project for Monument. We will keep the market updated as practical as we can.”

#### Third Quarter Highlights:

- 2,523 ounces (“oz”) of gold sold for \$4.40 million (Q3 2020: 7,323oz for \$11.62 million);
- Average quarterly gold price realized at \$1,830/oz (Q3 2020: \$1,604/oz);
- Cash cost per ounce sold was \$1,315/oz (Q3 2020: \$892/oz);
- Gross margin decreased by 79% to \$1.08 million (Q3 2020: \$5.08 million);
- 1,977oz of gold produced (Q3 2020: 5,369oz);
- All-in sustaining cost (“AISC”) increased to \$1,509/oz (Q3 2020: \$1,070/oz);
- Two stage Selinsing plant expansion initiated with flotation plant phase;
- Restructure assets portfolio spinning off Mengapur base metal project.

#### Production Analysis

	Unit	Three months ended		Nine months ended	
		March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
<b>Operating Results</b>					
Ore mined	t	161,805	85,691	355,454	220,743
Waste removed	t	930,216	780,935	2,952,235	2,424,213
Stripping ratio		5.75	9.11	8.31	10.98
Ore stockpiled	t	122,495	137,442	122,495	137,442
Ore processed	t	165,361	157,413	484,629	606,742
Average ore head grade	g/t Au	0.72	1.49	0.86	1.12
Process recovery rate	%	57.5	76.2	60.2	71.3
Gold recovery	oz	2,210	5,746	8,113	15,529
Gold production	oz	1,977	5,369	8,444	15,048
Gold sold	oz	2,523	7,323	9,377	16,119

- Q3 2021 gold production of 1,977oz, a 63% decrease as compared to 5,369oz for Q3 2020. The decrease mainly resulted from a large quantity of super low-grade ore with lower leachability being fed into the mill and triggered lower recoveries.
- Q3 2021 ore processed increased to 165,361t from 157,413t for Q3 2020. The increased mill feed was mainly due to increased ore supply from transitional leachable sulphide ore from Selinsing, Peranggih oxide material, and super-low-grade oxide ore from Selinsing, while the same quarter last year was affected by the Malaysia Movement Control Order suspension for two weeks from the Covid-19 pandemic.
- Average mill feed grade was 0.72g/t Au as compared to 1.49g/t Au of Q3 2020. Q3 2021 processing recovery rate decreased to 57.5% from 76.2% for Q3 2020. The decrease in processing recovery rate was mainly due to lower recoveries obtained from processing low-grade leachable sulphide ore from Selinsing and Peranggih oxide material.
- Q3 2021 cash cost per ounce increased by 47% to \$1,315/oz from \$892/oz for Q3 2020. This increase was primarily due to a significant reduction in the mill feed grade from 1.49g/t Au to 0.72g/t Au and a decrease in recovery to 57.5% (Q3 2020: 76.2%) as a result of processing significantly more low-grade leachable sulphide ore and low-grade Peranggih material.
- Ore stockpile has reduced mainly due to adverse impact from shortage of explosive supply resulting in a lower mining rate that has yet to be caught up. The covid-19 pandemic has not helped in achieving the target. The Company has devoted its effort to improve the stockpile balance.

## Financial Analysis

	Unit	Three months ended		Nine months ended	
		March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
<b>Financial results</b>					
Gold sales	US \$'000	4,397	11,618	17,151	24,567
Gross margin	US \$'000	1,079	5,081	6,832	10,294
<i>Weighted average gold price</i>					
London Fix PM	US \$/oz	1,837	1,609	1,885	1,538
Monument realized	US \$/oz	1,830	1,604	1,884	1,539
<i>Cash costs per ounce sold</i>					
Total cash cost per ounce	US \$/oz	1,315	892	1,100	886
<i>All-in sustaining costs per</i>					
Total all-in sustaining cost	US \$/oz	1,509	1,070	1,356	1,112

- Q3 2021 gold sales generated revenue was \$4.40 million as compared to \$11.62 million from Q3 2020. Gold sales revenue was derived from the sale of 2,523oz (Q3 2020: 7,323oz) of gold at an average realized gold price of \$1,830 per ounce (Q3 2020: \$1,604 per ounce) and the delivery of 723 oz (Q3 2020: 723oz) in fulfilling gold prepaid obligations at an average London Fix PM gold price of \$1,525 per ounce (Q3 2020: \$1,429 per ounce).
- Q3 2021 total production costs decreased by 49% to \$3.32 million as compared to \$6.54 million from Q3 2020. Cash cost per ounce increased by 47% to \$1,315/oz as compared to \$892/oz of the same period last year. The increase was attributable to a 52% decrease in the mill feed grade from 1.49g/t to 0.72g/t and a decrease in recovery to 57.5% (Q3 2020: 76.2%) as a result of processing significantly more leachable sulphide ore and other low recovery ores.
- Gross margin for Q3 2021 was \$1.08 million before operation expenses and non-cash amortization and accretion. That represented a 79% decrease as compared to \$5.08 million from Q3 2020. The decrease in gross margin was attributable to lower volume of gold sold and increased cash costs offset by an increase in a higher average realized gold price.
- Net loss for Q3 2021 was \$96.10 million, or (\$0.30) per share as compared to net gain of \$1.87 million or \$0.01 per share from Q3 2020. The net loss was mainly caused by the impairment of the Mengapur assets to the value that will be realized when the sale of the Mengapur project is completed.

