

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

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This Management's Discussion and Analysis ("MD&A") of Monument Mining Limited ("Monument" or the "Company") as of November 29, 2021 should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three months ended September 30, 2021 and the notes related thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as well as the annual audited financial statements for the year ended June 30, 2021.

This MD&A contains "forward-looking statements" and should be read in conjunction with the *Cautionary Statement on Forward-Looking Statements* at the end of this MD&A. Non-IFRS performance measures referred under the section "Non-IFRS Performance Measures" in the MD&A are subject to risk factors set out in a cautionary note contained herein. All amounts are in United States dollars unless otherwise noted. References to "C\$" or "CAD" are to Canadian dollars, "RM" are to Malaysian Ringgits and "AUD" are to Australian dollars.

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

## 1. EXECUTIVE SUMMARY

### 1.1 First Quarter of Fiscal Year 2022 Highlights

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- Phase one drilling program completed in Q1 at Murchison Project with 91% assay results received to date;
- Phase 1&2 RC drilling program completed at Peranggih Gold Prospect in Q1 with positive intercept results;
- Selinsing Flotation Plant Project progressing on time in Q1 with 31% completion to date;
- Long lead item contracts awarded to reputable suppliers for Selinsing Flotation Plant Project;
- Selinsing Gold Mine production recovered gradually after the mining ban lifted from Covid 19 Pandemic;
  - 1,423 ounces ("oz") of gold sold for \$2.38 million in Q1, FY2022 (Q1, FY2021: 3,100oz for \$5.92 million);
  - Average quarterly gold price realized at \$1,829/oz in Q1, FY2022 (Q1, FY2021: \$1,909/oz);
  - Cash cost per ounce sold was \$1,430/oz in Q1, FY2022 (Q1, FY2021: \$923/oz);
  - Gross margin decreased by 88% to \$0.35 million in Q1, FY2022 (Q1 2021: \$3.06 million);
  - 1,043oz of gold produced in Q1, FY2022 (Q1, FY2021: 3,504oz);
  - All-in sustaining cost ("AISC") increased to \$2,052/oz in Q1, FY2022 (Q1, FY2021: \$1,055/oz) (section 15 "Non-IFRS Performance Measures").

### 1.2 Company Overview

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Monument Mining Limited (TSX-V: MMY, FSE: D7Q1) is an established Canadian gold producer and mining asset developer. The Company owns a 100% interest in the Selinsing Gold Mine and the Murchison Gold Project portfolios, and a 20% interest in the Tuckanarra project Joint Venture (JV) as of September 30, 2021. The Selinsing Gold Mine is located in Pahang State, within the Central Gold Belt of Western Malaysia, comprised of the Selinsing, Buffalo Reef, Felda Land, Peranggih and Famehub projects. Murchison, comprised of the Burnakura and Gabanintha projects, and Tuckanarra are located in the Murchison region, Western Australia ("WA"), Australia.

Monument's primary business activities include advancing its mineral projects from exploration to production and conducting mining and processing operations to generate profit from sustainable precious metal production. The business strategy consists of four perspectives. The shareholder perspective is to provide a satisfactory return to shareholders. The growth perspective is to increase its mineral resource inventory to achieve long-term sustainable production. The operational perspective is to maximize production performance and efficiency and to enhance exploration success. The financial perspective is to have effective budgetary and cost control, maintain efficient operational excellence and improve the quality of assets by advancing exploration and evaluation projects to production. The Company's long-term goal is to become a sustainable dividend paying gold producer.

Monument has an experienced management team with the demonstrated ability to advance projects from exploration to production and, effectively and profitably operates producing mines. The Company employs approximately 200 people and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees as well as for its neighboring communities. Monument's Head Office is located at Vancouver, British Columbia, Canada. It operates through its subsidiaries in Pahang State, Malaysia and Western Australia, Australia.

### 1.3 Review of Operations

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Following consolidation of its asset portfolio by spinning off the Mengapur base metal project in fiscal 2021, the fiscal year 2022 has commenced with focus of implementation of the corporate strategies to advance exploration at Murchison Gold Project for gold discoveries and flotation plant construction at Selinsing Gold Mine to achieve gold concentrate production over the extended life of mine. The Phase I drilling program was carried out immediately at Burnakura in July 2021 and completed in August 2021, pending assay results;

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and following completion of the project validation test work, flotation plant construction was kicked off at Selinsing with engineering design. The major contracts were awarded to reputable suppliers for long lead construction items based on the design criteria.

### Strategy Highlights

As a junior gold producer, Monument's overall strategy is to build incremental gold resources and reserves through exploration, production expansion and disciplined acquisitions, as well as build up market awareness in order for the market to reflect the Company's value thus transforming the Company's upside potential to benefit our shareholders. The Company grows its value by developing gold assets and building up gold reserves that provide sustainable cash flow therefore creating value for shareholders that can be reflected into the market cap. Our strategy is to focus on these three areas. In February 2021 the Company announced its value creation strategy to increase gold resources and reserves through exploration, expansion, and disciplined acquisitions.

The Company's tactical goals are summarized as follows:

- Convert the current oxide plant to a sulphide plant in a two-phase construction plan: flotation plant and Biox<sup>®</sup> plant. And place the flotation plant into production first in July 2022;
- Establish the Murchison Gold Project as a potential cornerstone gold development project by completing a two-year exploration program;
- Proceed with a disciplined acquisition to build larger scale of gold production profile.

The achievement of the above goals relies on available financial resources and other conditions. In the past ten years the Company's development has been primarily dependent on cash generated by its oxide gold production at the Selinsing Gold Mine. As oxide materials are being depleted, it is critical for the Company to launch the Selinsing Sulphide Flotation Project in order to resume its historical production levels through the new life of mine. It is also critical for the Company to develop its Murchison Gold Project into the Company's cornerstone producing property which will reduce its reliance on a single cash generating operation: success in exploration for new gold is the most economical way to increase shareholder value. In management's opinion the Murchison Project is highly prospective.

The proceeds from the divestiture of Monument's base metal assets have provided financing to implement the corporate strategy. However, there are no guarantees that the Company can be successful due to uncontrollable risk factors, including change of market conditions, operation risks, the volatility of gold prices and demand of gold related products, a volatile global economic environment, the Covid-19 pandemic etc.

### General Operations

Fiscal 2022 opened with the continued challenges of the global Covid-19 pandemic while Monument gold production at its Selinsing gold mine was gradually recovering from a 7-week mining ban ended June 28, 2021. Five people at Selinsing Gold Mine were tested positive at the quarter end and were fully recovered and returned to work subsequently. Except for a few, all staff have been fully vaccinated. Monument puts employee's well-being as first priority. The business sustaining plan has been executed since. The screening, isolation and quarantine and social distancing procedures are undertaken in accordance with the Company's COVID-19 preventive policies and health authority requirement across all its operating sites and offices in Vancouver, Malaysia, and Western Australia. The regular reporting and educational workshops are open to employees under a well-established communication channel. In the supply chain area, mitigation measures have been implemented including initiating a process to increase stocks of key consumables, ordering additional critical spares, assessing potential disruptions, and identifying alternative sources of supply.

During the production recovery period, the workforce was reduced to 80% by regulatory requirement; however, there was no impact on production since the 20% workforce removed from the site was able to work at home. The Q1 production results however were much lower when compared to the same quarter in fiscal year 2021 for three major reasons: (1) a shortage of explosive supplies had changed the planned mining areas to free-digging materials at Peranggih with different mining rates and lower average mill feed grade. The approval process for the explosive material application was put on hold for a couple of weeks in July till early August due to the closing down of the local police office for Covid quarantine. (2) The unexpected failure of the heat exchangers from late August to beginning of October had put gold pour on hold from late August till early October, significantly reduced production as the gold was remained in the circuit (which increased by 728 ounces) and was recorded against inventory. The locked gold was poured in October subsequent to the quarter. (3) Heavy rain in the quarter also caused disruption in mining activity particularly in Peranggih.

Gross revenue for the first quarter of fiscal year 2022 was \$2.38 million compared to \$5.9 million in the same quarter of last year. Loss from mining operations was \$0.33 million compared to \$2.27 million income for the same period of last year. Net loss was \$1.26 million for the first quarter compared to a net income of \$0.14 million in the same quarter of last year.

Cash from operations was \$0.02 million, around breakeven compared to the prior year of \$0.75 million for the quarter. It was expected that gold production may be volatile when oxide ore has almost been depleted with lower contained gold and the production was mainly on transitional sulphide ore resulted in lower recovery rates, especially the leachability of Selinsing Pit 4 transitional sulphide ore which was lower than anticipated. During the quarter 74,972 tonnes of ore was mined compared to 81,576 tonnes of ore mined in the same

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quarter of fiscal year 2021; this was further negatively impacted by lower gold selling prices at \$1,829 per ounce in Q1 2022 (Q1 2021: \$1,909/oz).

A total cash spent on project development during first quarter of 2022 was \$3.07 million (Q1 2021: \$0.68 million) of which \$1.01 million (Q1, 2021: \$0.27 million) on Selinsing Gold Mine to sustain the production, \$1.56 million (Q1, 2021: \$0.07 million) for Phase I of Sulphide Project development, and \$0.48 million (Q1, 2021: \$0.26 million) on Murchison including \$0.13 million for care and maintenance and \$0.35 million for exploration.

