

MONUMENT MINING LIMITED

Three Months Ended September 30, 2011

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars)

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Monument Mining Limited have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management maintains systems of internal controls designed to provide reasonable assurance that the assets are safeguarded, all transactions are authorized and duly recorded, and financial records are properly maintained to facilitate the preparation of financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the condensed interim consolidated financial statements with management and the external auditors.

"Robert Baldock"

Robert Baldock,
President and Chief Executive Officer

"Cathy Zhai"

Cathy Zhai,
Chief Financial Officer

Vancouver, British Columbia
December 29, 2011

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MONUMENT MINING LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

Unaudited

(in United States dollars, except otherwise stated)

	Notes	September 30, 2011	June 30, 2011	July 1, 2010
ASSETS				
Current assets				
Cash and cash equivalents		\$ 60,086,791	\$ 49,063,026	\$ 3,722,746
Restricted cash		97,875	103,500	174,400
Gold bullion		-	1,505,490	-
Trade and other receivables		180,785	1,924,131	1,843,755
Prepaid expenses and deposits		415,633	492,994	88,585
Inventories	4	17,782,885	15,237,610	4,769,981
		78,563,969	68,326,751	10,599,467
Non-current assets				
Restricted inventories	4, 10 (a)	1,488,289	1,121,400	-
Property, plant and equipment	5	35,398,856	35,012,324	19,928,765
Mineral properties	6	23,251,227	20,065,745	36,412,904
Deferred costs	7	605,142	216,287	226,522
		60,743,514	56,415,756	56,568,191
		\$ 139,307,483	\$ 124,742,507	\$ 67,167,658
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		\$ 3,577,368	\$ 4,903,751	\$ 3,624,057
Finance lease obligations	17 (b)	15,101	15,746	13,882
		3,592,469	4,919,497	3,637,939
Non-current liabilities				
Finance lease obligations	17 (b)	26,649	32,257	44,771
Gold forward contract	10 (b)	2,592,660	2,592,660	-
Convertible notes	10 (a)	5,074,665	5,290,009	-
Unrealized fair value of derivative liabilities	10, 11	19,488,659	21,285,160	-
Asset retirement obligations	12	4,315,883	4,249,810	3,540,057
Deferred tax liabilities		720,900	720,900	672,633
		32,219,416	34,170,796	4,257,461
		35,811,885	39,090,293	7,895,400
Equity				
Share capital	13	68,488,037	63,484,007	57,805,102
Capital reserve – warrants	13	2,612,024	2,612,024	2,612,024
Capital reserve – options	13	6,075,417	5,866,850	5,098,552
Retained earnings (accumulated deficit)		25,727,746	13,689,333	(6,243,420)
		102,903,224	85,652,214	59,272,258
Non-controlling interests	16	592,374	-	-
		103,495,598	85,652,214	59,272,258
		\$ 139,307,483	\$ 124,742,507	\$ 67,167,658
Commitments	17			
Subsequent events	20			

Approved on behalf of the Board:

“Robert Baldock”
Robert Baldock, Director

“Graham Dickson”
Graham Dickson, Director

MONUMENT MINING LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Unaudited

(in United States dollars, except otherwise stated)

	Notes	Three months ended	
		September 30, 2011	September 30, 2010
Revenue - gold sale		\$ 14,430,298	\$ 6,611,494
Production costs		(2,480,340)	(1,074,841)
Gross margin from mining operations		11,949,958	5,536,653
Depletion and amortization	5	(806,061)	(63,229)
Gain on disposal of scrap material		2,126	-
Accretion of asset retirement obligations	12	(314,019)	(43,134)
		(1,117,954)	(106,363)
Income from mining operations		10,832,004	5,430,290
Other operating costs			
General and administration		393,178	306,020
Share-based payments		206,270	418,502
Legal, consulting and audit		98,761	77,839
Amortization		70,330	2,547
Shareholders communication		67,178	52,171
Travel		65,533	53,678
Project investigation		3,555	-
Regulatory compliance and filing		2,096	11,288
		906,901	922,045
Operating earnings		9,925,103	4,508,245
Other income (loss)			
Gain/(loss) due to change in fair value of derivative liabilities	10, 11	2,214,219	(3,151,416)
Change in fair value of forward contract, net		66,508	-
Foreign currency exchange gain (loss)		17,856	(194,441)
Interest income		36,178	13,187
Accretion interest on convertible note		(221,451)	(57,312)
		2,113,310	(3,389,982)
Income before taxes		12,038,413	1,118,263
Income tax expense, net		-	-
Net income		\$ 12,038,413	\$ 1,118,263
Attributable to non-controlling interest		\$ -	\$ -
Attributable to common shareholders		12,038,413	1,118,263
Total comprehensive income		\$ 12,038,413	\$ 1,118,263
Attributable to non-controlling interest		-	-
Attributable to common shareholders		\$ 12,038,413	\$ 1,118,263
Earnings per share			
Basic	14	\$ 0.07	\$ 0.01
Diluted	14	\$ 0.06	\$ 0.01
Weighted average number of common shares			
Basic	14	178,836,156	158,865,028
Diluted	14	198,675,009	161,065,195

MONUMENT MINING LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY

Unaudited

(in United States dollars, except otherwise stated)

	Attributable to owners of the parent				Total	Non-controlling interest	Total equity
	Common shares	Capital reserve - warrants	Capital reserve - options	Retained Earning			
Balance, July 1, 2010	\$ 57,805,102	\$ 2,612,024	\$ 5,098,552	\$ (6,243,420)	\$59,272,258	\$ -	\$59,272,258
Common shares issued on acquisition of properties	3,406,900	-	-	-	3,406,900	-	3,406,900
Stock options exercised, including cash	52,272	-	-	-	52,272	-	52,272
Share-based compensation	-	-	437,522	-	437,522	-	437,522
Stock options exercised	-	-	(21,881)	-	(21,881)	-	(21,881)
Net income for the period	-	-	-	1,118,263	1,118,263	-	1,118,263
Balance, June 30, 2010	\$ 61,264,274	\$ 2,612,024	\$ 5,514,193	\$ (5,125,157)	\$64,265,334	\$ -	\$64,265,334
Three months ended September 30, 2011							
Balance, June 30, 2011	\$ 63,484,007	\$ 2,612,024	\$ 5,866,850	\$ 13,689,333	\$85,652,214	\$ -	\$85,652,214
Common shares issued on acquisition of properties	843,292	-	-	-	843,292	-	843,292
Stock options exercised, including cash	-	-	-	-	-	-	-
Share-based compensation	-	-	208,567	-	208,567	-	208,567
Stock options exercised	-	-	-	-	-	-	-
Warrants exercised, including cash	4,160,738	-	-	-	4,160,738	-	4,160,738
Net income for the period	-	-	-	12,038,413	12,038,413	-	12,038,413
Acquisition during the period	-	-	-	-	592,374	592,374	592,374
Balance, September 30, 2011	\$ 68,488,037	\$ 2,612,024	\$ 6,075,417	\$ 25,727,746	\$102,903,224	\$ 592,374	\$103,495,598

MONUMENT MINING LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(in United States dollars, except otherwise stated)

	Notes	Three months ended	
		September 30, 2011	September 30, 2010
Operating activities			
Net income for the period		\$ 12,038,413	\$ 1,118,263
Adjustments to reconcile net income to net cash provided from operating activities:			
Amortization		876,391	88,060
Accretion expense on asset retirement obligations		314,019	43,134
Share-based compensation		206,270	418,502
(Gain)/loss on change in fair value of derivative liabilities		(1,777,424)	3,151,416
Unrealized foreign exchange gain		(247,946)	210,813
Accretion interest on convertible notes		(215,344)	57,312
Change in fair value of forward contracts		(66,508)	-
Unrealized foreign exchange loss (gain) on cash		810,329	(23,267)
		11,938,200	5,064,233
Change in non-cash working capital items			
Trade and other receivables		1,743,346	(16,707)
Prepaid expenses and deposits		77,361	(117,846)
Inventories		(1,341,647)	(1,463,032)
Deferred costs		(240,500)	-
Accounts payable and accrued liabilities		(1,612,193)	(57,756)
		(1,373,633)	(1,655,341)
Cash provided from operating activities		10,564,567	3,408,892
Financing activities			
Proceeds from exercise of stock options		4,141,661	30,391
Proceeds from convertible notes	10 (a)	-	7,774,400
Proceeds from forward gold sale	10 (b)	-	4,817,804
Proceeds from delivered gold on forward contract		1,571,998	-
Finance cost		-	(1,295,403)
Payment of finance lease obligations		(6,253)	(662)
Cash provided from financing activities		5,707,406	11,326,530
Investing activities			
Expenditures on mineral properties, net of recoveries		(1,743,597)	1,278,677
Expenditures on property, plant and equipment		(2,699,907)	(1,374,394)
Expenditures on asset retirement obligations		-	(755)
Cash provided from (used in) investing activities		(4,443,504)	(96,472)
Foreign exchange effect on cash		(810,329)	23,267
Increase in cash and cash equivalents		11,828,469	14,638,950
Cash and cash equivalents, beginning of the period		49,166,526	3,897,146
Cash and cash equivalents, end of the period		\$ 60,184,666	\$ 18,559,363
Cash and cash equivalents consist of:			
Cash		50,243,140	8,839,864
Cash equivalents		9,843,651	9,536,346
Restricted cash		97,875	183,153
		\$	
		60,184,666	\$ 18,559,363

MONUMENT MINING LIMITED

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended September 30, 2011

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(in United States dollars, except otherwise stated)

1. Corporate Information and Nature of Operations

Monument Mining Limited (“Monument” or “the Company”) is a natural resource company engaged in the acquisition, exploration, development and operation of gold mineral property interests. Its primary activities include open pit mining and operation of a 1,200 tonnes of ore per day (“tpd”) gold treatment plant at the 100% owned Selinsing Gold Project (“Selinsing”) and exploration on the 100% owned Damar Buffalo Reef, Famehub, and the 49% owned Mersing Project.

The head office, principal address and registered and records office of the Company are located at 688 West Hastings Street, Suite 910, Vancouver, British Columbia, V6B 1P1. Its gold project operations, exploration and development activities are carried out in Malaysia through its wholly owned integrated subsidiaries.

The condensed consolidated interim financial statements of the Company for the three months ended September 30, 2011 comprise the Company and its subsidiaries. These condensed interim consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest dollar except where otherwise indicated.

