

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(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 September 23, 2022 should be read in conjunction with the consolidated financial statements of the Company for the year ended June 30, 2022 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").

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 Fiscal Year 2022 Highlights

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- Murchison Phase 2 drilling successfully completed subsequent to the year ended June 30, 2022 confirming continuity of gold mineralization at Burnakura;
- Selinsing Sulphide Project development 69% completion with delay in commissioning due to Shanghai COVID-19 shutdown and shipping;
- Selinsing mining rates were volatile primarily due to depletion of oxide ore transiting to sulphide production:
  - 7,091 ounces ("oz") of gold produced (FY2021: 10,282oz);
  - 8,016 ounces ("oz") of gold sold for \$14.44 million (FY2021: 12,850oz for \$23.24 million);
  - Average annual gold price realized at \$1,870/oz (FY2021: \$1,864/oz);
  - Cash cost per ounce sold was \$1,723/oz (FY2021: \$1,178/oz);
  - Gross margin decreased by 92% to \$0.63 million (FY2021: \$8.10 million);
  - All-in sustaining cost ("AISC") increased to \$2,175/oz (FY2021: \$1,425/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 June 30, 2022. The Selinsing Gold Mine is located in Pahang State, within the Central Gold Belt of Western Malaysia, and comprises the Selinsing, Buffalo Reef, Felda Land, Peranggih and Famehub projects. Murchison, comprised of the Burnakura and Gabanintha projects, and the Tuckanarra JV, is located in the Murchison region, Western Australia ("WA"), Australia.

Monument's primary business activities include gold mining production and exploration. 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 in 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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#### Corporate Strategies

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 to build up market awareness in order for the market to reflect the Company's value thus transforming the Company's upside potential to benefit its 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 in the market capitalization. Our strategy is to focus on these three areas through exploration, expansion, and disciplined acquisitions.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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The Company's near-term goals are summarized as follows:

- Convert the current oxide plant to a sulphide plant in a two-phase construction plan (flotation plant followed by BIOX<sup>®</sup> plant);
- Establish the Murchison Gold Project as a cornerstone gold development project by completing a two-year exploration program; and
- Proceed with a disciplined acquisition to increase the Company's gold production profile.

The achievement of the above goals relies on available financial resources and other conditions. For more than a decade the Company's development has primarily depended on cash generated by oxide 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 return to its historical production levels through the new life of mine. It is also critical for the Company to develop its Murchison Gold Project into a cornerstone producing asset that will reduce its reliance on a single cash generating operation: success in exploration for new gold discoveries 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 in April 2021 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 for gold related products. During the fiscal year 2022, the Company closely evaluated and monitored impact from the volatile global economic environment after the shock of the Russia-Ukraine war, and disruption of the worldwide supply chain triggered by Shanghai lock down. This slowed down the completion of Selinsing flotation construction/commissioning and commencement of ramp up to a full production.

### General Operations

Following consolidation of its asset portfolio through the sale of the Mengapur base metal project in fiscal 2021, the fiscal year 2022 saw the continuing focus of implementation of the corporate strategies to advance exploration at the Murchison Gold Project for new gold discovery and flotation plant construction at the Selinsing Gold Mine to achieve gold concentrate production and extend the life of mine. Phase 1 and Phase 2 exploration drilling were carried out at the Burnakura project, a primary gold project in the Murchison Gold Portfolio.

At Murchison, the Phase 1 drilling completed in January 2022 aimed at discovery of new economic gold mineralization from the existing Mineral Resource, which led to the discovery of a high-grade near surface 'Junction Target' supportive of the Company's strategy. The Phase 2 Reverse Circulation ("RC") drilling program was completed in April 2022 with significant drill intercepts and completed subsequent to the end of the year, confirmed extensions to known mineralization of the existing resources at Burnakura with the high potential to enhance its scale and economics.

Overall Selinsing Sulphide Project Development completed 69% by fiscal year 2022 including project management, engineering design, procurement, construction and commissioning, and mine development. Flotation plant construction achieved 65% completion as of June 30, 2022. During Q4 2022 civil work for the flotation plant foundation 100% completed, followed by structure work with 75% completion, of which structural steel work at flotation and reagent areas were fully completed. Other major progress in construction included piping and mechanical equipment installation. The completion of flotation plant construction was originally targeted in June 2022 and was rescheduled towards the end of September 2022 due to Shanghai COVID-19 lockdown. However, the shipment of the flotation concentrate pressure filter was only departed from the US port in late September 2022 subsequent to the year end. This has further postponed commissioning to November 2022. The mine development has completed 71%, Buffalo Reef pre-stripping started shortly after the year ended June 30, 2022.

The gross margin was break-even for fiscal 2022 from Selinsing gold production, which continues to be volatile due to depletion of the oxide ore, and leachable sulphide ore were treated by the oxide process with lower recoveries and volatile. This has been further impacted by heavy rainfall during the monsoon season that continued into the fourth quarter with local rivers flooding. Peranggih mineralized materials were hauled to the mill when thought economic, which were not defined as resources, such operation was put on hold in April 2022. The operation consumed cash of \$4.55 million for the fiscal year 2022, compared to the positive operating cash flow of \$1.65 million last fiscal year. Total cash drawn for investment activities for fiscal year 2022 totaled \$12.99 million including exploration, mine development and flotation construction. Lease payments under financial activities were \$0.04 million for the fiscal year 2022 as compared to \$0.04 million for last fiscal year. The cash balance was down to \$21.04 million as of June 30, 2022 from \$38.62 million as of June 30, 2021.

Until the flotation plant is operational, both oxide and transitional sulphide materials will continue to be processed through the existing oxide plant, and therefore past production cannot be used as an indicator 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. It is planned that the BIOX<sup>®</sup> plant will be added to the treatment process to produce gold bullion if a niche market can be established.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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### 1.3.1 Project Development

#### Flotation Plant Project

FY2022 project development was focused on completion of the 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 upgrading of tailing storage facilities, pit push backs, river diversion, and pre-stripping, which is estimated to cost up to \$20 million.

As of June 30 2022, 69% of the overall project has been completed with cost incurred of \$10.46 million.

During the fourth quarter ended June 30, 2022, the civil foundation work completed at the flotation area, reagent area, concentrate thickener area which is in line with the budget. Structure steel work has initiated and continued for the filter, water recovery thickener, water services facilities, screening and conditioning tower, flocculants plant, and the concentrate thickener areas with 75% completion. The piping work has begun with 60% completion. The equipment installation for flotation cell is nearly completed while the reagent agitator and tank installation has been completed.

During the fourth quarter of 2022 procurement for flotation plant construction has delivered and installed the long lead item of the flotation cells, agitators, pumps, thickeners. A major delay was encountered from several long lead components which were held up at the factory and at the Shanghai international port due to Shanghai COVID-19 shutdown. Of which the gear box and bridge assemble work have been completed and shipped to the Selinsing site subsequent to the year end in September 2022. However, the delivery of the fabricated concentrate filter was further delayed due to shipment blockage and an arrival is expected in mid of November 2022. Completion of commissioning is anticipated in late November 2022.

#### Tailing Storage Facility (TSF) Upgrade:

The TSF level needs to be raised to 540m RL level to accommodate flotation plant operation for about 3 years. The TSF upgrade, which started in February 2021, continued with 92.3% completion to 537m RL by the end of Q3. The work has been put on hold in January 2022 since the current capacity will be adequate for production until May 2023. Further construction will recommence in early 2023.

#### Murchison Project Development

No mine development was planned during the fourth 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 when production is restarted. Site accommodation and catering facilities are fully functional to host administrative, exploration and mining activities.