Before the flotation plant is constructed and put in use, while the transitional sulphide production continues through the current oxide plant in fiscal 2022, the economics are conditional upon ongoing metallurgical test work. Therefore, past production cannot be used as indicators of future performance for making investment decisions. The new life of mine production will commence upon completion of the flotation plant to supply marketable sulphide gold concentrates and upon completion of the bioleaching plant to produce gold bullion.

### 1.3.1 Project Development

#### Flotation Plant Project

Fiscal 2022 project development is to complete Phase 1 Sulphide Project development that includes flotation plant construction and mine development at the Selinsing Gold Mine in Malaysia, aimed to produce saleable sulphide gold concentrates. The flotation plant construction includes project management, project validation, flotation design and engineering, procurement, construction and commissioning. Mine development includes upgrade of tailing storage facilities and pit push back and pre-stripping. The Phase 1 development targets to complete by June 2022 with an estimated cost of up to \$20 million. As of September 30, 2021, 31% of overall project has been completed with cost of \$2.7 million.

During the first quarter the engineering, procurement, construction and project management (EPCM) progress has reached 31% completion. The project is led by the oversight board and is carried out by Selinsing management team, who is responsible to source, support and oversee EPCM, is comprised of Project Sponsor, Project Manager, Project Controller and the Plant Manager as the end user. The majority of key project personnel participated in the existing Selinsing gold plant construction work back in 2008 to 2010.

80% of flotation design work has been completed during the first quarter. Following completion of independent flotation testwork and amendment of conceptual design of the flotation plant conducted by Orway Mineral Consultants ("OMC"), the contract for detailed engineering design was awarded to Mincore Pty Ltd. ("Mincore"), an Australia based engineering company. Civil and structural drawings were completed subsequent to the quarter, mechanical and piping drawings will be issued for construction by November 2021.

All major contracts for long lead items were awarded to reputable suppliers and major equipment has been procured together representing 90% completion at the end of the quarter, leaving remaining to be procured by November 2021. Procurement for construction contractors are short listed and tender documents were distributed during the quarter. It is vital and critical decision on this project to have main contractor on board as soon as practicable.

Flotation construction includes earthworks, civil engineering, structural engineering, mechanical and electrical installation and other associated plant upgrades. Earthworks were initiated in April and 90% completed to date. Civil foundation work is scheduled to start in January 2022 and expected to be completed by the end of April 2022.

The flotation pilot plant has been setup and is successfully running at SGMM laboratory. Overall progress has achieved 94% completion to date.

#### Tailing Storage Facility (TSF) Upgrade

The existing TSF's capacity is able to accommodate current gold production until June 2022 when the sulphide concentrate's production is projected to commence. The current TSF level needs to be raised to 540 meters from the current 535.5 meters level to accommodate flotation plant operation for about 3 years. The TSF upgrade started in February of 2021, continued during the quarter and expected to be completed by March 1, 2022.

During the quarter ended September 30, 2021, total 799,375 tonnes of material were filled into the TSF by waste removed from the production, including 317,719 tonnes from Felda and 481,656 tonnes from Buffalo Reef Central.

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### Murchison Project Development

No mine development was planned during the first quarter of fiscal year 2022. While focusing on exploration, the Company continued to maintain the plant and other facilities to the extent they are operationally ready for efficient commissioning and be placed to production. Site accommodations and catering are fully functional to host administrative, exploration and mining activities.

### **1.3.2 Production**

Q1 2022 production for the period of July 1 to September 30, 2021 delivered 1,043oz of gold, a 70% reduction from 3,504oz from the same quarter of last year, largely due to the failure of the heat exchanger while there was no gold poured out of the circuit until October, subsequent to the end of the quarter, and the delay in blast permit issuance due to the temporary closure of the Malaysian licensing department caused by COVID-19 infection till August 2021. Lower mill feed was also a factor attributed to the reduction. The operation plans to catch up the production in Q3 and Q4 when monsoon season is over.

Q1 mining continued to deliver transitional leachable sulphide ore from Selinsing Pit 4 South West, and oxide mineralized materials from Peranggih. They were blended ore reclaimed from old tailings being sent to the mill. A total 74,972 tonnes of ore were mined during the quarter reduced by 8% from 81,576 tonnes in Q1 2021. 22,469 tonnes were mined from Selinsing (Q1, 2021: 22,469 tonnes), nil from BR north (Q1 2021: 24,107 tonnes), nil from Felda Block 7 (Q1 2021: 4,042 tonnes), and 52,503 tonnes of materials were from Peranggih (Q1 2021: 4,401 tonnes).

As a result of lower mining production rates and shortage of the stockpile, the mill feed has decreased by 6.8% to 156,611 tonnes in the first quarter 2022 from 166,432 tonnes in the same quarter of 2021. The average head grade was much lower compared to the same quarter of last year to 0.54g/t from 0.98g/t, even though the recovery was slightly improved to 65.0% from 63.6%. The overall gold recovered therefore dropped to 1,777oz from 3,504oz from the same period last year.

During the quarter ended September 30, 2021, gold production at Selinsing decreased by 70% to 1,043oz (quarter ended September 30, 2020: 3,504oz), generating a gross margin of \$0.35 million as compared to \$3.06 million of the same period last year before operation expenses - primarily idle capacity occurred during operation recovery period, non-cash depreciation and accretion expenses of \$0.63 million (quarter ended September 30, 2020: \$0.76 million). A total of 1,423oz of gold were sold for gross revenue of \$2.38 million (three months ended September 30, 2020: \$5.92 million for 3,100oz). Of which 700oz sold at an average realized price of \$1,829 per ounce from production (quarter ended September 30, 2020: 3,100oz at \$1,909 per ounce), 723oz sold at \$1,525 per ounce from gold prepaid (quarter ended September 30, 2020: 723 oz at \$1,635 per ounce gold equivalent offset by part of \$1.5 million loan repayment from Concept Capital Management. 222 ounces out of 983 oz gold delivery obligation was offset against remaining loan repayment subsequently in October 2021).

Cash cost per ounce increased by 55% to \$1,430 per ounce for the quarter ended September 30, 2021 from \$923 per ounce in the same quarter of last year primarily due to a significant reduction in the mill feed grade from 0.98g/t Au to 0.54g/t Au, slightly offset by an increase in recovery to 65.0% from 63.6% in the same period of last year. The feed grade reduction was resulted from processing significantly more low-grade leachable sulphide ore and low-grade Peranggih materials.

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Production and financial results for the quarter ended September 30, 2021, are summarized in Figure 1 below:

**Figure 1: Operating and Financial Results**

<b>Selinsing, Felda Block 7, Buffalo Reef</b>		Three months ended	
		September 30, 2021	September 30, 2020
<b>Operating results</b>	Unit		
Ore mined	t	74,972	81,576
Waste removed <sup>(1)</sup>	t	1,942,334	1,058,157
Stripping ratio		25.91	12.97
Ore stockpiled	t	93,226	98,616
Ore processed	t	156,611	166,432
Average ore head grade	g/t Au	0.54	0.98
Process recovery rate	%	65.0	63.6
Gold recovery	oz	1,777	3,343
Gold production	oz	1,043	3,504
Gold sold	oz	1,423	3,100
<b>Financial results</b>			
Gold sales	US\$'000	2,383	5,919
Gross margin	US\$'000	348	3,059
<i><u>Weighted average gold price</u></i>			
London Fix PM	US\$/oz	1,811	1,907
Monument realized <sup>(2)(5)</sup>	US\$/oz	1,829	1,909
<i><u>Cash costs per ounce sold</u></i> <sup>(3)(5)</sup>			
Total cash cost per ounce	US\$/oz	1,430	923
<i><u>All-in sustaining costs per ounce</u></i> <sup>(4)(5)</sup>			
Total all-in sustaining cost per ounce	US\$/oz	2,052	1,055

- (1) Waste removed of 1,942,334t for the three months ended September 30, 2021 includes 868,786t operating waste, 799,375t for TSF construction fill and 274,173t used for cutback (For the three months ended September 30, 2020, waste removed of 1,058,157t included 962,952t operating waste, 46,933t for cutback and 48,272t for TSF construction fill). The cost of waste removed for TSF construction was capitalized and not included in mining operations.
- (2) Monument realized a weighted average gold price of 1,829US\$/oz for the three months ended September 30, 2021, excluding 723oz gold prepaid delivery during the period. For comparison purposes, Monument realized a weighted average gold price of 1,909US\$/oz for the three months ended September 30, 2020, excluding nil oz gold prepaid delivery during the period. Readers should refer to section 15 "Non-IFRS Performance Measures".
- (3) Total cash cost per ounce sold includes production costs such as mining, processing, TSF maintenance, camp administration, royalties, storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, idle production costs, capital costs, exploration costs and corporate administration costs. Readers should refer to section 15 "Non-IFRS Performance Measures".
- (4) All-in sustaining cost per ounce includes total cash costs, operation expenses, sustaining capital expenditures, corporate administrative expenses for the Selinsing Gold Mine including share-based compensation, exploration and evaluation costs, and accretion of asset retirement obligations. Certain other cash expenditures, including tax payments and acquisition costs, are not included. Readers refer to section 15 "Non-IFRS Performance Measures" for detailed descriptions of each calculation.
- (5) Average gold price realized, cash cost per ounce sold and all-in sustaining cost are non-GAAP measures; for a reconciliation from this measure to the most directly comparable measure specified, defined, or determined under IFRS and presented in our financial statements. Readers should refer to section 15 "Non-IFRS Performance Measures".