- Cash and cash equivalents balance as at March 31, 2021 was \$7.98 million, a decrease of \$2.14 million from the balance at June 30, 2020 of \$10.12 million. As at March 31, 2021, the Company had positive working capital of \$50.64 million as compared to that at June 30, 2020 of \$18.79 million.

## **Development**

### Selinsing Gold Mine

During the third quarter, the Selinsing gold mine prioritized flotation plant construction as the first phase of the sulphide gold production project. Orway Mineral Consultants (WA) Pty Ltd. was engaged to optimize flotation conceptual design based on the feasibility study work completed in January 2019 in order to produce saleable gold concentrates. On site laboratory continued testwork at bioleach inoculum adaptation and propagation stage on flotation concentrate. Subsequent to the quarter, testwork was completed by Orway in May pending final report to be issued. Testwork on external concentrates continued through the current oxide processing plant.

### Murchison Gold Project

Development work at Murchison focused on optimizing regional exploration targets and assessing the opportunity for early production. The mine plan was completed by management and the independent review conducted by SRK has been received in May with recommendations. It is under review by management and the board. The scope of the SRK review had been extended to cover geotechnics, hydrology, environmental compliance, as well as resource modelling, mining optimization and scheduling, and metallurgical recoveries.

## **Exploration Progress**

### Malaysia

At Selinsing, an RC drilling program was completed which consisted of 1,128m over 19 holes at Pits 4, 5, and 6. A total of 1,051 samples were collected. The drill program aimed to identify mineralization areas with average grades that can be mined economically in the short run. Once those areas are defined, materials will be mined to feed into the processing plant.

At Perangkih, during the quarter, 19,033m of closed-spaced, 5x5m shallow GC holes with a maximum depth of 10m were drilled to infill the existing gap and extend the coverage of the surface mineralization along the 540m strike length.

### Western Australia

The Company commenced work on a 2-year extensive exploration strategy and budget, aiming to add significant additional resources to the current resource base. The strategy will involve testing down dip of high-grade mineralization underneath existing pits as well as test some of the high priority regional targets through greenfield exploration of the land package at Burnakura and Gabanintha targeting the discovery of shallow stand alone or satellite gold deposits. Field work permitting activities had commenced with ground preparation activities underway to facilitate deployment of the AC rig to site as it becomes available.

## **Mengapur Transaction**

During the quarter, on January 8, 2021, Monument entered into a definitive Purchase and Sale Agreement with Fortress Minerals Limited (“Fortress”) to sell to Fortress 100% of the shares in Monument Mengapur Sdn Bhd (“MMSB”). On the same date, Monument also entered into a royalty agreement with Fortress and a supplemental escrow agreement with Fortress and Madison Pacific PTE. Limited. The sale of Mengapur was closed subsequent to the end of Q3, and Monument received US\$30.00 million cash consideration, and is also entitled to a royalty of 1.25% of gross revenue on all products produced at the Mengapur Project.

## **Covid-19 Update**

Subsequent to the quarter, the mine has been temporarily shut-down for two weeks from May 18<sup>th</sup> to May 28<sup>th</sup>, 2021, as a result of positive Covid-19 cases and resumed with no more positive case being tested.

A new movement control order was announced in Malaysia national wide due to rising covid-19 cases to new high, including constraining manufactory activities to essential services only from June 1<sup>st</sup> to June 14<sup>th</sup>, 2021, during which Selinsing Gold Mine will maintain a 10% workforce only at the mine site for essential services. The Company is continuously monitoring the situation and implementing the Company’s standard operating procedures for the Covid-19 pandemic.

## 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 also advancing the Murchison Gold Projects comprising Burnakura, Gabanintha and Tuckanarra JV (20% interest) in the Murchison area of Western Australia. The Company employs approximately 200 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.

Cathy Zhai, President and CEO  
Monument Mining Limited  
Suite 1580 -1100 Melville Street  
Vancouver, BC V6E 4A6

FOR FURTHER INFORMATION visit the company web site at [www.monumentmining.com](http://www.monumentmining.com) or contact:

Richard Cushing, MMY Vancouver T: +1-604-638-1661 x102 [rcushing@monumentmining.com](mailto:rcushing@monumentmining.com)

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### *Forward-Looking Statement*

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