2. Basis of preparation and first-time adoption of IFRS

These unaudited interim condensed consolidated financial statements (“interim financial statements”) are the Company’s first financial statements under International Financial Reporting Standards (“IFRS”) and have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ (“IAS 34”) and IFRS 1 ‘First-time adoption of International Financial Reporting Standards’ (‘IFRS 1’). The Company’s first annual consolidated financial statements under IFRS will be presented for the year ended June 30, 2012. The accounting policies adopted in these interim financial statements are consistent with the accounting policies the Company expects to adopt in its IFRS consolidated financial statements for the year ended June 30, 2012, and are based on IFRS as issued by the International Accounting Standards Board (“IASB”) that the Company expects to be applicable at that time.

Subject to certain transition elections disclosed below, the Company has consistently applied the same accounting policies in its opening IFRS consolidated balance sheet as at July 1, 2010 (the ‘transition date’) and throughout all periods presented, as if these policies had always been in effect. Note 21 discloses the impact of the transition to IFRS in the Company’s reported consolidated balance sheet, net income and comprehensive income and consolidated cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company’s audited consolidated financial statements for the year ended June 30, 2011.

The Company previously prepared its consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles as set out in the Handbook of the Canadian Institute of Chartered Accountants (“CICA Handbook”). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards (“IFRS”), and requires publicly accountable enterprises to apply such standards effective for the years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these interim consolidated financial statements. In these financial statements, the term “Canadian GAAP” refers to Canadian GAAP before the adoption of IFRS.

The interim consolidated financial statements should be read in conjunction with the Company’s Canadian GAAP annual financial statements for the year ended June 30, 2011.

First-time adoption exemptions applied

IFRS 1, which governs the first-time adoption of IFRS, in general requires accounting policies to be applied retrospectively to determine the opening statement of financial position at the Company’s transition date of July 1, 2010, and allows certain exemption from retrospective application on the transition to IFRS. The exemptions which the Company has elected to apply and are considered significant to the Company are the following:

a) Business combinations

The Company has applied the business combination exemption in IFRS 1 and has not restated business combinations and the accounting thereof that took place prior to the July 1, 2010, the transition date. This exemption applies to the acquisition of Able Return Sdn. Bhd. and Damar Consolidated Exploration Sdn. Bhd. in June 2007.

b) Share-based payments

The Company has elected to apply the share-based payment exemption. It has applied IFRS 2 from July 1, 2010 onwards to those options that were issued after November 7, 2002 but that had not vested by July 1, 2010.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(in United States dollars, except otherwise stated)

3. Summary of significant IFRS accounting policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries, including special purpose entities). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at proportionate share of the acquiree's identifiable net assets.

The condensed interim consolidated financial statements include the financial statements of Monument and the subsidiaries listed in the following table:

Entity	Country of Incorporation	September 30, 2011 Interests holding	June 30, 2011 Interests holding
Subsidiaries (consolidated)			
Famehub Venture Sdn. Bhd.	Malaysia	100%	100%
Damar Consolidated Exploration Sdn. Bhd.	Malaysia	100%	100%
Selinsing Gold Mine Manager Sdn. Bhd.	Malaysia	100%	100%
Able Return Sdn. Bhd.	Malaysia	100%	100%
Polar Potential Sdn. Bhd.	Malaysia	100%	100%
Monument Mengapur Sdn. Bhd.	Malaysia	100%	100%
Emas Kehidupan Sdn. Bhd.	Malaysia	70%	-
Himpunan Suci Sdn. Bhd.	Malaysia	49%	-

b) Foreign Currencies

The Company's interim consolidated financial statements are presented in US dollars. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which is also presented in US dollars.

Foreign currency transactions for the Company's subsidiaries are translated into the functional currency using the exchange rate at the dates of the transactions or the average rates prevailing the transaction periods. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of operations and comprehensive income.

The Company's foreign operations are translated from their local currencies into US dollars on consolidation. Revenue, expenses, gains and losses are translated using an average exchange rate for the period. Monetary assets and liabilities on the balance sheet are translated at the closing rate in effect at the end of these periods. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the historical rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The exchange differences on translation of the net assets of these operations are recognized in profit or loss as foreign exchange gains or losses.

c) Property, plant & equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and the initial estimation of asset retirement obligation. The purchase price or construction cost is the aggregate

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amount paid and the fair value of any other consideration given to acquire the asset. The amortization begins when the asset is available for use.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other day-to-day maintenance costs are expensed as incurred.

Mineral properties in production are amortized on a unit-of-production basis over the economically recoverable reserves of the estimated life of mine. Gold processing plant is amortized on a unit-of-production basis over the total tonnages of mill feed over the estimated life of mine. Amortization of various components of the gold processing plant and other capital assets are calculated on a straight-line basis over the assets' estimated useful lives over the following periods:

Buildings	10 years
Machineries, heavy equipment and components of plant	2 – 20 years
Administrative furniture and equipment	10 years
Computer	2-5 years
Vehicles (including vehicles under finance lease)	5 years

Amortization expenses from production property and plant are inventoried; amortization from equipment used in exploration and development of mineral property interests are capitalized under mineral properties in development; amortization from administration capital assets are charged against operations.

Equipment used in exploration and development of mineral property interests is amortized, but the amortization charge is deferred with other mineral property interests, exploration and development expenditures. Amortization of equipment not specifically related to the Company's exploration and development activities is included in the consolidated statements of operations and deficit.

An item of property, plant and equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property, plant and equipment items and any changes arising from the assessment are applied by the Company prospectively.

d) Mineral properties and development costs

Mineral property and development costs represent capitalized expenditures related to the acquisition, exploration and development of mineral properties and related equipment. Mineral property interest acquisition costs include the cash consideration, the fair value of common shares issued for mineral property interests and the fair value of warrants issued determined using the Black-Scholes option pricing model.

Pre-license costs are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, the Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property interest acquisition costs and exploration and development expenditures, net of any recoveries. These deferred expenditures will be transferred to mineral properties (property, plant and equipment) and depreciated over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, abandoned or when impairment in value is determined to have occurred.

During the development of a mine, prior to the commencement of commercial production, costs incurred to remove overburden and other mine waste materials in order to access the ore body at open pit operations ("stripping costs") are capitalized to the related property and depleted over the productive life of the mine using the unit-of-production method. During the production phase of a mine, stripping costs are accounted for as variable production costs and included in the cost of inventory produced during the period except for stripping costs incurred to provide access to sources of reserves that will be produced in future periods and would not otherwise have been accessible, which are capitalized to the cost of mineral property interests and depleted on a unit-of-production method over the reserves that directly benefit from the stripping activity.

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Development expenditure is net of proceeds from incidental sale of ore extracted during the development phase. After production starts, all assets included in mines under construction are transferred to producing mines. When a mine construction project moves into the production stage, the capitalization of certain mine costs ceases and costs are either charged to inventory or expensed. Mining costs incurred to stockpile ores for production are charged to inventory.

All capitalized costs are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. Mineral property interests are reviewed at the end of each reporting period or when otherwise appropriate for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying value of a property exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option or joint venture expenditure commitments) or when, in the Company's assessment, it will be unable to sell the property for an amount greater than the deferred costs, the property is written down for the impairment in value.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

e) Leases

Finance leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in profit or loss. A leased asset is depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in profit or loss on a straight-line basis over the lease term.

e) Impairment of long-lived assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The Company monitors the recoverability of long-lived assets, including property, plant and equipment, based on factors such as current market value, future asset utilization, business climate and future discounted cash flows expected to result from the use of the related assets. The impairment loss is recorded in the period when it is determined that the carrying amount of the asset may not be recoverable. The amount of impairment loss is measured as the excess of the carrying value of the asset over its fair value less costs to sell, or the discounted present value of the future cash flows associated with the use of the asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase and is recognized through other comprehensive income.

f) Asset retirement obligation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The nature of these restoration activities includes dismantling or removing structures, rehabilitating mines and tailing dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected assets. The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. The net present value of future rehabilitation cost estimates is capitalized to the corresponding assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates

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using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The capitalized rehabilitation cost is depreciated on the same basis as the related asset of plant or mining property.

The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. The discounted liability is increased for the passage of time and adjusted for changes to the current discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. The periodic unwinding of the discount is recognized in profit or loss as a finance cost.

Additional disturbances or changes in rehabilitation cost will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

g) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and at hand and short-term deposits with an original maturity of three months or less.

i) Inventory

Inventory includes supplies, stockpiled ore, work in progress and finished goods. Gold bullion, gold in concentrate, metal in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling final product. Cost is determined by the weighted average method and comprises direct purchase costs and appropriate portion of fixed and variable overhead costs, including depreciation and amortization, incurred in converting materials into finished goods. Separately identifiable costs of conversion are specifically allocated.

Supplies inventory consists of consumables used in mining and processing operations and are valued at the lower of cost and net realizable value using the first-in first-out method. Supplies used in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Stockpiled ore represents material that has been extracted from the mine and is ready for further processing. Stockpiled ore is measured by estimating the number of tones added and removed from the stockpile and is verified based on period surveys. Stockpiled ore is valued based on the current mining costs (including depreciation and amortization) incurred up to the point of stockpiling the ore using the average cost method. Costs include direct labour, mine-site overhead, and depreciation and depletion on Selinsing mine equipment and mineral properties.

Work in progress represents gold in the processing circuit that has not completed the production process. Work in progress is recorded at average cost. Costs include direct labour, mine-site overhead, and depreciation and depletion on Selinsing mine equipment and mineral properties.

Finished goods inventory is metal available for sale and is valued at the lower of average production cost and net realizable value.

j) Financial instruments

The Company's financial instruments are classified as loans and receivables (cash and cash equivalents, restricted cash, accounts receivable), other financial liabilities (accounts payable, accrued liabilities, liability component of convertible debt) and the financial liabilities at fair value through profit or loss (FVTPL) (forward contracts, foreign currency share purchase warrants).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The Company employs foreign exchange forward contracts from time to time to mitigate the risk of changes in currency exchange rates between the US dollar, Canadian dollar and Malaysian ringgit. The Company does not apply hedge accounting and accordingly changes in fair value of the contracts are recorded in profit or loss in the period they occur. The fair value of those contracts is estimated by reference to quoted market prices for actual or similar instruments where available.

Transaction costs that are directly attributable to the acquisition or issuance of financial instruments that are classified as other than at fair value through profit or loss, which are expensed as incurred, are included in the initial carrying value of such instruments.