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Figure 2: Gold production and cash costs per ounce

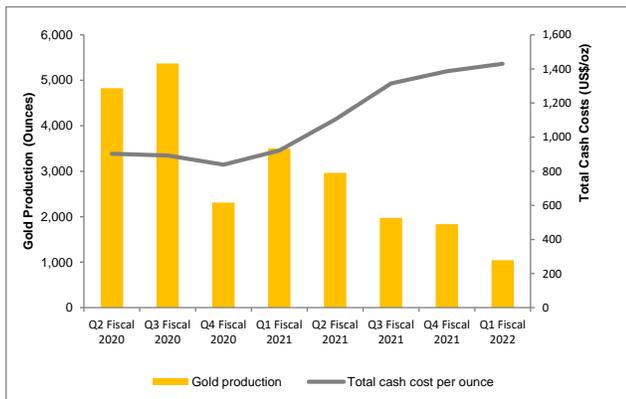
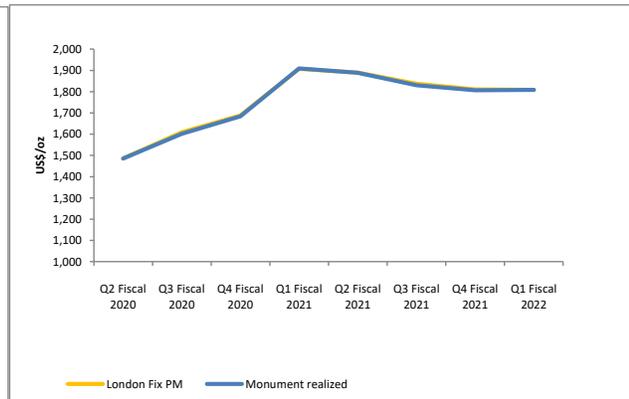


Figure 3: Quarterly Average Gold Price



## 1.3.3 Exploration

### Malaysia

Drilling at Peranggih is aimed to locate additional mineable materials to top up the mill feed. The Reverse Circulation (RC) drilling campaign covering areas of Peranggih Central and South for 3,317m over 68 RC holes were initiated last fiscal year and completed during the first quarter of fiscal 2022, broken down by two phases: Phase I of 34 drill holes for 1,697m, and Phase II of 34 holes for 1,620m. All assay results for 3,901 samples were received for analysis up to date, including assay results for 1,681 samples during the quarter ended September 30, 2021.

The RC drilling is down 70 m deep with space of 20m by 20 m following steeply dipping high-grade mineralized structure. Overall, 70% of the designed holes hit gold mineralization above an oxide cut-off (>0.35 g/t Au Au) at relatively shallow depth, 50m below the surface. The results defined wider lower grade mineralization over an 830m long by 60m wide zone.

### Western Australia

Fiscal 2022 started regional exploration at Murchison Gold Project. A 2-year exploration strategy and associated periodical rolling budget has been implemented to potentially add significant amount of additional resources to the current resource base. It is aimed to establish Murchison as company's cornerstone gold project should the Murchison Project be potentially developed into a large-scale gold producing mine.

The Phase 1 RC and AC drill program commenced on July 4 and completed on the August 21st at Burnakura. A total of 3,465 m for 46 RC holes was finished for the Munro Bore Extension as well as the FLC2 and FLC3 prospects and a total of 10,484 m for 349 AC holes was completed during the reporting period with focus on high quality structural targets including the Junction exploration target. A combined total of over 6,000 RC and AC samples were sent to ALS Geochemistry, Perth for analysis, of which 91% have been received up to November 2021, subsequent to the first quarter. The results will be announced as soon as the data is fully received and has been interpreted. The Phase 2 drilling program just started on November 20, 2021.

## 1.4 Q12022 Activity Highlights

- On July 5, Monument announced Selinsing Gold Mine has resumed production from 7 weeks mining ban according to the Movement Control Order ("MCO"). 80% staff were allowed working at the site, while MCO moved to Phase II.
- On July 6, 2021, the Company announced that the independent flotation test work undertaken at Bureau Veritas Laboratory ("BV") in Perth has successfully replicated the positive results achieved by the on-site metallurgical laboratory to produce a marketable gold concentrate at the Selinsing Gold Mine.
- On July 20, 2021, the Company announced the commencement of a planned exploration drilling program at the Murchison Gold Project in Western Australia. The first stage of the drill program planned for 18,000 metres and combines aircore and reverse circulation ("RC") drilling and is designed to test new high quality structural targets beneath cover for potential mineralization that may lead to the identification of shallow stand alone or satellite gold deposits to supplement the current resource base at the 100% owned Burnakura gold project.
- On September 20, 2021, the Company announced the successful completion of an upscaled Phase 1 air core ("AC") and reverse circulation ("RC") drill program at its Murchison Gold Project in Western Australia. All samples have been dispatched from site and have been received by ALS Geochemistry, Perth, Western Australia.

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- On October 14, 2021, the Company announced the current progress on flotation plant construction at the Selinsing Gold Mine in Malaysia in relation to flotation design and engineering, commencement of construction for civil foundation work. It has also updated the status of the mining production.
- On October 28, 2021, the Company announced the results from its Annual General Meeting of shareholders. Resolutions tabled at the AGM as proposed in the Information Circular dated on September 27, 2021. Each resolution and each nominee of the board of directors have been approved by a vast majority of the shares voted.
- On November 26, 2021, the Company announced the drill results at its Peranggih Gold Prospect in Malaysia. The drill program confirmed the extension of significant mineralization down-dip of the previously explored area by shallow percussion rotary air blast (RAB") drilling along the North-West striking share structure.

## 2. PROJECT UPDATE

### 2.1 Selinsing Gold Portfolio

The Selinsing Gold Portfolio is located in Pahang State, Malaysia. It includes the Selinsing Gold property ("Selinsing"), the Buffalo Reef property ("Buffalo Reef"), the Felda Land ("Felda") and the Famehub properties ("Famehub"). Buffalo Reef lies continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located. Both Felda and Famehub are located east and north of the Selinsing and Buffalo Reef properties. The 1.00 million tonnes per annum gold processing plant is situated at the Selinsing site, which provides easy access to all of the Company's gold properties.

Among those properties, Selinsing and Buffalo Reef are primary gold properties acquired on June 25, 2007 and are at the development and production stage while others are at the exploration and evaluation stage except Felda Block 7.

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

Famehub was acquired in September 2010. Famehub is an area with approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef along the trend and east of the Selinsing Gold Mine. Snowden completed a NI 43-101 Technical Report on the Famehub dated August 2010. The Company targets the consolidation of Selinsing, Buffalo Reef and Famehub, which are all situated around the Selinsing Gold Mine, as a long-term exploration strategic portfolio in order to extend the life of the mine.

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

According to the Snowden 2019 NI43-101 Report dated January 31, 2019, the Company has Proven and Probable Mineral Reserves of 5.7 million tonnes at Selinsing Gold Mine, including the Selinsing and the adjacent Buffalo Reef and Felda Block 7 deposits in Pahang State, Malaysia. All Mineral Reserves and Mineral Resources were updated by Snowden as Independent Qualified Person defined under NI43-101 standards.

The tables below summarize the estimated Mineral Reserves and Mineral Resources reported by classification and ore type, all expressed in metric tonnes and troy ounces (1 ounce = 31.1035 g). The updated Mineral Reserves are estimated using an average gold price of \$1,300 per ounce.

Selinsing-Buffalo Reef/Felda Reserves as of March 31, 2018 (Snowden)												
Category	OXIDE (above approx. 0.4 g/t Au cut-off)			TRANSITION (above approx. 0.75 g/t Au cut-off)			SULPHIDE (above approx. 0.75 g/t Au cut-off)			OXIDE + TRANSITION + SULPHIDE		
	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)
<b>Mineral Reserves (based on a US\$1,300/oz gold price)</b>												
Proven*	1,265	0.47	19	-	-	-	45	1.53	2	1,310	0.51	21
Probable**	991	0.91	29	757	1.72	41.9	2,680	2.03	175.1	4,428	1.73	246
P+P	2,256	0.67	48	757	1.72	42	2,725	2.02	177	5,738	1.45	267

\*Proven Reserve is entirely stockpile material;

\*\*Probable Oxide Reserve comprises oxide ore in Selinsing, Buffalo Reef, Felda deposits, and in Selinsing old tailings; Probable Transition and Sulphide Reserves comprise ore in Selinsing, Buffalo Reef and Felda deposits.

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Selinsing-Buffalo Reef/Felda Resources as of March 31, 2018 (Snowden)												
Category	OXIDE (above 0.3 g/t Au cut-off)			TRANSITION (above 0.5 g/t Au cut-off)			SULPHIDE (above 0.5 g/t Au cut-off)			OXIDE + TRANSITION + SULPHIDE		
	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)	kTonnes	g/t	Au (kOz)
<b>Mineral Resources, reported inclusive of Reserves (based on a potential US\$2,400/oz gold price)</b>												
Measured*	1,265	0.47	19	-	-	-	45	1.53	2	<b>1,310</b>	<b>0.51</b>	<b>21</b>
Indicated**	1,533	0.85	42	1,086	1.49	52	8,052	1.60	415	<b>10,671</b>	<b>1.48</b>	<b>509</b>
M+I	2,798	0.68	61	1,086	1.49	52	8,097	1.60	417	<b>11,981</b>	<b>1.38</b>	<b>530</b>
Inferred***	349	1.05	11.8	485	1.22	19	5,563	1.79	319	<b>6,397</b>	<b>1.70</b>	<b>350</b>

\*Measured Resource is entirely stockpile material;

\*\*Indicated Oxide Resource is a combination of oxide mineralization occurring in Selinsing, Buffalo Reef and Felda deposits plus Selinsing old tailings material; Indicated Transition and Sulphide Resources comprise mineralization occurring in Selinsing, Buffalo Reef and Felda deposits;

\*\*\*Inferred Resource comprises mineralization occurring in Selinsing, Buffalo Reef and Felda deposits.