### 1.3.2 Production

The challenges of the COVID-19 pandemic continued to be felt through fiscal year 2022. In May 2022, all mandatory COVID-19 protocols were relaxed. Surgical face mask wearing was still encouraged in crowded areas or in buildings. The site recorded 12 positive cases in the fourth quarter, and no employee was placed into quarantine due to close contact.

Mining in the fourth quarter continued to deliver transitional leachable sulphide ore from Selinsing Pit 4 South West cutback, West and Bottom pits, and oxide mineralized materials from Peranggih. Mining was stopped in Peranggih in April 2022. Some old tailings were dry mined to offset the underperformance of mining at Selinsing Pit 4 and Peranggih. For the fiscal year 2022, a total 355,519 tonnes of ore were mined (FY2021: 427,528 tonnes), with 198,689 tonnes from Selinsing (FY2021: 259,459 tonnes), 4,205 tonnes from Buffalo Reef (FY2021: 28,299 tonnes), nil tonnes from Felda Block 7 (FY2021: 12,365 tonnes), and 152,625 tonnes of oxide mineralized materials from Peranggih (FY2021: 127,405 tonnes).

Mining rates were continuously impacted by heavy rains and west slope failure. The Peranggih operation was continued for a short period and was placed on hold pending a road haulage permitting in April 2022. Production has been focused on Selinsing Pit 4 areas since then. For fiscal year 2022, mill feed decreased by 6% to 544,003 tonnes (FY2021: 579,569 tonnes) but the average head grade was lower at 0.69g/t (FY2021: 0.84g/t), and an improved recovery of 62.7% (FY2021: 60.8%). Gold recovered was 7,564oz (FY2021: 9,517oz) and gold production was 7,091oz (FY2021: 10,282oz).

For the fiscal year 2022, a total of 8,016oz of gold were sold for gross revenue of \$14.44 million (FY2021: 12,850oz for \$23.24 million), of which 6,329oz sold at an average realized price of \$1,870 per ounce from production (FY2021: 10,700oz at \$1,864 per ounce), 1,687oz at \$1,545 per ounce from gold prepaid delivery (FY2021: 2,150oz at \$1,525 per ounce from gold prepaid delivery).

Gross margin from mining operations for the year was \$0.63 million (FY2021: \$8.10 million) before operating expenses, non-cash depreciation and accretion expenses of \$4.18 million (FY2021: \$4.54 million). The loss from mining operations was \$3.55 million (FY2021: \$3.56 million income) and the net loss was \$6.50 million (FY2021: \$99.32 million net loss).

Total cash spent on project development for the fiscal year 2022 was \$12.99 million (FY2021: \$4.95 million) of which \$2.97 million (FY2021: \$2.80 million) was at Selinsing and Peranggih to sustain production, \$7.38 million (FY2021: \$0.59 million) for Phase I of the Sulphide Project

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

development, \$0.39 million for property fees at Buffalo Reef and sampling and geology mainly at Peranggih and Selinsing (FY2021: \$0.29 million), and \$2.26 million (FY2021: \$1.15 million) at Murchison, including \$0.59 million for care and maintenance, \$1.56 million for exploration and \$0.10 million for plant maintenance.

Cash cost per ounce sold increased by 46% to \$1,723 per ounce for the year ended June 30, 2022 from \$1,178 per ounce last year, was due to higher waste tonnage moved, increased in mining and processing costs caused by harder, low-grade leachable sulphide material as well as higher repair and maintenance costs including fixing heat exchanger failure. An increase in costs related to pit dewatering, road clearing, slope repair and trimming, and pond desilting work, especially after the heavy rain, and additional costs to haul Peranggih ore from a longer distance. This was slightly offset by an improved recovery.

All in sustaining cost was increased to \$2,175/oz for the year from \$1,425/oz last year due to high pre-stripping at Peranggih locating mineable materials and cut back at Pit 4.

Production and financial results for the three months and year ended June 30, 2022, are summarized in Figure 1 below:

**Figure 1: Operating and Financial Results**

Selinsing, Felda Block 7, Buffalo Reef		Three months ended		Year ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Operating results</b>	Unit				
Ore mined	t	91,958	72,074	355,519	427,528
Waste removed <sup>(1)</sup>	t	686,423	687,255	5,593,875	3,639,490
Stripping ratio		7.46	9.54	15.73	8.51
Ore stockpiled	t	95,314	127,095	95,314	127,095
Ore processed	t	119,409	94,940	544,003	579,569
Average ore head grade	g/t Au	0.95	0.72	0.69	0.84
Process recovery rate	%	54.7	64.3	62.7	60.8
Gold recovery	oz	1,998	1,404	7,564	9,517
Gold production	oz	1,942	1,838	7,091	10,282
Gold sold	oz	450	3,473	8,016	12,850
<b>Financial results</b>					
Gold sales	US\$'000	851	6,085	14,440	23,236
Gross margin	US\$'000	274	1,270	629	8,103
<u>Weighted average gold price</u>					
London Fix PM	US\$/oz	1,873	1,811	1,868	1,866
Monument realized <sup>(2)(5)</sup>	US\$/oz	1,890	1,812	1,870	1,864
<u>Cash costs per ounce sold</u> <sup>(3)(5)</sup>					
Total cash cost per ounce	US\$/oz	1,282	1,386	1,723	1,178
<u>All-in sustaining costs per ounce</u> <sup>(4)(5)</sup>					
Total all-in sustaining cost per ounce	US\$/oz	2,221	1,647	2,175	1,425

- (1) Waste removed of 5,593,875t for the year ended June 30, 2022 includes 3,542,251t operating waste, 1,323,594t for TSF construction fill and 728,030t used for cutback (For the year ended June 30, 2021, waste removed of 3,639,490t included 2,909,035t operating waste, 312,537t for cutback and 417,918t 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 \$1,870/oz for the year months ended June 30, 2022, excluding 1,687oz gold prepaid delivery during the period. For comparison purposes, Monument realized a weighted average gold price of \$1,864/oz for the year ended June 30, 2021, excluding 2,150oz 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".

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

Figure 2: Gold production and cash costs per ounce

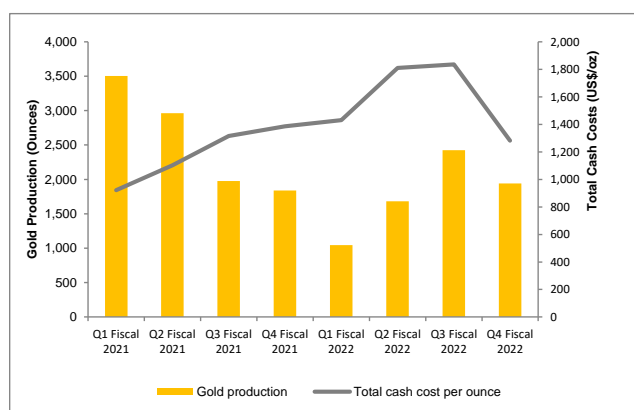
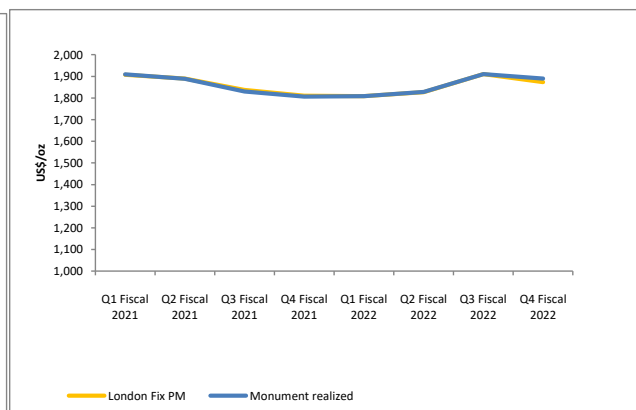


Figure 3: Quarterly Average Gold Price



## 1.3.3 Exploration

### Malaysia

No significant exploration activities were conducted at Selinsing and Buffalo Reef during the fiscal year 2022 except for geological mapping exercise and grab sampling collection.