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Fair value of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of financial instruments that are traded in active market at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Derivative Instruments – Foreign currency share purchase warrants

The Company classifies the instruments or its component parts as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition and the definitions of financial liability and equity instrument. The Company re-assesses the classification of instruments on the basis of conditions that existed at the later of the date it first became a party to the contract and the date a reassessment is required: (a) when there is a change in the contract that significantly modifies the cash flows or (b) a reclassification of a financial asset out of the fair value through profit or loss category.

The share purchase warrants with an exercise price in Canadian dollars, which is different to the Company's functional currency (US dollars), are considered derivative instruments. The Company re-measures the fair value of foreign currency share purchase warrants at each reporting date using the Black-Scholes option pricing model over the remaining life of the warrants and translates it into US dollar using the exchange rates at the reporting date. Adjustments to the fair value of the foreign currency share purchase warrants as at the balance sheet date are recorded in profit or loss.

Derivative Instruments - Compound Instruments

On initial recognition, the Company allocates the proceeds on between the debt and equity components by first allocating the proceeds to the debt components based on their fair value with any residual value being allocated to the equity components. Transaction costs are allocated between the various components on a pro-rata basis.

Subsequent to initial recognition, the Company classifies the debt component as other financial liabilities measured at amortized cost using the effective interest method such that upon maturity, the debt balance recorded will equal the maturity value of the remaining outstanding debt. The corresponding transaction costs are recorded against the debt and are amortized over the term to maturity. The increase in the debt balance and amortization of related financing costs are reflected as interest and accretion expense in profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

k) Taxes

Current income tax

Current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

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Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities or deferred tax assets are recognized for all taxable temporary differences, except:

- On initial recognition of goodwill.
- Where the deferred tax liability or asset arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is utilized or the deferred income tax liability is settled.

Deferred income assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The Company recognizes neither the deferred tax asset regarding the temporary differences on the rehabilitation liability, nor the corresponding deferred tax liability regarding the temporary difference on the rehabilitation asset.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Royalties and revenue based taxes

Royalties and revenue based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income – rather than based on quantity produced or as a percentage of revenue – after adjustment for temporary differences. Obligations arising from royalty arrangement that do not satisfy these criteria are recognized as current provision and included in cost of sales. The royalties payable by the Company are not considered to meet the criteria to be treated as part of income tax.

h) Share-based payments

The Company uses the fair value method for accounting for stock-based awards to employees (including directors). Under the fair value method, compensation expenses attributed to the direct award of stock to employees are measured at the fair value at the grant date using an option pricing model and are usually recognized over the vesting period of the award. When the stock options are exercised, the cash proceeds received and the applicable amounts previously recorded in capital reserve - options are credited to share capital.

i) Share capital

Common shares are classified as equity. Incremental cost directly attributable to the issuance of common shares is recognised as a deduction from equity.

Share purchase warrants that are issued for goods and services are initially accounted for under IFRS 2 as equity instruments (their initial fair value would be recognized as share issuance costs). Subsequent to their issuance, share purchase warrants issued for goods and services that can be tracked (are non-transferable) are considered as equity for their entire life. The fair value of such share purchase warrants is not re-measured. When these share purchase warrants are exercised, the cash proceeds received and the applicable amounts of share purchase warrants are credited to share capital. Where share purchase warrants expire or are forfeited then these amounts are credited to share capital - warrants reserve within equity.

j) Earnings/(loss) per share

Earnings/(loss) per share are calculated based on the weighted average number of common shares issued and outstanding during the year. Diluted earnings/(loss) per common share are calculated using the treasury stock method for outstanding stock

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options and warrants. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and similar instruments that are "in the money" would be used to repurchase common shares of the Company at the average market price during the year. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

The incremental common shares issuable upon the exercise of stock options and warrants are excluded from the computation if their effect is anti-dilutive.

k) Revenue recognition

The Company's operations produce gold in dore form, which is refined to pure gold bullion prior to sale primarily in the London spot market or under gold sale contracts. Revenue from the sale of metals is recognized in the financial statements when the following conditions have been satisfied:

- the significant risks and rewards of ownership have been transferred;
- neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

These conditions are generally met when the sales price is fixed and title has passed to the customer.

Insignificant amount of revenue generated from by-product such as silver is credited to the cost of goods sold when its percentage of revenue is less than 5% of total revenue.

l) Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

m) Critical accounting estimates and judgments

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. In preparing these interim financial statements, the Company makes estimates and assumptions that affect the amounts reported. Significant estimates and areas where judgment is applied include fair values used to establish: mineral reserve quantities, if any, the valuation of deferred consideration assets, estimated useful lives of property plant and equipment, tax provisions, deferred tax balances and timing of reversals of temporary differences, share purchase warrant liabilities and equity instruments (share purchase warrants and share purchase options). Actual results could differ from the Company's estimates.

Reserves

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation, depletion and amortization.

Purchase Price Allocation

Applying the acquisition method to asset acquisition transactions requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net assets acquired is allocated to the mineral properties. The determination of the acquisition-date fair values often requires management to make

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assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment acquired generally require a high degree of judgment, and include estimates of mineral reserves acquired, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and non-controlling interests in the purchase price allocation.

Depreciation, depletion and amortization

Mineral properties in production are amortized on a unit-of-production basis over the economically recoverable reserves of the estimated life of mine. Mobile and other equipment is depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment but does not exceed the related estimated life of the mine based on proven and probable reserves. The calculation of the UOP rate, and therefore the annual depreciation, depletion and amortization expense could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves. Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment of long-lived assets

The carrying value of property, plant and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of operations.

Inventories

Expenditures incurred, and depreciation, depletion and amortization of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, work in-process, metal in circuit and finished metal inventories. These deferred amounts are carried at the lower of average cost or NRV. Write-downs of ore in stockpiles, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels. The ultimate recovery of gold from a pad will not be known until the leaching process is completed. The allocation of costs to ore in stockpiles, ore on leach tanks and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, proven and probable reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach tanks. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

Provision for reclamation and remediation obligations (assets retirement obligations)

The Company assesses its provision for asset retirement obligations on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision for asset retirement obligations represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Deferred taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

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o) Accounting standards effective July 1, 2012

Financial instruments disclosure

In October 2010, the IASB issued amendments to IFRS 7 - Financial Instruments: Disclosures that enhance the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with earlier application permitted. The Company does not anticipate these amendments to have a significant impact on its consolidated financial statements.

Income taxes

In December 2010, the IASB issued an amendment to IAS 12 - Income Taxes that provide a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after January 1, 2012, with earlier application permitted. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

p) Standards issued but not yet effective yet

Consolidation

In May 2011, the IASB issued IFRS 10 - Consolidated Financial Statements ("IFRS 10"), which supersedes SIC 12 and the requirements relating to consolidated financial statements in IAS 27 - Consolidated and Separate Financial Statements. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted under certain circumstances. IFRS 10 establishes control as the basis for an investor to consolidate its investees; and defines control as an investor's power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor's returns through its power over the investee.

In addition, the IASB issued IFRS 12 - Disclosure of Interests in Other Entities ("IFRS 12") which combines and enhances the disclosure requirements for the Company's subsidiaries, joint arrangements, associates and unconsolidated structured entities. The requirements of IFRS 12 include reporting of the nature of risks associated with the Company's interests in other entities and the effects of those interests on the Company's consolidated financial statements.

Concurrently with the issuance of IFRS 10, IAS 27 and IAS 28 - Investments in Associates ("IAS 28") were revised and reissued as IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates and Joint Ventures to align with the new consolidation guidance. The Company is currently evaluating the impact that the above standards are expected to have on its consolidated financial statements.

Joint ventures

In May 2011, the IASB issued IFRS 11 - Joint Arrangements ("IFRS 11"), which supersedes IAS 31 - Interests in Joint Ventures and SIC-13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers. IFRS 11 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted under certain circumstances. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement ("joint operators") have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement ("joint venturers") have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venturer recognizes its investment in a joint arrangement using the equity method. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

Fair value measurement

In May 2011, as a result of the convergence project undertaken by the IASB and the US Financial Accounting Standards Board, to develop common requirements for measuring fair value and for disclosing information about fair value measurements, the IASB issued IFRS 13 - Fair Value Measurement ("IFRS 13"). IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 13 defines fair value and sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable inputs should be maximized while unobservable inputs should be minimized.

The Company does not anticipate the application of IFRS 13 to have a material impact on its consolidated financial statements.

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Financial statement presentation

In June 2011, the IASB issued amendments to IAS 1 - Presentation of Financial Statements ("IAS 1") that require an entity to group items presented in the Statement of Comprehensive Income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012, with earlier adoption permitted.

The Company does not anticipate the application of the amendments to IAS 1 to have a material impact on its consolidated financial statements.

Employee Benefits

In June 2011, the IASB issued amendments to IAS 19 - Employee Benefits ("IAS 19") that introduced changes to the accounting for defined benefit plans and other employee benefits. The amendments include elimination of the options to defer, or recognize in full in earnings, actuarial gains and losses and instead mandates the immediate recognition of all actuarial gains and losses in other comprehensive income and requires use of the same discount rate for both the defined benefit obligation and expected asset return when calculating interest cost. Other changes include modification of the accounting for termination benefits and classification of other employee benefits.

The Company does not anticipate the application of the amended IAS 19 to have a material impact on its consolidated financial statements.

q) Accounting standards anticipated to be effective January 1, 2013

Financial instruments

The IASB intends to replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety with IFRS 9 - Financial Instruments ("IFRS 9") in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39. In November 2009 and October 2010, phase 1 of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. On August 4, 2011, the IASB published for comments an exposure draft proposing to defer the mandatory effective date of IFRS 9 from annual periods beginning on or after January 1, 2013 (with earlier application permitted) to annual periods beginning on or after January 1, 2015 (with earlier application still permitted).

The Company is evaluating the impact the final standard is expected to have on its consolidated financial statements.