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

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

### 2.1.2 Production

#### Mining:

Q1 2022 mining activities were carried out during the year at Selinsing Pit 4 South West and Peranggih. Ore production was from transitional leachable sulphide ore at Selinsing pits, blended with oxide ore from old tailings and Peranggih. Waste was mainly removed for TSF construction for Flotation project, cutback and Peranggih stripping activities.

Total materials mined increased in Q1 2022 compared to Q1 2021 by 77% to 2,017,307 tonnes from 1,139,732 tonnes. It is caused by waste removal to start mining at Peranggih pits S1, S2 and Central and to raise TSF main embankment for Flotation project. Stripping ratio increased by 100% to 25.91 from 12.97 of the same period of last year. Ore mined however decreased by 8% to 74,972 tonnes from 81,576 tonnes. As a result, total mining costs decreased by 13% to \$0.74 million during Q1 2021 (Q1 2021: \$0.85 million) (Figure 12).

During the first quarter, a total 805,914 tonnes of materials (Q1, 2021: 17,727 tonnes) were mined at Peranggih, comprised of 257,266 tonnes of operational waste (Q1, 2021: 13,326 tonnes) -the costs were recorded against inventory, 496,145 tonnes of capital waste (Q1, 2021: nil tonnes) - the costs were recorded against mineral property, plant and equipment and then amortized over mining periods, and 52,503 tonnes of mineralized materials (Q1, 2021: 4,401 tonnes) were fed into the mill – the costs were recorded against inventory.

Peranggih materials are continuously being tested through close spaced drilling programs as a potential source of immediate oxide feed to the existing plant despite not having an established resource. The qualified mineralized materials are extracted and fed into the mill and cost of underlined exploration work are transferred from evaluation and exploration account to mineral property.

The Company continues to implement grade control drilling practices to manage mining cost increases during ramp up of mining rates to access additional ore and replenish stockpile levels. In addition, the mining contractor is actively upgrading their mining fleet in order to meet the Company's mining and development plan efficiently.

Ore stockpiles had significantly fallen from 127,095 tonnes as of June 30, 2021 to 93,226 tonnes as of September 30, 2021 mainly due to the adverse impact of the delay in blast permit issuance and rainfall in the first quarter of 2022 resulting in a lower mining rate. The Covid-19 pandemic has hindered the achievement of target and the Company has redoubled its efforts to improve its stockpiles.

#### Processing:

Referring to Figure 1 Operating and Financial Results, processing throughput tonnage was 6% lower in Q1 2022 compared to Q1 2021 to 156,611 tonnes from 166,432 tonnes. This caused by a significant reduction of stockpiled ore carried forward from 2021. Overall mill availability, utilization and efficiency were 95.8%, 65.8% and 63.0% respectively in Q1 2022 compared to 81.0%, 69.0% and 55.9% in Q1 2021.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021  
(in United States dollars, except where noted)

Total ore fed in Q1 2022 was at an average of 0.54 g/t Au as compared to 0.98 g/t Au in the same quarter of last year. As a result, contained gold was significantly lower at 1,043oz as compared to 3,504oz for the same quarter of last year.

Total processing costs were \$1.02 million as compared to \$1.49 million in the first quarter of fiscal year 2021 as a result of lower mill feed and the cost per tonne processed decreased to \$11.52/t from \$13.40/t, or 14% lower than the same period of previous year. The process recovery rate of 65.0% for the quarter ended September 30, 2021 was slightly higher than 63.6% in the first quarter of previous year. More processed oxide ore and less harder leachable sulphide ore resulted in less consumables including wearing parts and reagents and also power; therefore the processing cost per tonne decreased. During the first quarter, the feed grade was significantly reduced from 0.98g/t Au in the same period of the last year to 0.54g/t Au due to much lower-grade from Peranggih oxide ore and Selinsing leachable sulphide ore.

Figures 4 and 5 illustrate production results on a consolidated basis including Selinsing, Buffalo Reef and Felda Block 7 operations and Peranggih.

Figure 4: Gold production and cash costs per ounce

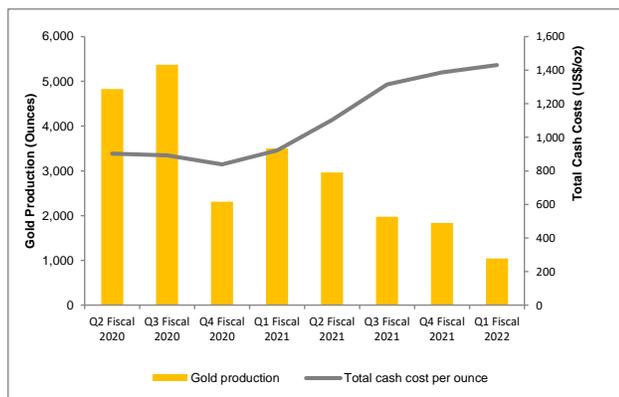
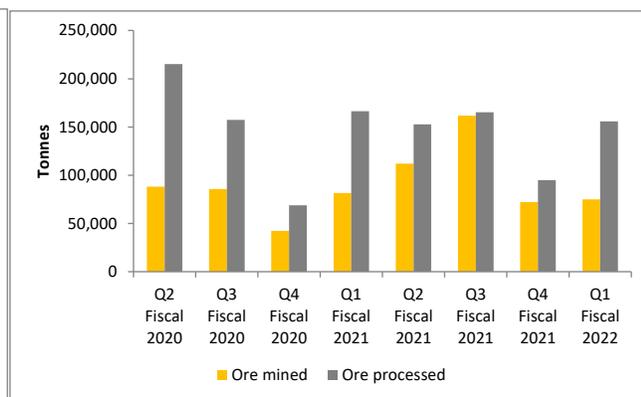


Figure 5: Selinsing Gold Mine: Operating Metrics



### 2.1.3 Development

Project development work at Selinsing includes the Sulphide project, research and development (“R&D”) of gold treatment, underground mining desktop study, TSF development/mining cutback and test work for oxide mining assessment at Peranggih.

#### Selinsing sulphide project development

The Sulphide project development includes Stage 1 the Flotation plant project and Stage 2 a BIOX leaching plant. Flotation plant project development includes: project management, project validation, flotation design and engineering, procurement, construction and commissioning.

The project management team is led by the oversight board chaired by Cathy Zhai, President and CEO, comprising Project Sponsor, Project Manager, Project Controller and the Plant Manager as the end user. The procurement and engineering team on site are Selinsing employees. The majority of key project personnel participated in the existing Selinsing gold plant construction work back in 2008 to 2010. The project management team oversees the engineering design, procurement, construction and project management (EPCM) of the project. To date the EPCM progress has reached 28% completion. Civil and structural drawings were completed and mechanical and piping drawings will be issued for construction by November 30<sup>th</sup> 2021.

During the first quarter, 80% of the flotation plant design work had been completed by Mincore Pte Ltd, a reputable company in mining industry, with full completion by November 2021 after Orway Mineral Consultants (“OMC”) completed the process plant design in early June 2021 and the independent flotation test work was completed with positive results from Bureau Veritas Laboratory.

Procurement of major equipment had been completed, and minor equipment was recorded 90% completion and to be finished by November 2021.

Flotation construction includes: earthworks, civil engineering, structural engineering, mechanical and electrical installation and other associated plant upgrades.

Suitably experienced Malaysian contractors have been shortlisted for the construction work according to discipline comprising: civil and structural, mechanical and piping, and electrical and instrumentation. Most of these contractors have worked on previous construction phases of the Selinsing operation. The contract has been awarded to reroute the power cables to the primary and secondary ball mills outside of the new flotation plant footprint to avoid any interference during construction work.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

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Early construction work activities such as earthwork were recorded 90% completion for main contractor mobilization. Power pole relocation had been completed. 75% of the earthworks have been completed for the plant foundations, and final excavations will be conducted once civil drawings have been issued for construction. Civil foundation work is expected to commence in January 2022 and to be completed by the end of April 2022. The civil foundation work will start with the construction of the retaining wall extension, and followed by civil works in the flotation area, concentrate and water recovery thickeners and the filter press building. At the same time the foundations will be constructed for the new warehouse, reagents mixing and air services buildings.

As of September 30, 2021, total expenditures of \$4.07 million (June 30, 2021: \$3.51 million) were for the Selinsing Sulphide Plant upgrade at Selinsing Gold Mine, which included \$0.56 million construction in progress to complete flotation plant detailed engineering design.

The production of flotation concentrate is expected to commence in July 2022 as soon as all of the flotation cells, concentrate thickener and filter press have been commissioned.

### R&D Work

During the quarter ended September 30 2021, R&D work continued on improving the performance of flotation recoveries and optimization of the flotation plant conceptual design. Other work included: (1) bioleach inoculum adaptation and propagation stage on flotation concentrate; (2) bioleach batch amenability tests (BAT) on selected samples of external concentrate and CIL bottle roll tests and diagnostic leach test on the bioleach solid residues; (3) antimony flotation test program (rougher-cleaner) on BRC2 sample; and (4) diagnostic leach tests on selected samples.

### TSF Development and Cutback

The TSF expansion to reach the 540m RL was in progress with planned completion by March 1, 2022 to provide three-year capacity for Sulphide concentrate production.