During fiscal year 2022, the Company continued to place grade control drilling at Peranggih, intended to locate mineable material to provide additional Selinsing mill feed.

During fiscal year 2022, 1,200m over 25 holes were drilled at Peranggih to a maximum depth of 70m, at 20m by 20m spacing, targeting a steeply dipping high-grade mineralized structure. Approximately 70% of holes have hit gold mineralization above an oxide cut-off (>0.35g/t Au) at less than 50m below the surface, defining a mineralized zone 830m long and 60m wide. During the fourth quarter FY2022, 66 channel samples and 131 grab/float samples were collected, which tested extensions to known mineralization at Peranggih and 76 grab/float samples at Selinsing.

A total of 260m RC drilling was proposed to define an extension of the ore body at the southern zone of Pit 4 and eastern zone of Pit 6 was approved and started shortly after the year ended June 30, 2022.

The areas where the materials were considered economically mineable through the above drilling were included into the mining plan and the costs of mining were classified to mineral properties, subsequently the net profits were included in the income statement.

### Western Australia

During fiscal year 2022, as part of a two-year exploration program to test the potential for additional gold discovery, the Company commenced Phase 1 and Phase 2 drilling programs in July 2021 and November 2021 respectively at Burnakura, following the completion of a successful Phase 1 program in August 2021. Phase 2 drilling was completed in April 2022. The Company has tested greenfield targets and extensions to known mineralized structures, and successfully achieved initial objectives with the Phase 1 Junction target discovery and the Phase 2 drilling confirmation of gold mineralization extensions at depth at the NOA group of deposits highlighting the opportunity to grow the Murchison Project organically. The results from the programs continue to support the Company's strategy that potentially could lead to extension economic mineralization beyond the existing Mineral Resource and to new discoveries within the Burnakura Project area.

A total of 46 RC holes for 3,465m were completed and a total of 349 AC holes were completed for 10,484m for Phase 1 drilling program and a combined 18 RC and DD holes for a total of 5,595m were completed for Phase 2 drilling during the year covering the Munro Bore Extension target, FLC2 and FLC3 prospects, newly discovered Junction Target, and NOA group.

## 1.4 FY2022 Activity Highlights

- On July 5, 2021, Monument announced that the Selinsing Gold Mine had resumed production after the 7-week mining ban according to the Movement Control Order ("MCO"). 80% of staff were allowed at the site, while the MCO moved to Phase 2.
- On July 6, 2021, the Company announced that the independent flotation test work undertaken at Bureau Veritas Laboratory in Perth had successfully replicated the positive results achieved by the on-site metallurgical laboratory to produce a marketable gold concentrate at the Selinsing Gold Mine.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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- 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 was planned for 18,000 meters and combines aircore ("AC") and RC drilling, being 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 AC and RC drill program at its Murchison Gold Project in Western Australia. All samples were dispatched from site and received by ALS Geochemistry, Perth, Western Australia.
- 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 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 had 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 a northwest striking shear structure.
- On December 15, 2021, the Company announced the commencement of the Phase 2 drilling program at its Murchison Gold Project in Western Australia, which is targeting down dip and down plunge extension of known high grade deposits, some of which were mined historically. A total 5,546 drill meters were planned combining reverse circulation ("RC") and diamond drilling ("DD") targeting completion by February 2022.
- On January 19, 2022, the Company announced the results from the Phase 1 drilling program at its Murchison Gold Project, which included the discovery of the new 'Junction Target', where AC drilling intersected gold under transported cover in association with a significant shear zone and no known historical drilling or surface sampling.
- On March 9, 2022, Monument announced the ground-breaking ceremony at Selinsing for the flotation plant construction.
- On May 30, 2022, significant high grade drill intercepts were announced from the Phase 2 drilling, that strengthen our resolve that the NOA structure is highly prospective with the potential to expand and upgrade the existing Mineral Resource, which remains open at depth.
- On June 3, 2022, the Company announced the Royal visit to the Selinsing site in Malaysia that strengthens its relationship with the state government.
- On September 23, 2022, the Company announced the Diamond Drilling Results that confirmed the extension of gold mineralization, including high grades of up to **17.8g/t gold**, for more than 150m vertical depth below the current Mineral Resource at the NOA group of deposits. Phase 2 drilling program therefore is completed.

## 2. PROJECT UPDATE

### 2.1 Selinsing Gold Portfolio

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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 1.0 million tonnes per annum gold processing plant is situated at the Selinsing site, which provides easy access to all 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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

Famehub was acquired in September 2010 and covers an area of approximately 32,000 acres of prospective exploration land to the north of Buffalo Reef and east of the Selinsing Gold Mine. Snowden completed a NI 43-101 Technical Report on 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 strategic exploration 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 NI 43-101 Report dated January 31, 2019, the Company has Proven and Probable Mineral Reserves of 5.7 million tonnes at the 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	<b>1,310</b>	<b>0.51</b>	<b>21</b>
Probable**	991	0.91	29	757	1.72	41.9	2,680	2.03	175.1	<b>4,428</b>	<b>1.73</b>	<b>246</b>
P+P	2,256	0.67	48	757	1.72	42	2,725	2.02	177	<b>5,738</b>	<b>1.45</b>	<b>267</b>

\*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.

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 of 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:

During the year, mining activities were carried out at Selinsing Pit 4 South West, Pit 4 West, Pit 4 Bottom, Buffalo Reef C2 and Peranggih. Excavation of the river diversion at Buffalo Reef BRC3 pit was postponed prioritizing the ore delivery. Ore production was from transitional leachable sulphide ore at Selinsing pits, blended with oxide ore from old tailings and oxide mineralized materials from Peranggih, 2,132

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

tonnes of non-leachable sulphide materials were also mined at Peranggih during this fiscal year. High stripping ratio for the fiscal year 2022 was attributed to Selinsing Pit 4 cutback to access to ore, and Peranggih stripping activities. A portion of the waste was redirected for TSF construction.

Total materials mined for the year increased by 46% to 5,949,394 tonnes from 4,067,018 tonnes last year largely due to pre-stripping at Peranggih to access the mineable materials to top up the mill feed, waste for TSF construction, cut back at the Selinsing Pit 4 and river diversion construction. The stripping ratio increased by 85% to 15.73 from 8.51 last year. Ore mined decreased by 17% to 355,519 tonnes from 427,528 tonnes.

Total mining costs increased by 8% to \$5.51 million during fiscal year FY2022 (FY2021: \$5.10 million) (Figure 12) primarily due to the increase in haulage distance and high stripping ratio from Peranggih to the plant and hardness of rocks at Selinsing Pit 4.

Peranggih has no mineral resources being defined. Mining activities are carried out to extract potentially economic mineable materials based on grade control models. Mineralised material at Peranggih is continually being tested through close spaced drilling as a potential source of immediate oxide feed to the existing plant. Once the qualified mineralized materials are extracted and fed into the mill, the associated exploration costs are transferred from the evaluation and exploration account to the mineral property and are amortized over the processing period on unit of production basis. The mining production was put on hold temporarily pending haul road permitting in April 2022.

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

Ore stockpiles fell to 95,314 tonnes as of June 30, 2022 compared to 127,095 tonnes for last year mainly due to the adverse impact of rainfall and flooding, delays in issuing blasting permit, and COVID-19 restrictions resulting in a lower mining rate. Given that stockpile levels were already low due to the impact of the COVID-19 pandemic, restoring them to a more appropriate level is a priority for the Company.