4. Inventories

	September 30, 2011	June 30, 2011	July 1, 2010
Mine operating supplies	\$ 1,168,316	\$ 1,143,226	\$ 424,629
Stockpiled ore	13,153,997	11,281,467	4,105,015
Material discharged from ball mill for CIL process	2,005,412	1,949,689	
Work in progress	804,444	863,228	240,337
Finished goods	2,139,005	1,121,400	-
	\$ 19,271,174	\$ 16,359,010	\$ 4,769,981
Less: restricted finished goods	1,448,289	1,121,400	-
Total inventories	\$ 17,782,885	\$ 15,237,610	\$ 4,769,981

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5. Property, Plant and Equipment

In September 2010, upon the attainment of commercial production, the Company reclassified construction in progress costs to their respective categories of property, plant and equipment and reclassified the Selinsing Gold Property from mineral properties to property, plant and equipment. Further, the Company started to depreciate the corresponding assets in accordance with its depreciation policy. The Selinsing Gold Property and Plant are depreciated on the unit-of-production basis over the expected life of the mine.

The carrying value of vehicles held under finance leases at September 30, 2011 was \$31,053 (June 30, 2011: \$35,489; July 1, 2010: \$53,234).

	Mineral Properties - Selinsing Gold	Buildings	Plant and equipment	Construction in progress	Others*	Total
Cost						
As at July 1, 2010	\$ -	\$ 762,533	\$ 6,459,146	\$ 12,269,634	\$ 837,364	\$ 20,328,677
Transfers from mineral properties	23,108,041	-	-	-	-	23,108,041
Recovery, net	(1,029,170)	-	-	-	-	(1,029,170)
Additions/(transfers)	-	280,941	11,480,949	(10,898,780)	1,176,902	2,040,012
As at June 30, 2011	22,078,871	1,043,474	17,940,095	1,370,854	2,014,266	44,447,560
Additions/transfers	439,136	\$22,247	\$286,131	1,715,675	16,775	2,479,974
As at September 30, 2011	\$ 22,518,017	\$ 1,065,721	\$ 18,226,226	\$ 3,086,529	\$ 2,031,041	\$ 46,927,534
Accumulated depreciation						
As at July 1, 2010	\$ -	\$ 23,081	\$ 206,961	\$ -	\$ 169,870	\$ 399,912
Charge for the year	7,054,083	21,256	1,712,047	-	247,938	9,035,324
As at June 30, 2011	7,054,083	44,337	1,919,008	-	417,808	9,435,236
Charge for the period	1,481,471	27,415	500,777	-	83,779	2,093,442
As at September 30, 2011	\$ 8,535,554	\$ 71,252	\$ 2,419,785	\$ -	\$ 501,587	\$ 11,528,678
Net book value						
As at July 1, 2010	\$ -	\$ 739,452	\$ 6,252,185	\$ 12,269,634	\$ 667,494	\$ 19,928,765
As at June 30, 2011	\$ 15,024,788	\$ 999,137	\$ 16,021,087	\$ 1,370,854	\$ 1,596,458	\$ 35,012,324
As at September 30, 2011	\$ 13,982,463	\$ 993,969	\$ 15,806,441	\$ 3,086,529	\$ 1,529,454	\$ 35,398,856

* Others include vehicles, computers and software, furniture and office equipment, leasehold improvement.

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6. Mineral Properties

	Selinsing Gold Property (Development)	Buffalo Reef (Exploration)	Famehub (Exploration)	Mersing Gold Project (Exploration)	Total
Cost at July 1, 2010	\$ 23,108,041	\$ 13,304,863	\$ -	\$ -	\$ 36,412,904
Acquisition of mineral properties	102,921	35,090	4,971,686	-	5,109,697
Cost incurred during the year	1,142,538	505,742	2,905	-	1,651,185
Transferred to Property, Plant and Equipment	(23,108,041)	-	-	-	(23,108,041)
Cost at June 30, 2011	1,245,459	13,845,695	4,974,591	-	20,065,745
Acquisition of mineral properties	-	-	-	2,468,862	2,468,862
Cost incurred during the period	287,018	375,590	54,012	-	716,620
Cost at September 30, 2011	\$ 1,532,477	\$ 14,221,285	\$ 5,028,603	\$ 2,468,862	\$ 23,251,227

Title to mineral properties

Although the Company has taken steps to verify the title to its mineral properties, 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 unregistered prior agreements or transfers and title may be affected by undetected defect. To the best of the Company's knowledge, titles to its properties are in good standing.

Realization of assets

The investment in and expenditures on mineral properties 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, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or 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 and properties in which it has previously had an 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 or former properties that may result in material liability to the Company.

a) Selinsing Gold Property

The property is located in Pahang State, Malaysia. The Company acquired a 100% interest in the Selinsing Gold Property in 2007 and since then has developed a producing mine by building a 400,000 tonnes per annum capacity gold treatment plant consisting of a gravity circuit and a Carbon In Leach (CIL) circuit designed to operate simultaneously. As at September 1, 2010, the Company completed the commissioning of the gold treatment plant and commenced commercial production. Accordingly, the accumulated cost was transferred from mineral properties to property, plant and equipment (notes 5, 6) and the Company began depreciating the carrying value on the unit-of-production basis.

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During the year ended June 30, 2011, the Company acquired exploration rights for consideration of \$102,921, covering prospective land that lies adjacent to the Selinsing operating open pit, which allow the further exploration program and mining to be carried to the depth of the current open pit. During the three months ended September 30, 2011, the Company spent \$287,018 for the three month ended September 30, 2011 mainly for drilling, geological and site activities.

b) Buffalo Reef Prospect

On June 25, 2007, the Company acquired 100% of the common shares of Damar Consolidated Exploration Sdn. Bhd., a wholly-owned subsidiary of Avocet Mining PLC ("Avocet"), incorporated under the laws of Malaysia, thereby effectively acquiring 100% of the Buffalo Reef Tenement property interests, which lie continuously and contiguously along the gold trend upon which the Selinsing Gold Property is located. This property is an exploration and evaluation property.

The Company was obligated to fund a \$400,000 exploration program on the Buffalo Reef Tenement over two years. Avocet is entitled to receive US\$12 per ounce of gold discovered on a notional 49% of the ounces discovered as a result of the \$400,000 two-year post closing exploration program. In fiscal 2009, Avocet terminated the Company's exploration payment obligation for consideration of \$1.

During the year ended June 30, 2011, the Company acquired exploration rights for consideration of \$35,090, covering prospective land that lies adjacent to the Buffalo Reef Prospect. During the three months ended September 30, 2011, The Company spent \$375,590 mainly on drilling activities

c) Famehub Acquisition

On January 14, 2008, the Company signed a Letter of Intent ("LOI") with Famehub Venture Sdn. Bhd. ("Famehub"), a company incorporated in Malaysia. Pursuant to the LOI, Famehub agreed to sell and the Company agreed to purchase a land package of approximately 32,000 acres of prospective exploration land and associated data base. This land is located to the east of Selinsing's Gold Project and Buffalo Reef exploration property.

On August 13, 2010, the parties entered into a formal "Agreement of Purchase and Sale of Shares" under which the Company agreed to purchase the above described assets, through its wholly owned subsidiary Damar Consolidated Exploration Sdn. Bhd, by acquiring 100% of the issued and outstanding Famehub shares for cash of \$1,477,734 (CAD\$1,500,000), of which a US\$51,106 (CAD\$50,000) deposit was paid in 2009, and the issuance of 14,000,000 fully paid shares of the Company (the "Famehub Acquisition"). Although the Company acquired 100% of the issued and outstanding common shares of Famehub, the Famehub Acquisition did not meet the definition of a business; accordingly, the Famehub Acquisition was accounted for as an asset acquisition.

The transaction closed on September 13, 2010, and accordingly, the Company issued 14,000,000 common shares and paid US\$1,426,628 (CAD\$1,450,000) during the year ended June 30, 2011.

The aggregated purchase price for the Famehub Acquisition was \$4,971,686, paid as follows:

Cash	\$ 1,477,734
Common shares	3,406,900
Transaction costs	87,052
Purchase consideration	\$ 4,971,686

The fair value of the Famehub assets acquired and liabilities assumed were as follows:

Cash	\$ 1,815
Property, plant and equipment	48,375
Mineral properties	4,961,257
Accounts payable and accrued liabilities	(39,761)
Net assets acquired	\$ 4,971,686

Through the first quarter of fiscal 2012, \$54,012 was spent on property investigation searching for exploration targets.

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d) Mersing Gold Project Acquisition

On September 26, 2011 the Company acquired 49% of the Mersing Gold Project through its wholly owned Malaysian subsidiary, Damar Consolidated Exploration Sdn Bhd. The Company signed an Earn-In Agreement with a Malaysian company, Emas Kehidupan Sdn Bhd (“EK”) and its 30% joint venture partners, under which Monument has the right to earn up to a 100% interest in the “Mersing Gold Project”. Pursuant to the terms of the Earn-In Agreement, Monument has initiated a two-year earn-in period of the Mersing Gold Project by paying CAD \$500,000 cash and issuing 1,500,000 fully paid Monument shares to the vendors in exchange for 70% of the shares in EK. As EK holds a 70% interest in the Mersing Gold Project, the Company’s 70% interest in EK gives it a 49% interest in the Mersing Gold Project. During the first two-year earn-in period, the Company is obligated to complete CAD \$2,000,000 in exploration on the Mersing Gold Project.

Although the Company acquired 70% of the issued and outstanding common shares of Emas Kehidupan Sdn. Bhd., the Mersing Gold Project Acquisition transaction did not meet the definition of a business; accordingly, the Mersing Gold Project Acquisition was accounted for as an asset acquisition.

The aggregated purchase price for the Mersing Gold Project Acquisition was \$1,382,205, paid as follows:

Cash	\$	484,650
Common shares		843,292
Transaction costs		54,263
Purchase consideration	\$	1,382,205

The provisional fair values of identifiable assets and liabilities at the date of acquisition were as follows:

	Fair value consideration
Cash	\$ 1,564
Mineral properties	2,445,746
Accounts payable and accrued liabilities	(495,846)
	1,951,464
Share capital	(77,633)
Retained earnings	98,748
Non-controlling interests (Note 16)	(592,374)
Net assets acquired	\$ 1,382,205

The fair values disclosed are provisional due to complexity of the acquisition and due to the inherently uncertain nature of the mining industry and intangible exploration and evaluation assets in particular. The review of the fair value of the assets and liabilities acquired will be completed within 12 months of the acquisition date at the latest.