Total costs incurred related to TSF upgrade construction as at September 30, 2021 were \$1.68 million with a 66% completion. Of which \$0.99 million were spent during the first quarter including 0.80 million tonnes from mining waste.

### **2.1.4 Exploration**

Total exploration expenditures excluding development activities at the Selinsing Gold Portfolio for the three months ended September 30, 2021 were \$0.01 million.

During the first quarter of fiscal year 2022, the main exploration activity was carried out at Peranggih Prospect. The Peranggih RC drilling campaign was completed during the quarter with 3,317m drilled over 68 RC holes. 3,901 samples were sent to assay lab for gold and other elements analysis.

The Company has established the Peranggih deposit as a highly prospective oxide exploration and oxide feed to the current processing plant. Geological evidence indicates that Peranggih occurs in the same regional shearing structure hosting Selinsing and Buffalo Reef gold deposits and is potentially mineralised by a hydrothermal breccia system containing oxide materials suitable to provide immediate minable/leachable oxide feed for sustainable production at the current oxide plant at Selinsing. Previous geochemical surveys, exploration drilling, grade control drilling, and bulk sampling program showed encouraging results. The recent drilling campaign at Peranggih between March 2021 and July 2021 had shown a positive result; with 70% of the drill holes were hitting gold mineralisation at shallow depth.

Exploration plans to follow-up with RC drilling program at Peranggih deposits will be focusing on extended coverage along open-end mineralisation along the strike direction and at depth. The program's main objective is to define preferentially mineralisation around the existing pits within gap zones between the known resources containing little or no drill hole information. The program includes infilling, extensional, and exploration drilling, verifying the down-dip extension of the mineralisation.

Some areas, such as at the southeast extension of Peranggih South, had proven to contain significant gold mineralisation from shallow RAB drilling. Therefore, it's necessary for deeper drilling to test the continuation of the mineralisation at depth. In addition, there is an aim to test the high soil Au-As geochemistry anomalous zone in the Peranggih North with several planned exploration holes.

### **2.1.5 Environment, Safety and Health**

The Company is committed to comply with Malaysia's environmental laws within the mandates of government authorities:

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

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During the three months ended September 30, 2021, there were three accidents recorded and 11 positive COVID-19 cases were recorded at the Selinsing operation. All reported incidents were shared among staff at safety toolbox meetings and new safety topics were raised at each of these meetings. Regular safety inspections were carried out by the HSE department and notices of improvement sent out to various departments for any immediate corrective action. Third party environmental compliance audits were conducted by accredited independent consultants and laboratories on environmental audits, ambient air quality and environmental noise monitoring.

### 2.2 Murchison Gold Portfolio

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#### Western Australia

The Murchison Gold Portfolio was acquired in 2014 and consists of the 100% owned Burnakura and Gabanintha projects as well as the Tuckanarra gold property in which Monument has a 20% free carry interest. The portfolio is located in the Murchison Mineral Field, a highly prospective historical gold province within the Murchison District of Western Australia. Burnakura and Gabanintha are located 40km southeast of Meekatharra, WA, and 765 km northeast of Perth, WA. Tuckanarra is located approximately 40 km southwest of Burnakura. The Murchison Gold Portfolio includes a number of mining and exploration tenements and lease applications covering approximately 230 square kilometres of mining land prospective (including the whole area of Tuckanarra which Monument has a 20% free carry interest) for resource extension, and a fully operational gold processing plant at the Burnakura site, a newly developed camp site and necessary infrastructure. Underground mining was carried out by the previous owner of the Burnakura gold processing plant for several months and shortly thereafter it was placed in administration. The Murchison Gold Portfolio includes a number of mining and exploration tenements and lease applications, a fully operational gold processing plant at the Burnakura site, a newly developed camp site and associated infrastructure.

#### 2.2.1 Resources

The Murchison Gold Project consists of a historical resource of 300koz Au of Indicated Resource and 344koz Au of Inferred Resource reported to a 1.0g/t Au lower cut-off, at the time of the acquisition in 2014, within a number of previously operated open pits and an underground mine. The Tuckanarra JV contained a total of 81koz of this historical resource. The Company believes that the quality of the data supporting the resources meets industry standards and considers this historical resource estimate to be relevant to its ongoing review of the Murchison Gold Project.

The current updated mineral resource estimation at Burnakura reported in the SRK NI43-101 Report dated July 2018, comprised of an Indicated Mineral Resource of 4.043Mt@2.3g/t Au for 293koz and an Inferred Mineral Resource of 1.551Mt@1.8g/t Au for 88koz at a 0.5g/t Au grade cut-off for open pit and 3.0 g/t Au grade cut-off for underground. The Company has continued to improve its internal mining studies which will contribute towards the preparation of a preliminary economic assessment, in respect of the Burnakura deposits. The Company is planning to undertake significant exploration programs in the near future to add new resources to improve the overall economics of the project and continue a confirmation program over the remainder of the historical resources combined with exploration programs to add new resources.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

**Figure 6: 2018 Mineral Resource estimate breakdown for Burnakura Project**

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

Notes:

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

### 2.2.2 Development

Development work at Murchison was aimed to optimize regional exploration targets and assess early production opportunity. The mine plan was completed by management and an independent review was conducted by SRK. The recommendations had been received by the board in May 2021. The scope of the SRK review had been extended to cover geotechnics, hydrology, environmental compliance, etc. in addition to resource modelling, mining optimization and scheduling, metallurgical recoveries. From this, it was decided to find further exploration targets and extend exploration.

The Company continues to ensure that the plant and other facilities are operationally ready through its care and maintenance program to ensure efficient commissioning in the future. Site accommodations and catering are fully functional in readiness for the Company's personnel and mining contractors to commence on site.

### 2.2.3 Exploration

Murchison including Burnakura and Gabanintha together holds a substantial land package covering 170km<sup>2</sup> over highly prospective gold bearing Archean Greenstone terrane. In comparison, a significant standalone greenfield discovery would change the landscape of the Murchison Gold Project. A number of smaller shallow satellite deposits trucking distance to the Burnakura plant within the land holding may also provide additional resources to support to current Resource base at Gabanintha and Burnakura. Initial greenfield targets have been identified within the landholding by in-house Monument personnel and external consultants based on geophysical, geological and structural interpretations. These remain to be effectively explored for potential to host gold mineralization.

Fiscal 2022 commenced a 2-year exploration program, aiming to test potential significant additional resources to the current resource base: (1) testing down dip of high-grade mineralization generally underneath existing pits; (2) testing some of the high priority regional targets through greenfield exploration of the current land package at Burnakura and Gabanintha targeting the discovery of shallow stand alone or satellite gold deposits.

The phased exploration programs are designed and initiated to test the potential of these greenfield targets at Burnakura and Gabanintha, utilizing soil, RAB and AC as appropriate to collect geochemistry samples to ascertain the presence of gold mineralization of economic interest.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

### Burnakura

Monument commenced its Phase 1 AC and RC drill program on July 3<sup>rd</sup> 2021 and completed it by August 21<sup>st</sup> 2021. This first phase of drilling was designed to test new high quality structural targets beneath cover for potential mineralization that may lead to the identification of shallow stand alone or satellite gold deposits to supplement the current resource base. In addition, the drilling tested the strike continuation at Munro Bore Extension that is adjacent to Munro Bore (not owned by Monument).

A total of 46 RC holes for 3,465m were completed against a plan of 12 holes for 1,260m, comprised of 1,301m for the planned Munro Bore Extension and additional 2,164m for the FLC2 and FLC3 prospects that was originally planned in the phase two but was brought forward to take advantage of increased drill rig availability. The Munro Bore mineralized structure was able to be successfully delineated within Monument's tenement.

A total of 349 AC holes were completed for 10,484m at the Authaal East, Burnakura South and Junction targets against a plan of 430 AC holes for 16,680m at Munro Bore Extension, Banderol South and Junction. The targets were tested as planned except the eastern line of the Junction target was not drilled due to steep terrain. The depth to blade refusal was generally less than anticipated resulting in fewer metres drilled than originally planned. Drill holes were angled at 60 degrees and generally spaced at 25m with lines spaced at between 400m to 950m.

All samples were sent to ALS Geochemistry in Perth for analysis but may be assayed at other ALS laboratories within Australia. The final assay results are expected to be received by end of November 2021. Geological mapping and interpretation of the completed drilling is in progress, and subject to results obtained, follow up drill programs will be planned.

Phase 2 drill program which consists of over 5,500 metres of combined RC and diamond drilling targeting beneath open pits along the high-grade North of Alliance ("NOA") structure started on November 20, 2021.

### Gabanintha

A full review of all historical maps and reports is planned to be completed for the Gabanintha project. An initial review indicated there is a substantial amount of information that needs to be collated before regional exploration programs can be designed. Additional pit mapping and a structural interpretation of the main Gabanintha pit area will also be completed to assist in drill hole targeting underneath the existing pits.

### Tuckanarra

Odyssey Gold Ltd and Monument are joint venture partners for the Tuckanarra Project development. ODY has control over exploration by 80% and Monument has 20% free carried interest.

## 3. OVERVIEW OF FINANCIAL PERFORMANCE

### 3.1 SUMMARY

During the three months ended September 30, 2021, mill operations included processing Felda super low-grade oxide ore, Selinsing leachable sulphide ore, Peranggih oxide materials, and old tailings through the Selinsing Gold Plant. Processing was in transition from oxide ore production to leachable sulphide ore production. The production gross margin is expected to vary from time to time due to ore grade, recovery rates and volatile gold prices.