## Processing:

Referring to Figure 1 Operating and Financial Results, processing throughput tonnage was 6% lower in FY2022 compared to the last year at 544,003 tonnes from 579,569 tonnes. This was caused by a significant reduction of stockpiled ore and a shortage of ore mined due to heavy rain during the year. Overall mill availability, utilization and efficiency were 90.1%, 74.9% and 67.5% respectively in FY2022 compared to 95.2%, 76.4% and 72.7% last year.

Total ore feed in FY2022 had an average head grade of 0.69 g/t Au as compared to 0.84 g/t Au last year due to lower grades from Selinsing leachable sulphide ore and Peranggih mineralized materials. As a result, gold recovery was lower at 7,564oz as compared to 9,517oz last year.

Total processing costs were \$6.82 million in fiscal year 2022 as compared to \$7.73 million last year as a result of lower mill feed although cost per tonne processed increased slightly to \$13.66/t from \$13.46/t, or 2% higher than previous year. The process recovery rate of 62.7% for fiscal year 2022 was higher than 60.8% last year. The unit cost was slightly higher than last year due to more leachable sulphide ore, higher consumables and ore processed at a much lower grade.

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

Figure 4: Gold production and cash costs per ounce

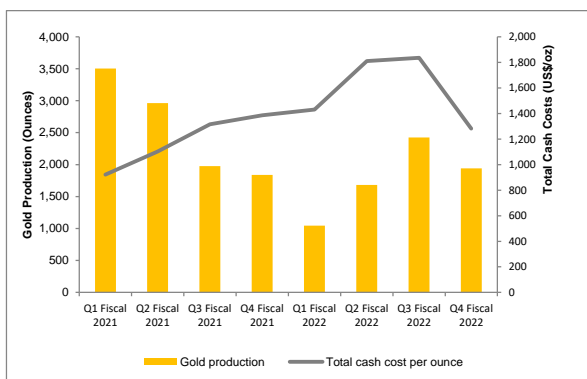
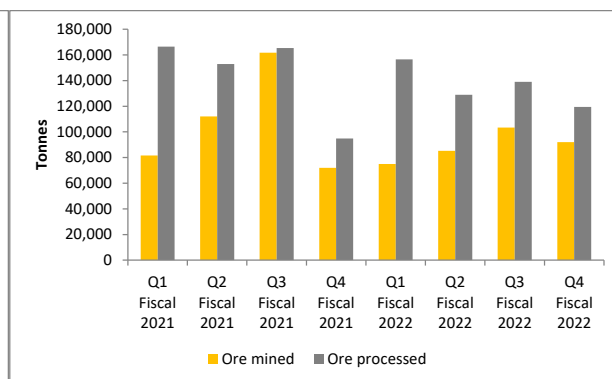


Figure 5: Selinsing Gold Mine: Operating Metrics





## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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### 2.1.3 Development

Project development work at Selinsing includes the Sulphide flotation plant construction, TSF development/mining cutback, river diversion, and test work for oxide mining assessment at Peranggih.

#### Selinsing sulphide project development

As of June 30, 2022, total expenditures of \$10.46 million have been incurred for the Selinsing Sulphide Plant upgrade at Selinsing Gold Mine, including a \$0.77 million adjustment due to the reallocation of TSF expenditure from the last fiscal year.

The Sulphide project development comprises the Stage 1 Flotation plant project and Stage 2 BIOX<sup>®</sup> leaching plant. Flotation plant project development includes project management, project validation, flotation design and engineering, procurement, construction and commissioning.

**Engineering Design:** 100% of the flotation plant detail engineering design work has been completed by Mincore Pte Ltd and shop detailing design of earthing and lightning conductor work for power supply upgrade is underway.

**Procurement** of all major and long lead equipment was completed. Fabrication is progressing well in the seller's workshop and equipment is scheduled to be delivered according to the contract schedule. The Company is actively managing the shipping and logistics risks associated with the global logistics shortage, and equipment delivery delays.

#### **R&D Work:**

Flotation tests were carried out on samples of old stockpiles of transition ore that will be processed during commissioning and early ramp-up. Rougher recoveries of 75-85% were achieved with cleaner recoveries of typically 50-60%. The flotation tailings of transition ore are under consideration of storing for future Carbon-in-Leach ("CIL") processing.

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

As of June 30, 2022, the retaining wall extension in the flotation area was completed and the concrete foundations and floor slab for the reagents building were poured. Structural steel for the reagents building was delivered and erected; reagent mixing and storage tanks were also delivered and installed. Remaining steel structure work at the screening & conditioning tower, concentrate thickener are planned to complete shortly after June 30, 2022. The plant construction work has been largely completed with completion of foundation work at flotation area, reagents area, concentrate thickener area and pipe rack. Other foundation work at filter press building, water recovery thickener and flocculants plant area are in progress to complete shortly after June 30, 2022.

An application to add the sulphide processing circuit to the existing CIL processing plant operation and an amended EIA was approved by the Department of Environment ("DOE") on September 29, 2021. A revised environmental management plan that includes the sulphide processing was submitted to the DOE in prior quarter and it is under the approval process by DOE.

The production of flotation concentrate is expected to commence as soon as the flotation cells, concentrate thickener and filter press are under commissioning stage, the completion and delivery of which has been impacted by the Shanghai COVID-19 lockdown.

**Mine development:** Total TSF expansion progressed 92.3%, reaching the 537m RL, providing adequate capacity until May 2023. During the fiscal year ended June 30, 2022, the TSF expansion was put on hold and a monitoring program has been reviewed and put in place. The remaining work to complete for 540m RL level will continue after commencement of production.

Pre-stripping started shortly after June 30, 2022.

### 2.1.4 Exploration

The exploration activities will be resumed after the Selinsing sulphide flotation plant is placed into production.

Total exploration expenditures, aimed to identify additional mill feed materials and excluding development activities at the Selinsing Gold Portfolio for the fiscal year ended June 30, 2022 were \$0.39 million.

During fiscal year 2022, drilling conducted mainly at Peranggih for resource definition, resource extension utilizing in the house rigs. No significant exploration activities were conducted at Selinsing and Buffalo Reef except for geological mapping exercise and grab sampling collection.

The Company has established the Peranggih deposit as a highly prospective oxide exploration target and source of oxide feed to the current processing plant. Geological evidence indicates that Peranggih occurs in the same regional shear structure hosting the 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, bulk sampling and results from the recently completed drilling program showed encouraging results.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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A total of 260m RC drilling was proposed to define an extension of the ore body at the southern zone of Selinsing Pit 4 and eastern zone of Pit 6 started shortly after the year ended June 30, 2022.

### 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, 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.

During the year ended June 30, 2022, one lost time injury was recorded but there were twenty-five accidents/incidents recorded and 106 positive COVID-19 cases at the Selinsing operation. All reported incidents were shared among staff at safety toolbox meetings. Routine safety inspections were carried out at mining, plant, laboratory and warehouse by the HSE department. Third party consultants carried out environmental monitoring throughout the year.

## 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 carried interest. The portfolio is located in the Murchison Gold Field, a highly prospective historical gold province within the Murchison District of Western Australia. Burnakura and Gabanintha are located 40km southeast of Meekatharra, and 765km northeast of Perth. Tuckanarra is located approximately 40km southwest of Burnakura. The Murchison Gold Portfolio includes a number of mining and exploration tenements and lease applications covering approximately 230 square kilometres (including the whole area of Tuckanarra which Monument has a 20% free carry interest) prospective for resource extension, 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 into administration.