7. Deferred costs

In May 2011, the Company, through its wholly owned subsidiary Monument Mengapur Sdn. Bhd. (formerly “Orifer Asia Sdn. Bhd.”) in Malaysia, has entered into a binding Memorandum of Understanding (the “MOU”) with Malaco Mining Sdn. Bhd (“Malaco”) and Malaco’s wholly owned subsidiary Cermat Aman Sdn. Bhd. (“CASB”), both incorporated in Malaysia, to acquire the Mengapur Polymetallic Project (the “Mengapur Project” or the “Project”) located in Pahang State, Malaysia. As at September 30, 2011, the acquisition remained the subject to due diligence, updating of historical resource and reserve estimates, signing of a Definitive Sale and Purchase Agreement, financing, board and regulatory approvals and other conditions. The due diligence procedures were subsequently completed in November 2011 and the Company entered into the Definitive Acquisition Agreement.

Under terms of the Definitive Acquisition Agreement, MMSB will pay US\$60,000,000 in cash and issue 300 MMSB shares (representing 30% interest in MMSB) to Malaco in exchange for a 100% interest in CASB, the company that holds 100% of the Mengapur Project, except for certain magnetite materials contained in the soils. Of the total consideration, US\$10,000,000 is to

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purchase iron ore materials contained within the skarn which were originally going to remain with the Malaco Group under the terms of the binding Memorandum of Understanding. A deposit of US\$500,000 was paid to Malaco upon signing of the Definitive Acquisition Agreement, and US\$4,500,000 was set up as Escrow Fund in securing the Mengapur Project. Upon closing of the acquisition, total US\$5,000,000 shall be applied against the purchase price. In the event that the acquisition does not close by January 31, 2012, US\$4,500,000 shall become a loan to Malaco.

The acquisition of the Mengapur Project is an arm's length transaction.

8. Financial and capital risk management

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

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: foreign currency risk, price risk and interest rate risk.

Foreign currency risk

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

As at September 30, 2011, June 30, 2011 and July 1, 2010, the Company is exposed to foreign currency risk through the following assets and liabilities denominated in Malaysian ringgit (RM) and Canadian dollar (CAD):

(in 000's, US dollar equivalent)	Classification	September 30, 2011		June 30, 2011		July 1, 2010	
		RM	CAD	RM	CAD	RM	CAD
Financial instrument – assets							
Cash and cash equivalents	Loans and receivables	473	10,543	614	9,585	383	271
Restricted cash	Loans and receivables	98	-	312	-	565	-
Financial instruments – liabilities							
Accounts receivable	Loans and receivables	102	69	66	10	8	16
Accounts payable and accrued liabilities	Other financial liabilities	(2,589)	(163)	(9,452)	(59)	(10,464)	(220)
Convertible notes	Other financial liabilities	-	(5,075)	-	(5,290)	-	-
Unrealized fair value of derivative warrant liabilities	Fair Value Through Profit and Loss	-	(19,487)	-	(21,285)	-	-

The convertible notes, forward gold sale contract and foreign currency share purchase warrants contain a number of derivative components that would cause exposure to foreign currency risk. The Company has not hedged any of its foreign currency risks. The derivative components associated to foreign currency fluctuation are fair valued at each period and gains or losses are recorded in profit or loss (refer to note 10 and note 11).

Based on the above net exposures as at September 30, 2011 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 \$95.8 thousand (June 30, 2011 – \$423.0 thousand) in the Company's net income, depreciation or appreciation of the CAD against US dollar would result in an increase/decrease of approximately \$738.0 thousand (June 30, 2011 – \$852.0 thousand) in net income.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or foreign currency risk.

The Company values the warrant derivative liabilities at fair value using the Black-Scholes option pricing model and record gains and losses to other income. Based on the above net exposures as at September 30, 2011 and assuming that all other variables

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remain constant, a 5% increase/decrease in the market price of the Company's shares would result in unrealized fair value loss/income of approximately \$1,107 thousand (June 30, 2011 - \$193.0 thousand) in the Company's net income.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk with respect to its cash equivalents and convertible notes.

The Company's cash equivalents bear interest at rates of 1.20% to 1.38% as at September 30, 2011 (June 30, 2011 – 1.20% to 1.38%) and mature on February 27, 2012.

However, this risk is limited because of the short-term maturity of these instruments. The Company's interest rate sensitivity analysis suggests they are not exposed to significant interest rate risk.

b) Credit risk

Credit risk is the risk of a loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

The Company's credit risk is attributable to its liquid financial assets. The Company established an investment policy to avoid any investments other than government t-bills, term deposits guaranteed by major Canadian financial institutions, or term deposits at major Malaysian banks which are guaranteed by the Malaysian government.

The Company's credit risk on the trade receivable is negligible and the balances were collected subsequent to end of reporting period.

The Company is exposed to concentration of credit risk with respect to cash and cash equivalents in amount of \$320 thousand (June 30, 2011 – \$33,763 thousand) is held with a single Malaysian financial institution. The amount of \$59,557 thousand (June 30, 2011 – \$15,403 thousand) is held with various Canadian financial institutions.

c) Liquidity risk

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

The Company's convertible notes are due to be settled in August 2015.

9. Financial Instruments by category

Fair value measurement

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

The following table sets forth the Company's financial liabilities measured at fair value by level within the fair value hierarchy at September 30, 2011:

	Level 1	Level 2	Level 3	Total
As at September 30, 2011				
Financial liabilities:				
Warrant derivative liabilities (Note 10, 11)	\$ -	\$ 19,488,659	\$ -	\$ 19,488,659
As at June 30, 2011				
Financial liabilities:				
Warrant derivative liabilities (Note 10, 11)	\$ -	\$ 21,285,160	\$ -	\$ 21,285,160

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10. Convertible Notes and Forward Gold Sale

a) Convertible notes

On August 11, 2010, the Company closed a financing for \$7,653,600 (CAD 8,000,000) from the issuance of convertible notes (the "Notes"). Net proceeds amounted to \$6,752,821 after subtracting transaction costs totaling \$900,779, of which \$765,360 was for commission and \$135,419 was for legal and regulatory fees.

The Notes have a term of five years and one day from the date of the issuance and are to be repaid by the Company at the end of the term in cash in the amount of \$10,091,796 (CAD 9,733,600), at 121.67% of the principal amount (the "Repayment Amount"). Any early repayments or conversions of the Notes will result in a pro-rata adjustment of the Repayment Amount. The holders of the Notes (the "Noteholders") may, at any time, convert the Notes into units at a price of \$0.38 (CAD 0.40) per unit (the "Conversion Feature") with each unit comprising one common share of the Company and one common share purchase warrant (the "Units"). Each share purchase warrant is exercisable at \$0.48 (CAD 0.50) per share, expiring five years from the date of issuance of the Notes. The conversion feature of the convertible notes meets the definition of a derivative liability given it is subject to an adjustment down to \$0.35 (CAD 0.365) per unit should the Company issue common shares for cash proceeds in an amount below \$0.38 (CAD 0.40) per share during the term of the Notes. Upon conversion, the Company is required to make a cash payment on the converted amount to the holder equal to the difference between the principal converted and the Repayment Amount on the balance at the conversion date.

In addition, as an inducement to enter into the subscription agreement for the Notes, the Company granted to the Noteholders the option to purchase an aggregate of 5,714 ounces of gold at a price of \$1,000 USD or CAD equivalent per ounce and 2,857 ounces of gold at a price of \$1,250 USD or CAD 1,250 per ounce at the discretion of the Noteholders at any time during the term of the Notes commencing 18 months after closing. Given the inducement can be exercised in USD or CAD at the discretion of the holder, the inducement contains a foreign exchange embedded derivative (the "FX Component").

In connection with the issuance of the Notes, the Company entered into gold purchase option agreements with each of the Noteholders (the "Option Agreements") whereby the Noteholder has the option to acquire gold from the Company up to an amount equal to the balance of the Note outstanding at the greater of: (i) \$1,000 per ounce; and (ii) the gold price in U.S. dollars as set by the London PM Fix and converted to Canadian dollars at the noon rate of exchange published by the Bank of Canada on the maturity date of the Notes, less a 5% discount.

Upon initial recognition, the Company allocated the proceeds and transaction costs between the components using the relative fair value method as follows:

Allocation	Proceeds	Transaction costs
Convertible notes	\$ 4,618,438	\$ 543,560
Conversion Feature	2,646,790	311,510
Foreign exchange (FX) Component	388,372	45,708
Total	\$ 7,653,600	\$ 900,778

Subsequent to initial recognition, the Notes are carried at amortized cost using the effective interest method based on a five year plus one day period at discount rate of 17%; the Conversion Feature is adjusted to fair value estimated using the Black-Scholes option pricing model, and the FX Component is adjusted to fair value using indicative foreign exchange forward contract spot rate.

The Company estimated the fair value of the Conversion feature using the following assumptions:

	September 30, 2011	June 30, 2011
Risk free rate	1.39%	2.33%
Dividend rate	Nil	Nil
Expected life (years)	3.87	4.12
Volatility	77.05%	86.06%

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The continuity schedule of the Convertible Notes and associated derivative liabilities was set as follows:

	Notes	Derivative liability: Conversion feature (warrants)	Derivative liability: FX component	Total
Balance, July 1, 2010	-	-	-	-
Issuance of convertible note	\$ 4,074,877	\$ 2,646,790	\$ 388,372	\$ 7,110,039
Accretion expense	841,397	-	-	841,397
Fair value assigned during the period	-	4,808,511	(405,932)	4,402,579
Foreign exchange (gain) loss	373,735	631,739	17,760	1,023,034
Balance, June 30, 2011	5,290,009	8,087,040	-	13,377,049
Accretion expense	221,451	-	-	221,451
Change in fair value over the period	-	-	-	-
Foreign exchange (gain) loss	(436,795)	(645,840)	-	(1,082,635)
Balance, September 30, 2011	\$ 5,074,665	\$ 7,441,200	\$ -	\$ 12,515,865

b) Forward Gold Sale

On August 11, 2010, the Company entered a forward sale agreement resulting in the advance of \$4,783,500 (CAD 5,000,000) to the Company. Net proceeds amounted to \$4,248,375 after subtracting transaction costs in the amount of \$535,125, of which \$479,335 was for commission and \$55,790 for legal and regulatory fees.

On August 11, 2010, the Company issued 5,000,000 common share purchase warrants in conjunction with the Gold Forward Sale. Each share purchase warrant is exercisable at CAD 0.50 per share, expiring five years from the date of issuance of the Notes. The warrants must be either exercised or otherwise expire on a pro-rata basis within 30 days of the delivery of gold by the Company.