**Figure 8: Financial Highlights**

	Fiscal 2020			Fiscal 2021			Fiscal 2022	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues (000's)	6,606	11,618	5,404	5,919	6,835	4,397	6,085	2,383
<u>Weighted average gold price</u>								
London Fix PM (per ounce)	1,485	1,609	1,688	1,907	1,890	1,837	1,811	1,809
Monument realized (per ounce)	1,485	1,602	1,684	1,909	1,889	1,830	1,807	1,809
Net earnings (loss) before other items and tax (000's)	756	2,303	704	1,943	1,159	(396)	(1,009)	(755)
Earnings per share before other items and tax:								
- Basic	0.00	0.01	0.00	0.01	0.00	(0.00)	(0.00)	(0.00)
- Diluted	0.00	0.01	0.00	0.01	0.00	(0.00)	(0.00)	(0.00)
Net earnings (loss) after other items and tax (000's)	(1,076)	1,866	(1,273)	138	(649)	(96,104)	(2,702)	(1,267)
Earnings (loss) per share:								
- Basic	(0.00)	0.01	(0.00)	0.00	(0.00)	(0.30)	(0.01)	(0.00)
- Diluted	(0.00)	0.01	(0.00)	0.00	(0.00)	(0.30)	(0.01)	(0.00)

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

The quarterly financial results of the Company are outlined for the past eight quarters in Figure 8 above. The overall financial results of the Company reflect its income from gold mining operations, on-going corporate business development, administrative costs and other income or expenses such as foreign currency exchange gains or losses.

For the quarter ended September 30, 2021, net loss was \$1.27 million, or (\$0.00) per share (basic) compared to net income of \$0.14 million or \$0.00 per share (basic) of Q1 2021.

The change in net loss was attributable to the following factors:

- A dramatic decrease in income from mining operations due to lower grade ore mined and higher stripping ratio
- A decrease in interest income
- Higher corporate expenses

Partially offset by:

- A decrease in interest expenses
- A decrease in foreign exchange loss
- A decrease in tax expenses

### 3.2 Operating Results: Sales and Production Costs

#### Three months ended September 30, 2021

For the three months ended September 30, 2021, mining operations before non-cash amortization and depreciation generated a gross margin of \$0.35 million, a decrease of 89% from \$3.06 million of last year.

After deducting non-cash depletion and accretion of \$0.63 million (Q1 2021: \$0.76 million) and operation expenses of \$0.05 million (Q1 2021: \$0.03 million), loss from mining operations was \$0.75 million in the quarter as compared to income of \$1.94 million in the same quarter of last year.

Gold recovery decreased by 47% to 1,777oz (Q1 2021: 3,343oz) due to a lower ore grade and recovery rate of 0.54 g/t but a higher 65.0% (Q1 2021: 0.98 g/t and 63.6%) and a decrease in ore processed (156,611 tonnes as compared to 166,432 tonnes for Q1 2021).

Figure 9: Gross margin

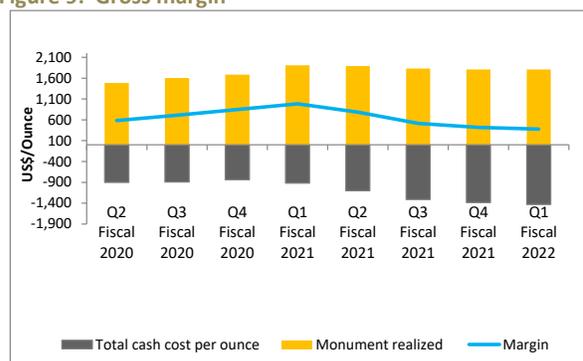
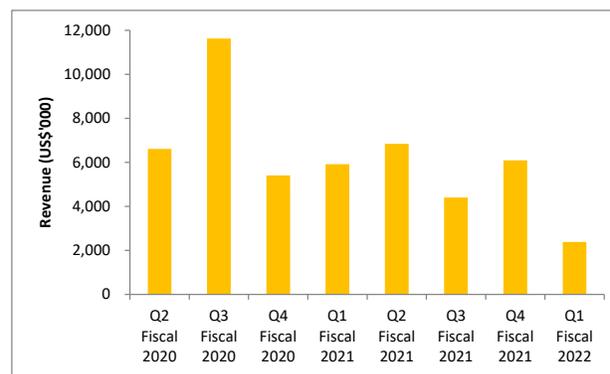


Figure 10: Selinsing Gold Mine: Revenue



#### Sales

Gold sales generated revenue of \$2.38 million as compared to \$5.92 million of last year.

Gold sales revenue was derived from the sale of 700oz (Q1 2021: 3,100oz) of gold at an average realized gold price of \$1,829 per ounce (Q1 2021: \$1,909 per ounce) excluding gold prepaid delivery. There were 723oz gold sale from prepaid delivery in this quarter at an average gold prepaid sale price of \$1,525 per ounce (Q1 2021: 723 oz at \$1,635 per ounce equivalent of gold loan repayment settled by gold prepaid delivery).

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

### Production Costs

Total production costs \$2.04 million as compared to \$2.86 million of the first quarter last year. Cash cost per ounce increased by 55% to \$1,430/oz from \$923/oz of last year. The increase was attributable to a 45% decrease in the mill feed grade from 0.98g/t to 0.54g/t only partially offset by an increase in recovery to 65.0% (Q1 2021: 63.6%).

Figure 11: Cash production costs by quarter

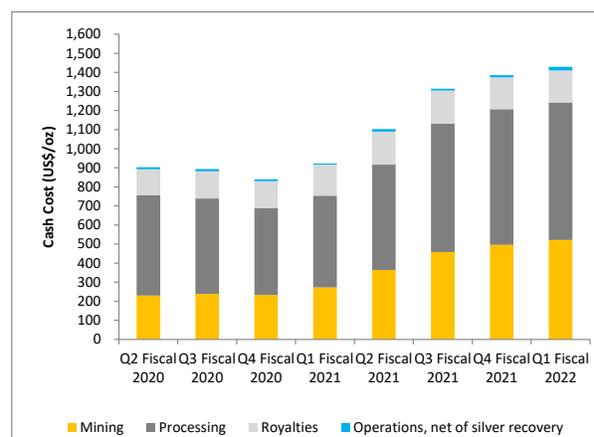


Figure 12: Production costs

	Three months ended	
	September 30, 2021	September 30, 2020
<b>Production cost breakdown ('000s)</b>	\$	\$
Mining	743	850
Processing	1,024	1,492
Royalties	239	504
Operations, net of silver recovery	29	14
<b>Total production costs</b>	<b>2,035</b>	<b>2,860</b>

### Mining

For the three months ended September 30, 2021 total mining cash costs were \$0.74 million as compared to \$0.85 million for last year. Mining production included: 74,972t of ore (three months ended September 30, 2020: 81,576t) at an average of 0.53 g/t as compared to 1.05 g/t. As a result, contained gold was significantly lower at 1,267 oz as compared to 2,602 oz for last year; and 1,942,334t of waste (three months ended September 30, 2020: 1,058,157t). Waste mined for the three months ended September 30, 2021 included 868,786t of operating waste, 274,173t of waste cutback at Selinsing and 799,375t of waste fill related to the TSF upgrade, as compared to 962,952t of operating waste, 46,933t of waste cutback at Selinsing and Felda and 48,272t of waste removed for the TSF upgrade for the first quarter last year. Based on high stripping ratio at Peranggih to access oxide materials and capital waste for TSF, the stripping ratio increased to 25.91 for the three months ended September 30, 2021, as compared to 12.97 of last year. The cost of waste fill related to TSF upgrade is capital in nature and is excluded in mining operating costs.

### Processing

For the three months ended September 30, 2021, total processing cash costs were \$1.02 million as compared to \$1.49 million of last year. The decrease was partly due to more efficient operation with reduced running hours and less personnel. In addition, the less ore processed at lower head grade even though with higher recovery rates resulted in lower volume of recovered gold being available for production and subsequent sale. Total ore processed decreased by 6% to 156,611 tonnes from 166,432 tonnes of the first quarter last year. Mill feed for the three months ended September 30, 2021 comprised of nil oxide ore from Selinsing and Buffalo Reef (three months ended September 30, 2020: 28,516t at a recovery of 56.0% vs 27,997t at a recovery of 67.6%) and 53,328t at a recovery of 44% leachable sulphide ore from Selinsing (49,337t at a recovery of 54.1%). In addition, 55,608t of materials from Peranggih were processed at a recovery of 77.0% (three months ended September 30, 2020: 2,712t at 78.0% recovery) and 46,020t of ore processed from Old Tailings at 76.0% recovery (three months ended September 30, 2020: 50,664t at 81.0% recovery). The contained gold in the mill feed and recoveries for the year to date of fiscal 2022 were significantly reduced: mill feed grade from 0.98g/t to 0.54g/t; but the recoveries increased from 63.6% in Q1 2021 to 65.0% in Q1 2022.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

### Royalties

For the three months ended September 30, 2021, total royalty cost decreased 53% to \$0.24 million as compared to \$0.50 million for last year, due to decreased production of gold and lower gold price. Royalties paid are affected by average gold spot prices and the amount of gold produced and sold in the period.

### Operation expenses

Due to the Covid-19 pandemic, Selinsing gold production was suspended for one week in July 2021 in compliance with the Movement Control Order ("MCO") issued by the Malaysian government. During the production suspension and transition period, the costs of maintaining idle capacity and essential services of \$0.05 million were expensed against the operations account for the three months ended September 30, 2021 (\$0.03 million for the first quarter of last year).