### 2.2.1 Mineral Resources

The Murchison Gold Project consisted of a historical Indicated Mineral Resource of 300koz Au, and a historical Inferred Mineral Resource of 344koz Au 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 contains a total of 81koz of this historical resource. The Company believes that the quality of the data supporting the Mineral 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 NI 43-101 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 (Figure 6). 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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(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 is aimed at identifying and testing both regional exploration targets away from known mineralization, and also extensions to existing resources, while continuing to assess early production opportunities.

A mine plan was completed by management and an independent review conducted by SRK during FY2021, with the recommendations received by the board in May 2021. The scope of the SRK review had been extended to cover geotechnics, hydrology, environmental compliance, in addition to resource modelling, pit optimization, mine scheduling, and metallurgical recoveries study. From this, the decision was made to identify further exploration targets and extend exploration program.

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 when a restart is approved.

### 2.2.3 Exploration

Monument's wholly-owned Burnakura and Gabanintha projects together cover approximately 160 km<sup>2</sup> of highly prospective gold-bearing Archean Greenstone terrane, and a significant standalone greenfield discovery would materially change the scope of the Murchison Gold Project. Alternatively, a number of smaller, shallow, satellite deposits within trucking distance of the Burnakura plant could also provide meaningful additions to the Company's existing Mineral Resource base. Initial greenfield targets have been identified within the Company's tenements by Monument personnel and external consultants, based on geophysical, geological and structural interpretations, and some of these were tested in the Phase 1 drilling program completed this fiscal year.

A two-year exploration program began in FY2022 to explore for significant new resources to add to the current resource base: (1) 'Phased 1': tested several highly prospective greenfield exploration targets where limited or no historical drilling had occurred within the current Burnakura and Gabanintha land packages and targeting the discovery of shallow stand alone or satellite gold deposits; and (2) 'Phase 2': testing down dip and down plunge extensions of high-grade mineralization of known Mineral Resources, generally underneath historic pits.

#### Burnakura

As part of a two-year exploration drilling program at Burnakura, one of the primary Murchison Gold Projects in the Meekatharra area,

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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Western Australia, the Company commenced Phase 1 and Phased 2 drilling program in July 2021 and November 2021 respectively, following the completion of a successful Phase 1 program in August 2021. The two-year program was to test the potential of the Murchison properties for additional gold discovery.

The Phase 1 drilling program focused on unexplored areas to the south of Burnakura, whilst the Phase 2 program aimed to target down-dip and plunge extensions of known high-grade deposits, some of which have been historically mined.

Monument commenced its Phase 1 AC and RC drill program on July 3, 2021 and completed it by August 21, 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, adjacent to the Munro Bore deposit (not owned by Monument).

The Phase 2 program commenced in November 2021 and drilling was completed in April 2022 which consists of approximately 5,500m of combined RC and DD drilling targeting the underground potential of historic Open Pits along the highly prospective North of Alliance ("NOA") mineralized structural corridor.

### 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 (ODY) 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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

### 3. OVERVIEW OF FINANCIAL PERFORMANCE

#### 3.1 SUMMARY

During the year ended June 30, 2022, mill operations included processing mainly Selinsing leachable sulphide ore, Peranggih oxide materials, and old tailings through the Selinsing Gold Plant. Processing is currently in transition from oxide ore production to leachable sulphide ore production, and during this period the operational gross margin is expected to vary due to ore grade, recovery rates and volatile gold prices.

**Figure 7: Selected Annual Information**

Balance Sheet (in thousands of US dollars)	June 30, 2022	June 30, 2021	June 30, 2020
	\$	\$	\$
Current assets	35,603	54,522	25,121
Non-current assets	98,422	87,254	222,458
<b>Total assets</b>	<b>134,025</b>	<b>141,776</b>	<b>247,579</b>
Current liabilities	5,272	5,983	6,335
Non-current liabilities	8,317	8,915	14,823
Equity attributable to shareholders	120,436	126,878	226,421
<b>Total liabilities and shareholders' equity</b>	<b>134,025</b>	<b>141,776</b>	<b>247,579</b>
<b>Working capital (including restricted cash)</b>	<b>30,331</b>	<b>48,539</b>	<b>18,786</b>
Income Statement (in thousands of US dollars)	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2020
	\$	\$	\$
Revenue	14,440	23,236	29,971
Production costs	(13,811)	(15,133)	(17,027)
Operation Expenses	(48)	(593)	(770)
Accretion, depletion and amortization	(4,133)	(3,943)	(5,691)
Corporate expenses	(1,626)	(1,871)	(1,974)
Loss from other items	(1,582)	(99,734)	(1,955)
Income tax recoveries (expenses)	263	(1,280)	(2,829)
<b>Net Loss</b>	<b>(6,497)</b>	<b>(99,318)</b>	<b>(275)</b>
<b>Loss per share (basic)</b>	<b>(\$0.02)</b>	<b>(\$0.31)</b>	<b>(\$0.00)</b>
<b>Loss per share (diluted)</b>	<b>(\$0.02)</b>	<b>(\$0.31)</b>	<b>(\$0.00)</b>

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

**Figure 8: Financial Highlights**

	Fiscal 2021				Fiscal 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues (000's)	5,919	6,835	4,397	6,085	2,383	5,046	6,160	851
Weighted average gold price								
London Fix PM (per ounce)	1,907	1,890	1,837	1,811	1,809	1,827	1,911	1,873
Monument realized (per ounce)	1,909	1,889	1,830	1,812	1,809	1,828	1,911	1,890
Net earnings (loss) before other items and tax (000's)	1,943	1,159	(396)	(1,009)	(755)	(2,124)	(1,957)	(342)
Earnings per share before other items and tax								
Basic	0.01	0.00	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Diluted	0.01	0.00	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Net earnings (loss) after other items and tax (000's)	138	(649)	(96,104)	(2,702)	(1,267)	(2,502)	(2,840)	112
Earnings (loss) per share:								
Basic	0.00	(0.00)	(0.30)	(0.01)	(0.00)	(0.01)	(0.01)	0.00
Diluted	0.00	(0.00)	(0.30)	(0.01)	(0.00)	(0.01)	(0.01)	0.00

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, ongoing corporate business development, administrative costs and other income or expenses such as foreign currency exchange gains or losses.

For the fiscal year ended June 30, 2022, net loss was \$6.50 million, or (\$0.02) loss per share (basic) compared to net loss of \$99.32 million (that is, \$4.40 million excluding impairment loss) or (\$0.31) loss per share (basic) of last year.

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

- A lower realized gold price and lower head grade;
- A decrease in income from mining operations due to less ore mined and processed, the impact of rain and COVID-19 restrictions and increasing ore hauling distances; and
- An increase in depreciation and amortization expenses due to higher stripping costs from significantly higher stripping ratio.

Partially offset by:

- A higher recovery;
- A decrease in interest expenses;
- A decrease in corporate expenses;
- A decrease in foreign exchange loss; and
- A net decrease in income tax expenses resulting from an increase in deferred income tax recovery and a decrease in current income tax expenses.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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### 3.2 Operating Results: Sales and Production Costs

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#### Three months ended June 30, 2022

For the three months ended June 30, 2022, mining operations before non-cash amortization and depreciation generated a gross margin of \$0.27 million, a decrease of 78% from \$1.27 million in the same period of last year. After deducting non-cash depletion and accretion of \$0.18 million (three months ended June 30, 2021: \$1.41 million) and nil operation expenses (three months ended June 30, 2021: \$0.41 million), income from mining operations was \$0.10 million as compared to a loss of \$0.56 million in the same period last year.