Upon initial recognition, the Company first allocated the proceeds to the liability component based on the estimated fair value with the residual value being allocated to the deferred revenue. Transaction costs were allocated to the various components pro-rata as follows:

Allocation	Proceeds	Transaction costs
Deferred revenue	\$ 2,919,231	\$ 326,571
Warrants	1,864,269	208,554
Total	\$ 4,783,500	\$ 535,125

A summary of the changes in the Company's share purchase warrants issued in conjunction with gold forward sale for the period ended September 30, 2011 and for the year ended June 30, 2011 is set out below:

Derivative warrant liability – Warrants issued with gold forward contract	Three months ended September 30, 2011		Year ended June 30, 2011	
	Number of warrants	Fair value assigned	Number of warrants	Fair value assigned
Balance, beginning of the period	5,000,000	\$ 1,906,185	-	\$ -
Issued during the period	-	-	5,000,000	1,655,715
Fair value re-measured during the period	-	(179,482)	-	(250,470)
Closing balance	5,000,000	\$ 1,726,703	5,000,000	\$ 1,906,185

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Derivative warrant liability –			
Warrants issued with gold forward contract	Three months ended		Year ended
Fair value assumptions used:	September 30, 2011		June 30, 2011
Exercise price, CAD	CAD 0.50		CAD 0.50
Expiry date	August 15, 2015		August 15, 2015
Fair value assumptions:			
Risk free rate	1.39%		2.33%
Expected dividends	nil		nil
Expected life (years)	3.87		4.12
Volatility	77.05%		86.06%

c) Security Pledge

The Company's obligations under the Convertible Notes and Forward Gold Sale are secured by designated gold metal accounts. In connection with such security, the Company is required to deposit an aggregate of 397 ounces of gold per month from the end of the first month following the earlier of (i) commencement of commercial production of the gold treatment plant of the Company's Malaysian subsidiary for its gold production operation in Malaysia; and (ii) the date that is three months from the closing, up to a maximum 13,000 ounces of gold. As at September 30, 2011 a total of 5,200 ounces of gold (June 30, 2011 - 4,000 ounces) were transferred to restricted metal accounts and was included in restricted inventory (Note 4).

11. Derivative warrant liability

The Company closed a \$28,048,000 private placement on July 21, 2008 by issuing of 70,120,000 units at a price of \$0.41 per unit, each unit being comprised of one common share of the Company and one common share purchase warrant. Each of these warrants entitled the holder to purchase one additional common share of the Company for a price of CAD 0.50 until July 21, 2011. The warrants were initially recognized as an equity instruments and the classification was not revised on July 1, 2010 in accordance with the Company's accounting policy. On February 3, 2011, the TSX Venture Exchange consented for the Company to extend the term of 68,055,000 common share purchase warrants for another 12 months, from an expiry date of July 21, 2011 to an expiry date of July 21, 2012. The Company's Canadian dollar denominated common share purchase warrants were considered derivative instruments and were measured at fair value on date of modification and subsequently at each reporting date, with changes in fair value recognized in profit or loss. The fair value of the extended warrants in amount of \$17,095,542 was estimated using the Black-Scholes option pricing model.

A summary of the changes in the Company's share purchase warrants for the period ended September 30, 2011 and for the year ended June 30, 2011 is set out below:

Derivative warrant liability –				
Warrants issued during the private placement	Three months ended		Year ended	
	September 30, 2011		June 30, 2011	
	Number of warrants	Fair value assigned	Number of warrants	Fair value assigned
Balance, beginning of the period	67,440,000	\$ 11,291,935	-	\$ -
Modification of warrant contract terms	-	-	68,055,000	17,095,542
Exercised during the period	(115,000)	(19,077)	(615,000)	(83,755)
Fair value re-measured during the period	-	(952,102)	-	(5,719,852)
Closing balance	67,325,000	\$ 10,320,756	67,440,000	\$ 11,291,935
Exercise price, CAD	CAD 0.50		CAD 0.50	
Expiry date	July 21, 2012		July 21, 2012	
Fair value assumptions:				
Risk free rate	0.83%		1.24%	
Expected dividends	nil		nil	
Expected life (years)	0.81		1.06	
Volatility	51.82%		58.94%	

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12. Asset Retirement Obligation

The Company's asset retirement obligation consists of reclamation and closure costs for mine development and exploration activities. Although the ultimate amount of reclamation costs to be incurred cannot be predicted with certainty, the total undiscounted cash flows required to settle the Company's obligations is estimated to be \$5.3 million and is expected to be settled over the next ten years. This amount has been discounted using a pre-tax rate of 2.19%. Significant reclamation and closure activities include land rehabilitation, decommissioning of tailing storage facilities, mined waste dump, road bridges, buildings and mine facilities. The following is an analysis of the asset retirement obligation:

	September 30, 2011	June 30, 2011
Opening balance	\$ 4,249,810	\$ 3,540,057
Accretion expense	314,019	153,437
Reclamation performed	-	(809)
Reassessment of liabilities	-	302,371
Foreign exchange gain	(247,946)	254,754
Closing balance, end of the period	\$ 4,315,883	\$ 4,249,810

The revision in estimate of liabilities during the year ended June 30, 2011 was the result of the development on Selinsing.

13. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Common shares

Issued and outstanding:

	Number of shares
Balance, July 1, 2010	156,115,028
Issued shares on acquisition of mineral properties (note 6 (c))	14,000,000
Issued for exercised warrants	2,680,000
Issued for exercised stock options	1,451,833
Balance, June 30, 2011	174,246,861
Issued shares on acquisition of mineral properties (note 6 (d))	1,500,000
Issued for exercised warrants	8,240,003
Balance, September 30, 2011	183,986,864

c) Share purchase warrants

The continuity of the number of share purchase warrants being classified as equity instruments is as follows:

Expiry date	July 21, 2011	August 12, 2011
Exercise price	CAD 0.50	CAD 0.49
Number of warrants, June 30, 2010	70,120,000	8,125,003
Exercised	(2,065,000)	-
Reclassified into derivative liabilities due to modification of contract terms (note 11)	(68,055,000)	-
Balance, June 30, 2011	-	8,125,003
Exercised	-	(8,125,003)
Number of share purchase warrants, September 30, 2011	-	-

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d) Stock options

At the Annual General Shareholders' Meeting of the Company held on November 9, 2010, the 2010 Stock Option Plan was approved (the "2010 Plan") and replaced the 2009 Stock Option Plan. The 2010 Plan increased the maximum number of the Company's shares reserved for issuance pursuant to option granted under the plan to 28,941,000 from 22,126,000 with other terms intact. According to the 2010 Plan, the Company grants share purchase options to its directors, officers, employees and consultants, who act in the power of employees. The number of shares reserved for issuance under the 2010 Plan shall not exceed 17% of the total number of issued and outstanding shares on a non-diluted basis. The total number of stock options granted during the year together with previously granted stock options shall not exceed, on a non-diluted basis, 6% for any one optionee; 15% for insiders as a group, 2% for any one consultant; 2% for all eligible persons who undertake investor relations activities.

Stock option activity is as follows:

	Number of common shares under option plan	Weighted average exercise price, CAD
Balance, June 30, 2010	22,601,000	CAD 0.39
Granted	3,920,000	CAD 0.46
Expired	(270,000)	CAD 0.59
Exercised	(1,451,833)	CAD 0.35
Balance, June 30, 2011	24,799,167	CAD 0.40
Granted	150,000	CAD 0.40
Exercised	-	-
Balance, September 30, 2011	24,949,167	CAD 0.40

During the three months ended September 30, 2011, 150,000 options were granted to a consultant acting in power of employees.

The following table summarizes the stock options outstanding at September 30, 2011:

Exercise Price, CAD	Options outstanding			Options exercisable	
	Number of common shares	Expiry date	Weighted average life (years)	Number of common shares	Weighted average exercise price
CAD 0.50	2,900,000	Jul 05, 2012	0.76	2,900,000	CAD 0.50
CAD 0.40	13,160,000	Aug 15, 2013	1.88	13,160,000	CAD 0.40
CAD 0.25	1,459,167	Dec 05, 2013	2.18	1,459,167	CAD 0.25
CAD 0.40	230,000	Dec 05, 2013	2.18	230,000	CAD 0.40
CAD 0.50	400,000	Dec 05, 2013	2.18	400,000	CAD 0.50
CAD 0.25	300,000	Feb 09, 2014	2.36	300,000	CAD 0.25
CAD 0.30	500,000	Jul 29, 2012	0.83	500,000	CAD 0.30
CAD 0.39	30,000	Dec 17, 2014	3.22	15,000	CAD 0.39
CAD 0.30	1,600,000	Jun 08, 2013	1.69	700,000	CAD 0.30
CAD 0.30	500,000	Jun 10, 2015	3.70	250,000	CAD 0.30
CAD 0.42	3,000,000	Sep 29, 2015	4.00	2,000,000	CAD 0.42
CAD 0.60	600,000	Nov 30, 2015	4.17	-	-
CAD 0.68	120,000	Jan 27, 2016	4.33	-	-
CAD 0.62	150,000	Jul 28, 2016	4.83	-	-
Total	24,949,167		2.08	21,914,167	CAD 0.38

The general terms of stock options granted under the amended plan include a maximum exercise period of 5 years and a vesting period of 3 years with one-third of the grant vesting on the first anniversary of the grant, one-third vesting on the second anniversary of the grant and one-third vesting on the third anniversary of the grant. The exercise prices of all stock options granted during the period were equal to the closing market prices at the grant date.

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Using the Black-Scholes option pricing model with the assumptions noted below, the estimated fair value of all options recognized during the three months ended September 30, 2011 and 2010 have been reflected in the financial statements as follows:

	For the three months ended	
	September 30, 2011	September 30, 2010
Mineral properties	\$ -	\$ 8,384
Property, plant and equipment	-	10,637
Inventory	2,297	-
Operations	206,270	418,502
Total compensation cost recognized in the period, credited to capital reserve - options	\$ 208,567	\$ 437,522

The weighted average assumptions used to estimate the fair value of options were:

	For the three months ended	
	September 30, 2011	September 30, 2010
Risk-free interest rate	1.65% – 2.15%	2.01%
Expected life	5 years	5 years
Expected volatility	85% - 86%	92%
Expected dividends	nil	nil
Share price	CAD 0.59 – 0.62	CAD 0.42

The weighted average fair value of options granted during the three months ended September 30, 2011 is \$0.62 (2010 – \$0.42).