### Non-cash Costs

For the three months ended September 30, 2021, non-cash production expenses amounted to \$0.63 million (three months ended September 30, 2020: \$0.76 million). Included therein are depreciation and amortization of \$0.60 million (three months ended September 30, 2020: \$0.72 million) and accretion of asset retirement obligations of \$0.03 million (three months ended September 30, 2020: \$0.04 million).

## 3.3 Corporate General and Administrative

Figure 13: Corporate Costs (000's)

	Three months ended	
	September 30, 2021	September 30, 2020
	\$	\$
General and administration	260	178
Stock-based compensation	5	-
Legal, accounting and audit	56	96
Consulting fees	31	-
Shareholder communications	29	28
Travel	-	2
Regulatory compliance and filing	35	13
Amortization	11	11
<b>Total Corporate Costs</b>	<b>427</b>	<b>328</b>

Corporate expenses for the three months ended September 30, 2021 were \$0.43 million (three months ended September 30, 2020: \$0.33 million), \$0.10 million higher than last year, mainly attributable to the increase in salaries and wages and consulting fee during the quarter, which were only partially offset by the wage subsidy from Canadian Government due to COVID-19 pandemic.

## 3.4 Other (Loss) Income

For the three months ended September 30, 2021, interest expense was \$0.13 million, about \$0.3 million less than the interest expense in the same period of last year.

Foreign currency exchange loss was \$0.17 million or \$0.5 million less than that in the same period of last year.

## 3.5 Income Taxes

Income tax expense for the three months ended September 30, 2021 was \$0.22 million (three months ended September 30, 2020: \$0.71 million) comprising of current tax expense of \$0.01 million (three months ended September 30, 2020: \$0.39 million) and deferred tax expense of \$0.21 million (three months ended September 30, 2020: \$0.32 million).

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

### 4. LIQUIDITY AND FINANCIAL CONDITION

The Company's principal cash requirements are working capital used for business development, general administration, property maintenance and development, construction of gold treatment plant expansions, production operations at Selinsing and exploration. The Company's cash and cash equivalents as of September 30, 2021 was \$35.6 million a decrease of \$3 million from September 30, 2020. The Company's cash and cash equivalents primarily comprised of cash held with reputable financial institutions and are invested in cash accounts. The funds are not exposed to liquidity risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations. The Company's restricted cash of \$0.31 million (September 30, 2020: \$0.30 million) represented issued letters of credit and fixed deposits as guarantees for utilities, custom duties, and certain equipment.

The Company's cash flows from operating, financing, and investing activities during the three months ended September 30, 2021 are summarized as follows:

**Figure 14: Cash Flows from Operating, Investing and Financing Activities**

In US' 000s	Three months ended September 30, 2021 \$	Three months ended September 30, 2020 \$
<b>Cash provided from operating activities</b>	<b>23</b>	<b>747</b>
<b>Financing activities</b>		
Payment of finance lease obligations	(8)	(7)
<b>Cash used in financing activities</b>	<b>(8)</b>	<b>(7)</b>
<b>Investing activities</b>		
Selinsing Gold Portfolio	(2,591)	(389)
Murchison Gold Portfolio	(478)	(258)
Mengapur Project	-	(33)
Deposit received for Mengapur project sale	-	3,750
<b>Cash provided from (used in) investing activities</b>	<b>(3,069)</b>	<b>3,070</b>
Increase (decrease) in cash and cash equivalents	(3,054)	3,810
Cash and cash equivalents at the beginning of the period	38,623	10,125
<b>Cash and cash equivalents at the end of the period</b>	<b>35,569</b>	<b>13,935</b>
Cash and cash equivalents consist of:		
Cash	35,260	9,872
Restricted cash	309	4,063
	<b>35,569</b>	<b>13,935</b>

#### Cash generated by operating activities

For the three months ended September 30, 2021, the Selinsing Gold Mine generated net cash in operating activities of \$0.02 million, a decrease of \$0.72 million as compared to a generation of \$0.75 million in the same quarter of prior year. Net cash used in investing activities for the three months ended September 30, 2021 amounted to \$3.07 million (three months ended September 30, 2020: net cash provided of \$3.07 million). Cash and cash equivalents decreased by \$3.05 million as compared to an increase of \$3.81 million in the same quarter of prior year.

#### Cash (used in) generated by investing activities

For the three months ended September 30, 2021, cash used in investing activities represented \$2.59 million invested in Selinsing for sulphide project development (including phase 1 of the Flotation Plant construction) and tailings storage facility upgrades and cutbacks (three months ended September 30, 2020: \$0.39 million), \$0.48 million invested in Murchison exploration and evaluation projects.

#### Liquidity

Currents assets on September 30, 2021 were \$52.89 million (June 30, 2021: \$54.52 million). The decrease of \$1.67 million was primarily due to a decrease in cash and cash equivalents for \$3.05 million, partially offset by \$1.15 million higher in inventory and \$0.27 million higher in accounts and other receivables.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

Total assets on September 30, 2021 were \$143.1 million (June 30, 2021: \$141.78 million). The increase of \$1.32 million was due to an increase of \$2.18 million in the property, plant and equipment primarily related to Selinsing flotation plant and an increase in \$0.8 million increase in exploration and evaluation expenditure related to Peranggih and Murchison projects.

Current liabilities on September 30, 2021 were \$8.35 million (June 30, 2021: \$5.98 million). The increase of \$2.37 million was primarily due to an increase in accounts payable of \$3.77 million, partially offset by a decrease in deferred revenue of \$0.99 million for gold prepaid delivery in the next 4 months and a decrease of \$0.40 million in income tax payable.

Total liabilities on September 30, 2021 were \$17.47 million (June 30, 2021: \$14.90 million). The increase of \$2.57 million was primarily due to an increase in accounts payable and accrued liabilities of \$3.77 million.

On September 30, 2021, current assets exceeded current liabilities by \$44.53 million (June 30, 2021: \$48.54 million) demonstrating a strong net working capital position. The Company believes that this is sufficient to provide funding for shorter term items such as general administration, property care and maintenance, planned exploration, and day-to-day production at Selinsing as well as funding the Phase 1 of the Sulphide project that is now underway.

With respect to longer term capital expenditure funding requirements to ensure Company's long term growth, the Company considers the cash flow generated from its operations as its primary sources, complimented by the equity market when necessary as a source of funding for major capital projects. Another possible source of capital could be proceeds from the sale of non-core assets. These capital sources will enable the Company to maintain an appropriate overall liquidity position.

### 5. CAPITAL RESOURCES

#### Capital Resources

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to develop and operate its current projects and pursue strategic growth initiatives; and maintain a flexible capital structure which lowers its cost of capital.

The Company's capital resources as of September 30, 2021 included cash and cash equivalents. The Company's primary sources of funding are cash flow generated from the sale of gold, debt and equity financing as well as other financial arrangements that can be reasonably considered and available to provide financial resources to the Company. Those arrangements include \$7.00 million gold prepaid sale with Concept Capital Management, sale of 80% interest in Tuckanarra Gold Project and the spin-off of Mengapur Project.

The Company continues to assess the Burnakura early-stage production decision. Upon success, this would potentially allow the Company to generate a second source of cash flow from its Australian operations.

**Figure15: Commitments and Contingencies (000's)**

	2022	2023	2024	2025	2026	Total
	\$	\$	\$	\$	\$	\$
Lease commitments	12	-	-	-	-	12
Mineral property obligations	74	571	609	570	609	2,433
Purchase commitments						
Mine Operations	1,333	7	4	4	4	1,352
Flotation Construction	1,684	-	-	-	-	1,684
<b>Total</b>	<b>3,103</b>	<b>578</b>	<b>613</b>	<b>574</b>	<b>613</b>	<b>5,481</b>

Lease commitments relate to future contractually obligated payments of a long-term office lease recognized as a right-of-use asset. Mineral property obligations include exploration expenditures and levies mandated by relevant government authorities to keep tenements in good standing. Purchase commitments are mainly related to flotation plant construction and operations carried out in Malaysia and care and maintenance in Western Australia.

In addition to commitments outlined in the table above, the Company is obligated to deliver 964 ounces of gold related to the gold prepaid sale at 241 ounces of gold monthly until January 2022.

### 6. OFF BALANCE SHEET ARRANGEMENTS

None.

### 7. TRANSACTIONS WITH RELATED PARTIES

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

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

Figure 16: Key management compensation (000's)

	Three Months Ended	
	September 30, 2021	September 30, 2020
	\$	\$
Salaries	174	155
Directors' fees	33	36
<b>Total compensation</b>	<b>207</b>	<b>191</b>

Amount due to related parties as at September 30, 2021 was \$0.03 million (September 30, 2020: \$0.03 million) relating to director fees. Directors' fees are paid on a quarterly basis. Any unpaid amounts due to directors are recorded in accrued liabilities and are unsecured and bear no interest.

### 8. SUBSEQUENT EVENTS

None

### 9. PROPOSED TRANSACTIONS

None

### 10. CRITICAL ACCOUNTING ESTIMATES

Refer to Note 3 of the unaudited condensed interim consolidated financial statements as at September 30, 2021. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions that affect amounts reported. Significant estimates and areas where judgment is applied include: accounting for gold prepaid sale arrangements, purchase price allocation and valuation of deferred exploration assets, ore reserve and mineral resource estimates, determination of useful lives for property, plant and equipment, inventory valuation, exploration and evaluation expenditures, impairment of non-current assets, provision for reclamation and remediation obligations, deferred taxes, share-based payments, derivative assets and liabilities, determination of commencement of commercial production, title to mineral properties, realization of assets, functional currency, business combinations and own use contracts. Actual results could differ from the Company's use of estimates and judgements.