Gold recovery increased by 42% for the three months ended June 30, 2022 to 1,998oz (three months ended June 30, 2021: 1,404oz) due to an increase in ore processed of 119,409t for the three months ended June 30, 2022 as compared to 94,940t for the three months ended June 30, 2021 and a higher feed grade of 0.95g/t Au (three months ended June 30, 2021: 0.72g/t Au), partially offset by a lower recovery of 54.7% (three months ended June 30, 2021: 64.3%). Total cash cost per ounce sold decreased to \$1,282/oz for the three months ended June 30, 2022 from \$1,386/oz of the same period last year due to less waste removed, higher feed grade, more ore processed and gold produced.

#### **Sales**

Gold sales generated revenue of \$0.85 million for the three months ended June 30, 2022 as compared to \$6.08 million in the same period last year. Gold sales revenue was derived from the sale of 450oz (three months ended June 30, 2021: 2,750oz) of gold at an average realized gold price of \$1,890 per ounce (three months ended June 30, 2021: \$1,812 per ounce). There was nil gold prepaid delivery for the three months ended June 30, 2022 (three months ended June 30, 2021: 723oz at \$1,525 per ounce).

#### **Production Costs**

Total production costs for the three months ended June 30, 2022 were \$0.58 million as compared to \$4.82 million of the same period last year. The decrease was due to lower mining costs related to less waste mined and lower processing costs with less gold sold.

Cash cost per ounce decreased by 7% to \$1,282/oz during the three months ended June 30, 2022 as compared to \$1,386/oz in the same period last year. The decrease was attributable to a slight decrease in waste removed, higher feed grade and more ores processed. Q4 FY2021 were severely impacted by COVID-19 mine closure.

Mill feed head grade was 0.95g/t Au for the three months ended June 30, 2022 which was comparable to 0.72g/t Au in the same period last year.

#### Mining

Mining activities continued to focus on the Selinsing Pit 4 south west cutback. During the three months ended June 30, 2022, several open pits supplied ore to the Selinsing Plant – Selinsing Pit 4/5/6 (transition). The Selinsing transition ore feed to the CIL plant is continually being evaluated based on ongoing lead nitrate leaching tests.

For the three months ended June 30, 2022, mining cash cost per ounce of mining operations decreased by 20% to \$397/oz from \$496/oz of last year, mainly due to lower stripping ratio. Mining production included 91,958t of ore (three months ended June 30, 2021: 72,074t) and 686,423t of waste (three months ended June 30, 2021: 687,255t). Waste mined for the three months ended June 30, 2022 included 686,423t of operating waste, as compared to 379,698t of operating waste, 41,312t of waste cutback at Selinsing and 266,245t of waste removed for the TSF upgrade for the same period last year. Based on the current fiscal year's mining sequence, the stripping ratio decreased to 7.46 for the three months ended June 30, 2022 as compared to 9.54 of the same period last year. The cost of waste fill related to TSF upgrade is capital in nature and is not included in mining operating costs. Cost per tonne mined increased by 17% from \$1.69/t to \$2.63/t.

#### Processing

For the three months ended June 30, 2022 total processing cash costs were \$0.28 million as compared to \$2.47 million in the same period last year. Processing cost per tonne was \$15.55/t for the three months ended June 30, 2022; a 14% increase from \$13.67/t in the same period last year. Total ore processed increased by 26% to 119,409t from 94,940t in the same period last year. Mill feed for the three months ended June 30, 2022 comprised of 352t super low-grade oxide, 28,981t old tailings and 90,076t leachable sulphide as compared to the following in the same period last year: 30,298t super low-grade oxide, 25,326t old tailings and 39,316t leachable sulphide.

#### Royalties

For the three months ended June 30, 2022 total royalties decreased by 87% to \$0.08 million as compared to \$0.58 million in the same period of last year, even though production of gold increased and a higher average gold price. Royalties paid are affected by average gold spot prices and the amount of gold produced and sold in the period.

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

## Operation expenses

For the three-month period ended June 30, 2022, no cost of maintaining idle capacity was expensed against the operations account for the three months ended June 30, 2022 (three months ended June 30, 2021: \$0.41 million).

## Non-cash Costs

For the three months ended June 30, 2022, non-cash production expenses amounted to \$0.18 million (three months ended June 30, 2021: \$1.41 million). Included therein are depreciation and amortization of \$0.14 million (three months ended June 30, 2021: \$1.38 million) and accretion of asset retirement obligations of \$0.04 million (three months ended June 30, 2021: \$0.03 million).

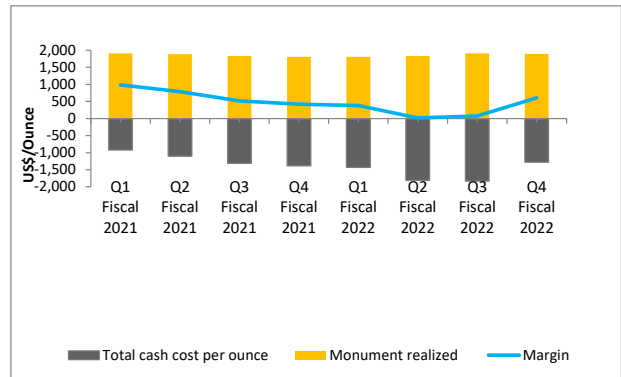
## Year ended June 30, 2022

For the year ended June 30, 2022, mining operations before non-cash amortization and depreciation generated a gross margin of \$0.63 million, a decrease of 85% from gross margin of \$8.10 million last year.

After deducting non-cash depletion and accretion and operation expenses of \$4.18 million (FY2021: \$4.54 million), loss from mining operations was \$3.55 million in the year as compared to income of \$3.57 million last year.

Gold recovery decreased by 21% to 7,564oz (FY2021: 9,517oz) due to a lower ore grade of 0.69 g/t (FY2021: 0.84 g/t), and a decrease in ore processed of 544,003 tonnes (FY2021: 579,569 tonnes), but offset by a higher recovery rate of 62.7% (FY2021: 60.8%).

Figure 9: Gross margin

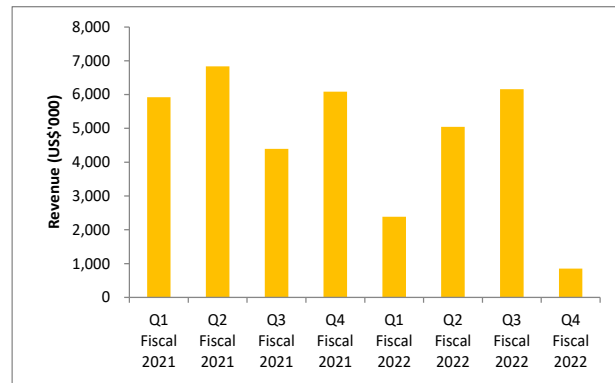


## Sales

Gold sales generated revenue of \$14.44 million as compared to \$23.24 million of last year.

Gold sales revenue was derived from the sale of 8,016oz (FY2021: 12,850oz) of gold at an average realized gold price of \$1,870 per ounce (FY2021: \$1,864 per ounce) excluding gold prepaid delivery. There were 1,687oz gold sales from gold prepaid in the year at an average gold prepaid sale price of \$1,545 per ounce (FY2021: 2,150oz at \$1,525 per ounce gold prepaid delivery).

Figure 10: Selinsing Gold Mine: Revenue





## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

### Production Costs

Total production costs were \$13.81 million during the fiscal year 2022 as compared to \$15.13 million last year. Cash cost per ounce sold increased by 46% to \$1,723/oz from \$1,178/oz last year. The overall increase was attributable to lower feed grade, lower mill feed, heavy rainfall in the mine pits, more leachable sulphide ore processed, and longer hauling distance from Peranggih, partially offset by an increase in recovery to 62.7% (FY2021: 60.8%).