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

14. Earnings Per Share

The calculation of basic and diluted earnings per share for the relevant periods is based on the following:

	For the three months ended	
	September 30, 2011	September 30, 2010
Net income for the period	\$ 12,038,413	\$ 1,118,263
Basic weighted average number of common shares outstanding	178,836,156	158,865,028
Effect of dilutive securities:		
Warrants	7,737,627	-
Options	5,821,860	2,200,167
Convertible note warrants	2,139,683	-
Convertible note shares	4,139,683	-
Diluted weighted average number of common share outstanding	198,675,009	161,065,195
Basic earnings per share	\$ 0.07	\$ 0.01
Diluted earnings per share	\$ 0.06	\$ 0.01

All warrants and options are potentially dilutive in the period ended September 30, 2011 and 2010, but excluded from the calculation of diluted earnings per share are those for which the average market prices below the exercise price.

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15. Related Party Transactions

a) The following table provides the total amount of transactions which have been entered into with related parties during three months ended September 30, 2011 (FY 2012) and September 30, 2010 (FY 2011) as well as balances with related parties as at September 30, 2010 (FY 2012) and June 30, 2011 (FY 2011):

Related party		Sales to related party	Purchases from related party	Amounts owed by related parties	Amounts owed to related parties
Entities with common directors					
Yukon Nevada Gold Corp.	FY 2011	\$ -	\$ 103,959	\$ -	\$ -
	FY 2012	\$ 104,364	\$ 162,371	\$ 65,280	\$ 128,623

The sales to and purchases from related party represent the compensation for management, travel and administrative services and are priced on a cost basis.

b) Key management includes directors – executive and non-executive. The compensation paid or payable to key management personnel is following:

	Three months ended	
	September 30, 2011	September 30, 2010
Salaries and directors' fees	\$ 208,432	\$ 121,218
Share-based payments	167,565	19,292
Total	\$ 375,997	\$ 140,510

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

c) George Brazier, a director of the Company, provides general consulting services to the Company. For the three months ended September 30, 2011, Mr. Brazier earned \$21,420 (three months ended September 30, 2010 - \$14,430) for such services, of which \$6,678 was outstanding and included in accounts payable at September 30, 2011 (September 30, 2010 - \$4,589).

16. Non-controlling interests

	September 30, 2011
Opening balance	\$ -
Acquisition during the period (Note 6 (d))	592,374
Closing balance	\$ 592,374

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17. Commitments

a) Operating lease commitments

Future minimum rentals payable under operating leases are as follows:

	September 30, 2011	June 30, 2011
Amounts payable under operating lease agreements:		
- year ended June 30, 2012	\$ 186,323	\$ 26,758
- year ended June 30, 2013	248,430	13,929
- year ended June 30, 2014	130,809	4,817
- year ended June 30, 2015 and after	3,070	2,915
Total	\$ 568,632	\$ 48,419

b) Finance lease commitments

The Company has finance leases for vehicles. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	September 30, 2011	June 30, 2010
Total minimum lease payments		
- year ended June 30, 2012	\$ 12,810	\$ 18,061
- year ended June 30, 2013	17,078	18,061
- year ended June 30, 2014	15,173	16,045
	45,061	52,167
Interests	(3,311)	(4,164)
Finance lease obligations	41,750	48,003
Less current portion	(15,101)	(15,746)
	\$ 26,649	\$ 32,257

c) Other purchase commitments

At September 30, 2011 the Company had purchase commitments in amount of \$5.6 million (June 30, 2011 - \$6.6 million) in relation to Phase III construction, other operating consumables for mining operations.

18. Supplemental Cash Flow Information

	September 30, 2011	September 30, 2010
Non cash financing and investing activities		
Deferred financing costs included in accounts payable	-	180
Deferred business development cost included in mineral properties	148,355	63,537
Acquisition of property, plant and equipment included in accounts payable	(131,236)	987,572
Gold sales charged to Selinsing Gold Property and included in accounts receivable	-	576,554
Property, plant and equipment costs included in accounts payable	(6,219)	(131,862)
Shares issued pursuant to acquisition of mineral properties	843,292	3,406,900

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19. Segment Disclosures

An operating segment is defined as a component of the Company:

- That engages in business activities from which it may earn revenues and incur expenses;
- Whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- For which discrete financial information is available.

The Company has two reportable operating segments: mineral property exploration and development, and gold production operations, which occur entirely in Malaysia. The Company's gold production operations segment earns revenues from the sale of gold to external customers. There is no revenue generated by exploration and development segment and there are no intersegment revenues. The costs incurred by mineral property exploration and development operational segment are capitalized into Mineral properties.

The Company's reportable segments operate within two geographic segments – Malaysia and Canada. All revenues and operating costs from mining operations relate to Malaysia. The geographic segments for total assets are as follows:

	September 30, 2011	June 30, 2011	June 30, 2010
Malaysia	79,487,975	107,653,448	\$ 65,262,039
Canada	59,819,508	17,089,059	1,905,619
Total	139,307,483	124,742,507	\$ 67,167,658

20. Subsequent Events

(1) Mengapur Project Acquisition

On December 2, 2011 the Company announced that, Monument through its wholly owned subsidiary, Monument Mengapur Sdn. Bhd. ("MMSB") in Malaysia, has entered into the Definitive Acquisition Agreement with Diamond Hard Mining Sdn. Bhd., its shareholders and its wholly owned subsidiaries, Cermat Aman Sdn. Bhd. ("CASB") and Malaco Mining Sdn. Bhd. ("Malaco") (collectively the "Malaco Group"), all incorporated in Malaysia, to acquire 70% of the Mengapur Polymetallic Project (the "Mengapur Project" or the "Project") located in Pahang State, Malaysia. The acquisition remains subject to financing, shareholders' and regulatory approvals.

Under terms of the Definitive Acquisition Agreement, MMSB will pay US\$60,000,000 in cash and issue 300 MMSB shares (representing 30% interest in MMSB) to Malaco in exchange for a 100% interest in CASB, the company that holds 100% of the Mengapur Project, except for certain magnetite materials contained in the soils. Of the total consideration, US\$10,000,000 is to purchase iron ore materials contained within the skarn which were originally going to remain with the Malaco Group under the terms of the binding Memorandum of Understanding. A deposit of US\$500,000 was paid to Malaco upon signing of the Definitive Acquisition Agreement, and US\$4,500,000 was set up as Escrow Fund in securing the Mengapur Project. Upon closing of the acquisition, total US\$5,000,000 shall be applied against the purchase price. In the event that the acquisition does not closed by January 31, 2012, US\$4,500,000 shall become a loan to Malaco.

(2) Share Capital

Subsequent to September 30, 2011, 15,000 stock options were exercised at \$0.385 per share which is offset by 15,000 stock option cancellation.

(3) Acquisition of Prospective Land

Subsequent to the September 30, 2011, the Company acquired a prospective land near to the Mengapur Project costing approximately \$3.3 million in cash.

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21. Transition to IFRS

These consolidated financial statements present the first interim financial statements of the Company and its subsidiaries in accordance with IFRS as issued by IASB. The Company adopted IFRS in accordance with IFRS 1, "First – Time Adoption of International Financial Reporting Standards" on July 1, 2010. The Company's Canadian GAAP statement of financial position as at July 1, 2010, September 30, 2010 and June 30, 2011 and the comprehensive income for the year ended June 30, 2011 and three months ended September 30, 2010, have been reconciled to IFRS, with resulting differences explained below:

a) Decommissioning and rehabilitation provision

Under IAS 37 Provision, Contingent Liabilities and Contingent Assets, a change in the current market-based discount rate will result in a change in the measurement of the provision whereas under Canadian GAAP, discount rates are not changed unless there is an increase in the estimated future cash flows in which case the incremental cash flows are discounted at current market based rates. In addition, under Canadian GAAP, a credit-adjusted risk-free discount rate is used whereas under IFRS, the discount rate reflects the current market assessments of the time value of money and the risks specific to the liability. As a result of the provision for assets retirement obligations has been re-measured using the discount rate in effect at the transition date and adjustment has been recorded to corresponding assets.

b) Share purchase warrants

On August 11, 2010, the Company issued 5,000,000 common share warrants in conjunction with the Gold Forward Sale. Each share warrant is exercisable at CAD 0.50 per share, expiring 5 years from the date of issuance. These share purchase warrants are considered a derivative instrument under IFRS (IAS 32) and are revalued and retranslated at each reporting date. Changes in fair value each period are recorded in profit or loss. Under Canadian GAAP, these share purchase warrants were considered to be equity instruments.

On February 3, 2011, the TSX Venture Exchange consented to extend the term of 68,055,000 common share purchase warrants for 12 months, from expiry date of July 21, 2011 to an expiry date of July 21, 2012. Under Canadian GAAP, these share purchase warrants were classified as equity instruments and no revision on initial reclassification was made at July 1, 2010 in accordance with the Company's accounting policy.

The modification of the contract terms triggered the reassessment and remeasurement of the instrument. As the Company's functional currency is United States dollars, share purchase warrants with an exercise price in a different currency are considered a derivative instrument under IFRS (IAS 32) and are revalued and retranslated at each reporting date. Changes in fair value each period are recorded in profit or loss.

The Company recorded the following adjustments for IFRS financial reporting:

- In August 2010, the Company assessed the fair value of derivative warrants issued in conjunction with the issuance of gold forward contract; the amount of \$1,655,715 recorded in contributed surplus for Canadian GAAP was reclassified into the derivative liability;
- As at September 30, 2010, the Company re-measured the derivative warrant liabilities issued in conjunction with the issuance of gold forward contract to a fair value of \$1,379,110 which resulted in adjustment to income statement;
- On February 3, 2011 the Company re-classified share purchase warrants previously recorded in Canadian GAAP as equity instruments into financial liabilities upon the re-measurement of the fair value of share purchase warrants due to extension of the terms and recognized a derivative liability in amount of \$17,095,542 and recorded an adjustment to retained earnings;
- As at June 30, 2011, the Company then re-measured the above mentioned derivative warrant liabilities to a fair value of \$13,198,120, which resulted in further adjustment to profit or loss.

c) Foreign currency translation

The Company changed its functional currency from Canadian dollars ("CAD") to US dollar effective July 1, 2010, which is also the date of transition into IFRS. For the purpose of comparative disclosures, the Company restated June 30, 2010 amounts in US dollar using the current rate method. Under this method, the retained earnings and shareholder's equity have been translated using the exchange rates prevailing on the transaction dates. Assets and liabilities have been translated using the exchange rate prevailing at the date of the consolidated balance sheets. All resulting exchange differences arising from the translation were included as a separate component of other comprehensive loss in the amount of \$1,326,894 (as at July 1, 2010).