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

None.

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

The Company's financial instruments are classified and subsequently measured at amortized cost and include cash and cash equivalents, restricted cash, trade and other receivables, and accounts payable and accrued liabilities. Refer to the consolidated financial statements as at September 30, 2021 for the details of the financial statement classification and amounts of income, expenses, gains, and losses associated with the relevant instruments. Details provided include a discussion of the significant assumptions made in determining the fair value of financial instruments. The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk, and liquidity risk as outlined below.

#### Market risk

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

#### Foreign Currency risk

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

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

Based on the above net exposures as at September 30, 2021 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 \$0.28 million (three months ended September 30, 2020: \$0.13 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 \$0.01 million (three months ended September 30, 2020: increase/decrease \$0.01 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 \$0.06 million (three months ended September 30, 2020: increase/decrease \$0.01 million) in net income.

Figure 17: Monthly USD to CAD Exchange Rates

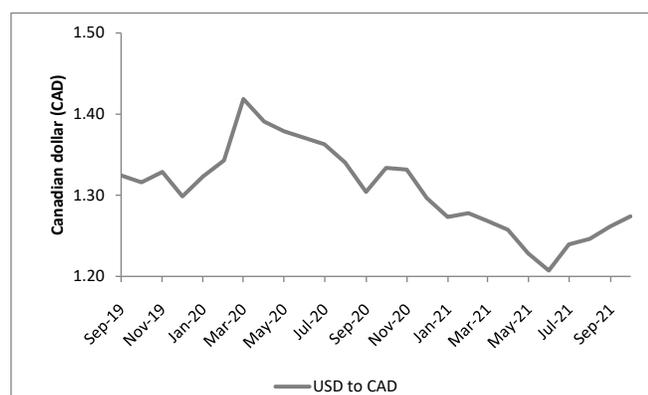
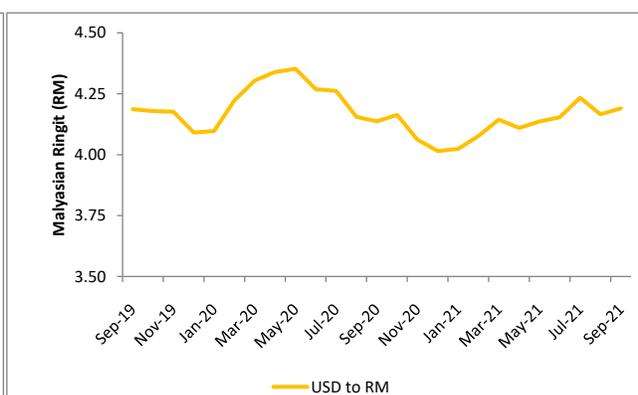


Figure 18: Monthly USD to RM Exchange Rates



### Commodity price risk

The Company's revenues and cash flows were impacted by the fluctuation of gold prices. For the three months ended September 30, 2021, gold prices fluctuated within the range of \$1,723 to \$1,829 per ounce (three months ended September 30, 2020: \$1,771 to \$2,067 per ounce) based on London Fix PM prices. The Company has not hedged its exposure to commodity price fluctuations.

### Interest rate risk

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

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

### Credit risk

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

The Company is exposed to concentration of credit risk with respect to cash, cash equivalents and cash held for sale of assets. The maximum exposure to credit risk is the carrying amounts as at September 30, 2021. An amount of \$0.40 million (Jun 30, 2021: \$1.09 million) is held with a Malaysian financial institution, \$1.10 million (June 30, 2021: \$1.96 million) with an Australian financial institution and \$33.97 million (June 30, 2021: \$35.57 million) is held with Canadian financial institutions. To mitigate exposure to credit risk, the Company has established policies to limit the concentration of credit risk to ensure counterparties demonstrate minimum acceptable credit worthiness and to ensure liquidity of available funds.

### Liquidity risk

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

### 13. OUTSTANDING SHARE DATA

The following details the share capital structure as at November 29, 2021, the date of this MD&A.

Figure 19: Share capital structure

Common shares	Quantity
Issued and outstanding	326,471,563

Restricted share units <sup>(1)</sup>	Quantity
	14,023,466

- (1) On April 8, 2021, the Company granted 1.7 million performance RSUs to its directors, officers pursuant to the RSU plan, and 0.5 million RSUs were redeemed in October 2021. These have brought up the total outstanding RSU to 14.0 million from 12.8 million, leaving 7.6 million shares reserved available for grant under the plan.

### 14. RISKS AND UNCERTAINTIES

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

Whether a mineral deposit, if ever discovered, will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade, and proximity to infrastructure together with the impact on mineability and recoverability as well as metal prices which are highly cyclical. Government regulations are significant factor to consider, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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

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

#### Title to mineral property interests

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

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

#### Realization of assets

Mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, obtaining permits, compliance with governmental requirements, potential aboriginal claims as well as achieving profitable production from the properties or from the proceeds of their disposal.

#### Reserves and resource estimates

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

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### Profitability from production

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

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

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

### Environmental

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

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

### Additional funding for mineral property pipelines

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

### Operation disruption caused by global pandemics

The Company's operations involve many risks including global pandemics which are inherent to the nature of the business, global economic trends and economic, environmental and social conditions in the geographical areas of operation. As a result, the Company is subject to a number of risks and uncertainties, each of which could disrupt or have an adverse effect on its operating results, business prospects or financial position. The Company continuously assesses and evaluates these risks, seeking to minimize them by implementing high operating and health standards and processes to identify, assess, report and monitor risk across the organization.

### Foreign operations

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

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

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

The regulations the Company shall comply with in Western Australia include, but not limited to, Mines Safety and Inspection Act 1994, Dangerous Goods Safety Act 2004, Environmental Protection Act 1986, Corporations Act – Corporations (Western Australia) Acts 1961

## MANAGEMENT'S DISCUSSION & ANALYSIS

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(in United States dollars, except where noted)

and 1981, Income Tax – Income Tax Act 1962, Fringe Benefit Tax Assessment Act 1986, Payroll Tax Assessment 2002, Goods & Services Act 1999, and Fair Work Act 2009.

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

### 15. NON-IFRS PERFORMANCE MEASURES

This Management's Discussion and Analysis refers to cash costs per ounce sold, weighted average gold price, all-in sustaining costs per ounce sold ("AISC"), 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 are 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.

#### Cash cost per ounce sold

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

The following table provides a reconciliation for the cash cost per ounce sold for the three months ended September 30, 2021 and September 30, 2020:

(In thousands of US dollars, except where noted)	Three months ended	
	September 30, 2021	September 30, 2020
Production costs	2,035	2,860
Divided by ounces of gold sold (oz)	1,423	3,100
<b>Total cash cost (US\$/oz)</b>	<b>1,430</b>	<b>923</b>

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### Weighted average gold price

The Company reports realized weighted average gold price and also London Fix PM weighted average gold price on a gold ounce sold basis. These non-IFRS performance measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Realized weighted average gold price is computed gross revenue divided by ounces of gold sold excluding the revenue and ounces of gold deliveries to fulfill the obligation of gold prepaid sale. London Fix PM weighted average gold price is calculated weighted average London Fix PM gold price on gold sales. The Company believes that realized weighted average gold price provides additional information of gross revenue on a gold ounce sold basis, which is compared to London Fix PM weighted average gold price as market benchmark.

### All-in sustaining cost per ounce

The Company reports all-in sustaining costs ("AISC") on a gold ounce sold basis. This performance measure has no standardized meaning and may not be comparable to similar measures presented by other issuers or used as a substitute for performance measures prepared in accordance with IFRS. The Company follows the 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. All-in sustaining costs are calculated by taking total cash costs and adding sustaining capital expenditures, corporate administrative expenses at the Selinsing Gold Mine including share-based compensation, exploration and evaluation costs, and accretion of asset retirement obligations. Sustaining capital expenditures are defined as those expenditures which do not increase annual gold ounce production at the Selinsing Gold Mine and exclude all expenditures for major growth or infrastructure projects and non-producing projects. Certain other cash expenditures, including tax payments and acquisition costs, are also excluded. The Company believes that this measure represents the total costs of producing gold from current operations and provides the Company and other stakeholders of the Company with additional information of the Company's operational performance and ability to generate cash flows.

The following table provides reconciliation for AISC of production at the Selinsing Gold Mine for the three months ended September 30, 2021 and September 30, 2020:

(In thousands of US dollars, except where noted)	Three months ended	
	September 30, 2021	September 30, 2020
Production costs	2,035	2,860
By-product silver recovery	1	4
Operation expenses	48	29
Corporate expenses	5	28
Accretion of asset retirement obligation	32	35
Exploration and evaluation expenditures	15	32
Sustaining capital expenditures	784	284
<b>All-in sustaining costs</b>	<b>2,920</b>	<b>3,272</b>
Divided by ounces of gold sold (oz)	1,423	3,100
<b>All-in sustaining costs per gold ounce sold (US\$/oz)</b>	<b>2,052</b>	<b>1,055</b>

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

### Disclosure controls and procedures

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended September 30, 2021

(in United States dollars, except where noted)

### CAUTION ON FORWARD LOOKING STATEMENTS

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

#### Other information

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