Figure 11: Cash production costs by quarter

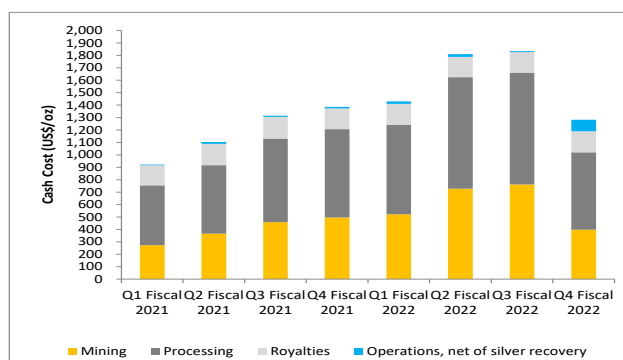


Figure 12: Production costs

	Three months ended		Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Production cost breakdown ('000s)</b>	\$	\$	\$	\$
Mining	179	1,725	5,505	5,103
Processing	280	2,469	6,824	7,730
Royalties	76	579	1,329	2,166
Operations, net of silver recovery	42	42	152	134
<b>Total production costs</b>	<b>577</b>	<b>4,815</b>	<b>13,811</b>	<b>15,133</b>

### Mining

For the year ended June 30, 2022 total mining cash costs were \$5.51 million as compared to \$5.10 million last year. The increase was mainly due to the following reasons (1) Higher maintenance, repair and dewatering costs due to heavy rain and flood damage; and 2) Longer hauling distances associated with delivering ore from Peranggih. Mining production included: 355,519 of ore (FY2021: 427,528t) at an average of 0.69g/t as compared to 0.84 g/t last year. As a result, contained gold was significantly lower at 12,053oz as compared to 15,659oz for last year; and 5,593,875t of waste (FY 2021: 3,639,490t). Waste mined for the year ended June 30, 2022 included 3,542,251t of operating waste, 728,030t of waste cutback at Buffalo Reef and Felda, and 1,323,594t of waste fill related to the TSF upgrade, as compared to 2,909,035t of operating waste, 312,537t of waste cutback at Selinsing and Felda and 417,918t of waste removed for the TSF upgrade for last year. Based on high stripping ratio at Peranggih to access oxide materials and capital waste for TSF, the stripping ratio increased to 15.73 for the year ended June 30, 2022, as compared to 8.51 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 year ended June 30, 2022, total processing cash costs were \$6.82 million as compared to \$7.73 million last year. The decrease was primarily due to lesser amount of ounces produced, offset by increases in processing costs caused by harder and more low-grade leachable sulphide material, and repair work on the primary mill. Total ore processed decreased by 6% to 544,003t from 579,569t of last year. Mill feed for the year ended June 30, 2022 comprised of nil oxide ore from Selinsing and 7,648t from Buffalo Reef and Felda at a recovery of 50.7% (year ended June 30, 2021: 38,891t at a recovery of 54.5% vs 52,789t at a recovery of 58.8%) and 231,767t at a recovery of 49.8% leachable sulphide ore from Selinsing (224,307t at a recovery of 45.6% in FY2021). In addition, 147,598t of materials from Peranggih were processed at a recovery of 76.4% (year ended June 30, 2021: 118,688t at 77.6% recovery) and 152,852t of ore processed from Old Tailings at 75.6% recovery (year ended June 30, 2021: 144,804t at 79.0% recovery). The contained gold in the mill feed were decreased in FY2022: mill feed grade from 0.84g/t to 0.69g/t; but the recoveries increased from 60.8% last year to 62.7% for this fiscal year 2022.

### Royalties

For the year ended June 30, 2022, total royalty cost decreased 39% to \$1.33 million as compared to \$2.17 million for last year, due to decreased production of gold and a lower gold price. Royalties paid are affected by average gold spot prices and the amount of gold produced and sold in the year.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

### Operation expenses

Since the beginning of the COVID-19 pandemic, there have been a number of operational suspensions at Selinsing in compliance with orders issued by the Malaysian government, and in the previous year ended June 30, 2021, the milling capacity was reduced intermittently due to ongoing ore shortages caused by an 8-week mining ban from March to May 2020 and from May 18 to June 28, 2021, and temporary explosives shortages. The costs of maintaining the idle capacity of 0.05 million for the year ended June, 30, 2022 were expensed against the operations account.

### Non-cash Costs

For the year ended June 30, 2022, non-cash production expenses amounted to \$4.13 million (FY2021: \$3.94 million). This included depreciation and amortization of \$3.98 million (FY2021: \$3.81 million) and accretion of asset retirement obligations of \$0.15 million (FY2021: \$0.13 million).

### 3.3 Corporate General and Administrative

Figure 13: Corporate Costs (000's)

	Three months ended		Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
General and administration	298	86	982	854
Stock-based compensation	2	155	15	277
Legal, accounting and audit	56	27	223	301
Consulting fees	18	148	153	211
Shareholder communications	36	22	133	93
Travel	9	-	10	2
Regulatory compliance and filing	6	4	58	88
Project investigation and financing	-	-	-	-
Amortization	12	12	52	45
<b>Total Corporate Costs</b>	<b>437</b>	<b>454</b>	<b>1,626</b>	<b>1,871</b>

Corporate expenses for the three months ended June 30, 2022 were \$0.44 million (three months ended June 30, 2021: \$0.45 million), \$0.17 million lower than last year, mainly attributable to a decrease in shared-based compensation and consulting fees.

Corporate expenses for the year ended June 30, 2022 were \$1.63 million (FY2021: \$1.87 million), \$0.25 million lower than last year.

### 3.4 Other (Loss) Income

For the year ended June 30, 2022, interest expense was \$0.21 million, about \$0.94 million less than the interest expense from gold prepaid sale and office lease last year.

Foreign currency exchange loss was \$1.44 million or \$0.63 million less than last year.

### 3.5 Income Taxes

Income tax recoveries for the year ended June 30, 2022 was \$0.26 million (year ended June 30, 2021: income tax expenses \$1.28 million) comprising of current tax recovery of \$0.05 million (year ended June 30, 2021: \$1.38 million current tax expenses) and deferred tax recoveries of \$0.21 million (year ended June 30, 2021: \$0.10 million).

## 4. LIQUIDITY AND FINANCIAL CONDITION

The Company's principal cash requirements are working capital used for business development, general administration, property maintenance and development, construction of gold treatment plant expansions, production operations at Selinsing and exploration. The Company's cash and cash equivalents as of June 30, 2022 was \$21.04 million a decrease of \$17.58 million from June 30, 2021. 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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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its obligations. The Company's restricted cash of \$0.30 million (FY2021: \$0.31 million) represented issued letters of credit and fixed deposits as guarantees for utilities, custom duties, and certain equipment.

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

For the year ended June 30, 2022, the Selinsing Gold Mine used net cash in operating activities of \$4.55 million, a cash decrease of \$6.20 million as compared to a net positive cash generation of \$1.65 million in previous year.

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

For the year ended June 30, 2022, cash used in investing activities of \$12.99 million represented \$7.38 million (FY2021: \$0.59 million) invested in Selinsing for sulphide project development, including the Flotation Plant construction, tailings storage facility upgrades and cutbacks, river diversion, and stripping activities, while \$2.26 million (FY2021: \$1.15 million) was invested in Murchison exploration and evaluation projects.

### Liquidity

Current assets on June 30, 2022 were \$35.60 million (June 30, 2021: \$54.52 million). The decrease of \$18.92 million was primarily due to a decrease in cash and cash equivalents of \$17.58 million and \$1.78 million lower inventory, partially offset by \$0.67 million higher in income tax receivable, accounts and other receivables.

Total assets on June 30, 2022 were \$134.03 million (June 30, 2021: \$141.78 million). The decrease of \$7.75 million was due to the decrease in current assets described above, offset by an increase of \$4.90 million in the property, plant and equipment primarily related to the Selinsing flotation plant and an increase in \$6.27 million in mine development for Selinsing flotation plant project and exploration and evaluation expenditure at Perangih and the Murchison project.

Current liabilities on June 30, 2022 were \$5.27 million (June 30, 2021: \$5.98 million). The decrease of \$0.71 million was primarily due to a decrease in deferred revenue of \$2.40 million for gold prepaid delivery during the year and a decrease of \$0.43 million in income tax payable partially offset by increase in accounts payable of \$2.12 million.

Total liabilities on June 30, 2022 were \$13.59 million (June 30, 2021: \$14.90 million). The decrease of \$1.31 million was primarily due to a decrease in deferred revenue of \$2.40 million. The deferred revenue balance as of June 30, 2022 was nil because the gold delivery obligation by the Company was completed.

On June 30, 2022, current assets exceeded current liabilities by \$30.33 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 currently underway.

With respect to longer term capital expenditure funding requirements to ensure the Company's long-term growth, the Company considers the cash flow generated from its operations as its primary source, 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 June 30, 2022 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 a \$7.00 million gold prepaid sale with Concept Capital Management, which was fully completed in January 2022.

The Company continues to assess the viability of a re-start of production at Burnakura, which could potentially provide the Company with a second source of cash flow from the Australian operations.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

Figure 14: Commitments and Contingencies (000's)

	2023	2024	2025	2026	2027	Total
	\$	\$	\$	\$	\$	\$
Lease commitments	54	54	55	56	56	275
Mineral property obligations	865	401	451	468	401	2,586
Purchase commitments						
Mine Operations	1,166	40	40	40	40	1,326
Flotation Construction	1,901	-	-	-	-	1,901
<b>Total</b>	<b>3,986</b>	<b>495</b>	<b>546</b>	<b>564</b>	<b>497</b>	<b>6,088</b>

Lease commitments relate to future contractually obligated payments of a long-term office lease. 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 exploration expenditure in Western Australia.

### 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.

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

Figure 15: Key management compensation (000's)

	Three months ended		Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Salaries	143	177	606	648
Directors' fees	32	33	131	145
Share-based payments	-	194	-	307
<b>Total compensation</b>	<b>175</b>	<b>404</b>	<b>737</b>	<b>1,100</b>

Amount due to related parties as at June 30, 2022 was \$0.03 million (June 30, 2021: \$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 consolidated financial statements as of June 30, 2022. 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

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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 of June 30, 2022 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.

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.

Based on the above net exposures as at June 30, 2022 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 \$0.21 million (June 30, 2021: \$0.09 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 \$0.02 million (June 30, 2021: 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 \$0.02 million (June 30, 2021: increase/decrease \$0.11 million) in net income.

Figure 16: Monthly USD to CAD Exchange Rates

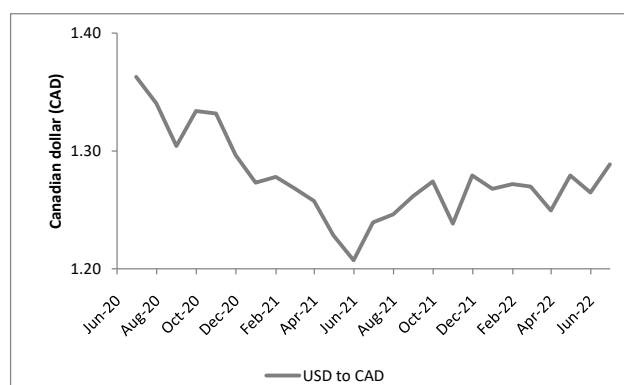
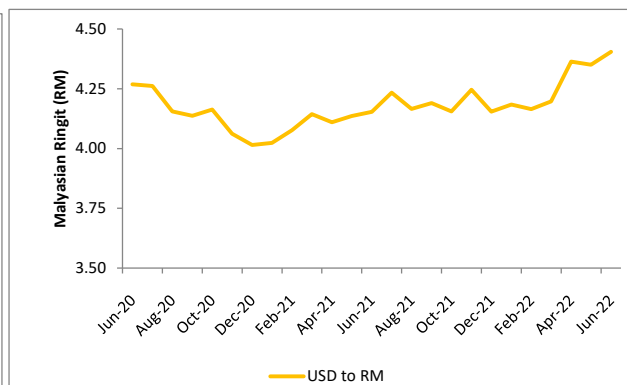


Figure 17: Monthly USD to RM Exchange Rates



## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

### Commodity price risk

The Company's revenues and cash flows were impacted by the fluctuation of gold prices. For the year ended June 30, 2022, gold prices fluctuated within the range of \$1,723 to \$2,039 per ounce (year ended June 30, 2021, 2021: \$1,684 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 of June 30, 2022. An amount of \$0.60 million (June 30, 2021: \$1.09 million) is held with a Malaysian financial institution, \$0.18 million (June 30, 2021: \$1.96 million) with an Australian financial institution and \$20.26 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.

## 13. OUTSTANDING SHARE DATA

The following details the share capital structure as of September 23, 2022, the date of this MD&A.

Figure 18: Share capital structure

Common shares	Quantity
Issued and outstanding	326,838,233

Restricted share units <sup>(1)</sup>	Quantity
	13,656,796

- (1) On April 8, 2021, the Company granted 1.7 million performance RSUs to its directors, officers pursuant to the RSU plan, 0.5 million RSUs were redeemed in October 2021, and 0.4 million RSUs were redeemed in February 2022. These have brought up the total outstanding RSU to 13.6 million from 12.8 million, leaving 7.6 million shares reserved available for grant under the plan. Of the 13.7 million RSUs granted under the RSU Plan and outstanding, 11.4 million units for \$0.69 million were vested, redeemable until February 10, 2024; 1.5 million units for \$0.17 million were vested, redeemable until April 8, 2024; the remaining 0.7 million units for \$0.07 million shall be vested equally over a two-year period from February 10, 2022.

## 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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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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 a 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 flotation and BIOX® Technology on treatment of gold sulphides may also adversely affect the viability of reserves and resources.

### **Profitability from production**

The profitability of mining companies depends in part, on the actual costs of developing and operating mines, which may differ significantly from estimates determined at the time a relevant mining project was approved or ongoing projections. The development of mining projects may also be subject to unexpected problems and delays that could increase the cost of development 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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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### 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 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,



## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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 and year ended June 30, 2022 and June 30, 2021:

(In thousands of US dollars, except where noted)	Three months ended		Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Production costs</b>	577	4,815	13,811	15,133
Divided by ounces of gold sold (oz)	450	3,473	8,016	12,850
<b>Total cash cost (US\$/oz)</b>	<b>1,282</b>	<b>1,386</b>	<b>1,724</b>	<b>1,178</b>

### 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 and year ended June 30, 2022 and June 30, 2021:

(In thousands of US dollars, except where noted)	Three months ended		Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Production costs	577	4,815	13,811	15,133
By-product silver recovery	3	3	6	13
Operation expenses	0	414	48	593
Corporate expenses	9	11	64	74
Accretion of asset retirement obligation	42	31	151	130
Exploration and evaluation expenditures	115	86	386	285
Sustaining capital expenditures	254	362	2,971	2,081
<b>All-in sustaining costs</b>	<b>1,000</b>	<b>5,722</b>	<b>17,437</b>	<b>18,309</b>
Divided by ounces of gold sold (oz)	450	3,473	8,016	12,850
<b>All-in sustaining costs per gold ounce sold (US\$/oz)</b>	<b>2,221</b>	<b>1,647</b>	<b>2,175</b>	<b>1,425</b>

## MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended June 30, 2022  
(in United States dollars, except where noted)

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### 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 year ended June 30, 2022  
(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.