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For IFRS reporting, a change in functional currency should be accounted for prospectively from the date of change and management should translate balance sheet items into new currency using the exchange rate at the date of change (IAS 21, Foreign currencies). In accordance with IFRS, because the change was brought about by changed circumstances, it does not present a change in accounting policy and, therefore, a retrospective adjustment under IAS 8, Accounting policies, changes in accounting estimates and correction of errors, is not relevant. As all items are translated using the exchange rate at the date of change, the resulting translated amounts for non-monetary items are treated as their historical cost. There is no additional exchange differences arise on the date of the change under IFRS.

d) Income taxes

Under IFRS deferred tax has been recognised in temporary differences arising from differences between the functional currency in which an asset or liability is reported and its tax basis as determined in its local currency, translated at current exchange rates. Under Canadian GAAP, a deferred income tax asset or liability is not recognised for such a temporary difference.

Under IFRS there is an initial recognition exemption for temporary differences arising from assets or liabilities subject to a transaction that is not a business combination and, at the time of the transaction, do not affect profit and loss for accounting or tax purposes. No such exemption is available under Canadian GAAP. On transition to IFRS, a tax liability associated with an asset acquisition that did not constitute a business combination was reversed with an associated reduction of mineral property.

The re-measurement of the provision for asset retirement obligations and the related asset did not result in changes to temporary differences and the deferred tax liability.

e) Gold forward sale

The gold sale under the Forward Sale Contract is in accordance with the Company's expected purchase, sale and usage requirements; therefore the received consideration is deferred until the gold delivery is completed. The accretion expense previously recorded in Canadian GAAP has been reversed for IFRS reporting purposes.

f) Transactions with Related Parties

Canadian GAAP contains requirements for measuring related party transactions that is different to IFRS, which does not contain the scope exceptions for related parties.

During the year ended June 30, 2009, the Company purchased a ball mill from Avocet Mining LLP, a previous shareholder of Monument Mining Limited, for consideration of CAD 3,250,001 by issuing Company's common shares. Due to a lack of observable market value, the transaction has been measured at the carrying amount. The Company recorded a cost of the ball mill at the book value of CAD 712,672 provided by its previous owner and included the difference of CAD 2,537,328 in deficit.

Under IFRS, the mill should have been recorded at the fair value of consideration given, which is an equivalent of CAD 3,250,001. An adjustment was required on conversion for the difference of \$2,514,055 to property, plant and equipment and equity accordingly.

g) Presentation

The presentation of the cash flow statement in accordance with IFRS differs from the presentation of the cash flow statement in accordance with Canadian GAAP as the changes made to the statements of the financial position and statements of comprehensive income have resulted in reclassifications of various amounts on the statement of cash flows. However, as there have been no changes to the total operating, financing or investing cash flows, no reconciliation have been provided. The classification of certain items with the statement of comprehensive income has been adjusted with no effect to net income.

The presentation of statement of changes in equity requires a disclosure of each equity component; as a result, the share purchase warrants reserve is separated as from Contributed Surplus as capital reserve - warrants.

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	Notes	July 1, 2010		
		Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets				
Cash and cash equivalents		\$ 3,722,746	\$ -	\$ 3,722,746
Restricted cash		174,400	-	174,400
Trade and other receivables		1,843,755	-	1,843,755
Prepaid expenses and deposits		88,585	-	88,585
Inventories		4,769,981	-	4,769,981
		10,599,467	-	10,599,467
Non-current assets				
Property, plant and equipment	21 (a)	16,982,912	2,945,853	19,928,765
Mineral properties	21 (a)	35,724,585	688,319	36,412,904
Deferred costs		226,522	-	226,522
		52,934,019	3,634,172	56,568,191
TOTAL ASSETS		\$ 63,533,486	\$ 3,634,172	\$ 67,167,658
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		\$ 3,624,057	\$ -	\$ 3,624,057
Finance lease obligations		13,882	-	13,882
		3,637,939	-	3,637,939
Non-current liabilities				
Finance lease obligations		44,771	-	44,771
Asset retirement obligations	21 (a)	2,419,940	1,120,117	3,540,057
Deferred tax liabilities		672,633	-	672,633
		3,137,344	1,120,117	4,257,461
		6,775,283	1,120,117	7,895,400
Equity				
Share capital	21 (c)	58,923,649	(1,118,547)	57,805,102
Capital reserve - warrants	21 (g)	-	2,612,024	2,612,024
Capital reserve - options	21 (b), (g)	7,625,229	(2,526,677)	5,098,552
Retained earnings (accumulated deficit)		(8,463,781)	2,220,361	(6,243,420)
Translation reserve	21 (c)	(1,326,894)	1,326,894	-
		56,758,203	2,514,055	59,272,258
TOTAL LIABILITIES AND EQUITY		\$ 63,533,486	\$ 3,634,172	\$ 67,167,658

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	Notes	September 30, 2010		
		Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets				
Cash and cash equivalents		\$ 18,376,210	\$ -	\$ 18,376,210
Restricted cash		183,153	-	183,153
Trade and other receivables		2,437,016	-	2,437,016
Prepaid expenses and deposits		255,021	-	255,021
Inventories	21 (a)	7,164,869	62,392	7,227,261
		28,416,269	62,392	28,478,661
Non-current assets				
Restricted inventories	21 (a)	64,102	(1,416)	62,686
Property, plant and equipment	21 (a)	18,017,446	395,250	18,412,696
Mineral properties	21 (a)	34,661,377	4,311,971	38,973,348
		52,742,925	4,705,805	57,448,730
TOTAL ASSETS		\$ 81,159,194	\$ 4,768,197	\$ 85,927,391
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		\$ 2,710,771	\$ -	\$ 2,710,771
Finance lease obligations		14,776	-	14,776
		2,725,547	-	2,725,547
Non-current liabilities				
Finance lease obligations		43,215	-	43,215
Gold forward contract	21 (e)	2,660,831	(68,171)	2,592,660
Convertible notes		4,197,089	-	4,197,089
Unrealized fair value of derivative liabilities	21 (b)	6,183,153	1,379,110	7,562,263
Asset retirement obligations	21 (a)	2,602,444	1,242,933	3,845,377
Deferred tax liabilities		695,906	-	695,906
		16,382,638	2,553,872	18,936,510
		19,108,185	2,553,872	21,662,057
Equity				
Share capital	21 (c)	62,382,822	(1,118,548)	61,264,274
Capital reserve - warrants	21 (g)	-	2,612,024	2,612,024
Capital reserve - options	21 (b), (g)	7,084,561	(1,570,368)	5,514,193
Retained earnings (accumulated deficit)		(10,546,571)	5,421,414	(5,125,157)
Translation reserve	21 (c)	518,173	(518,173)	-
		62,051,009	2,214,325	64,265,334
		\$ 81,159,194	\$ 4,768,197	\$ 85,927,391

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	Notes	June 30, 2011		
		Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets				
Cash and cash equivalents		\$ 49,063,026	\$ -	\$ 49,063,026
Restricted cash		103,500	-	103,500
Gold bullion		1,505,490	-	1,505,490
Trade and other receivables		1,924,131	-	1,924,131
Prepaid expenses and deposits		492,994	-	492,994
Inventories	21 (a)	15,027,143	210,467	15,237,610
		68,116,284	210,467	68,326,751
Non-current assets				
Restricted inventories	21 (a)	1,109,619	11,781	1,121,400
Property, plant and equipment	21 (a)	31,052,036	3,960,288	35,012,324
Mineral properties		20,065,745	-	20,065,745
Deferred costs		216,287	-	216,287
		52,443,687	3,972,069	56,415,756
TOTAL ASSETS		\$ 120,559,971	\$ 4,182,536	\$ 124,742,507
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		\$ 4,903,751	\$ -	\$ 4,903,751
Finance lease obligation		15,746	-	15,746
		4,919,497	-	4,919,497
Non-current liabilities				
Finance lease obligations		32,257	-	32,257
Gold forward contract	21 (e)	2,896,772	(304,112)	2,592,660
Convertible notes		5,290,009	-	5,290,009
Unrealized fair value of derivative liabilities	21 (b)	8,087,040	13,198,120	21,285,160
Asset retirement obligations	21 (a)	2,583,970	1,665,840	4,249,810
Deferred tax liabilities		720,900	-	720,900
		19,610,948	14,559,848	34,170,796
Total liabilities		24,530,445	14,559,848	39,090,293
Equity				
Share capital	21 (c)	64,518,798	(1,034,791)	63,484,007
Capital reserve - warrants	21 (g)	-	2,612,024	2,612,024
Capital reserve - options	21 (b), (g)	13,002,921	(7,135,071)	5,866,850
Retained earnings		19,834,701	(6,145,368)	13,689,333
Translation reserve	21 (c)	(1,326,894)	1,326,894	-
		96,029,526	(10,377,312)	85,652,214
TOTAL LIABILITIES AND EQUITY		\$ 120,559,971	\$ 4,182,536	\$ 124,742,507

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Reconciliation of total comprehensive income (loss)

Reconciliations between the Canadian GAAP and IFRS total comprehensive income for the year ended June 30, 2011 and for the three months ended September 30, 2010 are provided below. The Canadian GAAP statement of comprehensive income (loss) has been represented, following adjustments for IFRS, in an IFRS consolidated statements of comprehensive income format.

	Notes	Year ended June 30, 2011		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue - gold sale		\$ 52,379,951	\$ -	\$ 52,379,851
Production costs		(9,134,079)	-	(9,134,079)
Gross margin from mining operations		43,245,772	-	43,245,772
Depletion, depreciation and accretion of assets retirement obligations	21 (a)	(2,528,611)	68,268	(2,460,343)
Gain on disposal of scrap material		14,862	-	14,862
		(2,513,749)	68,268	(2,445,481)
Income from mining operations		40,732,023	68,268	40,800,291
Other operating costs				
General and administration		2,681,055	-	2,681,055
Share-based payments		1,058,329	-	1,058,329
Legal, consulting and audit		627,034	-	627,034
Depreciation		163,091	791	163,882
Shareholders communication		222,500	-	222,500
Travel		343,146	-	343,146
Project investigation		190,104	-	190,104
Regulatory compliance and filing		57,553	-	57,553
		5,342,812	791	5,343,603
Operating income		35,389,211	67,477	35,456,688
Other income (loss)				
Foreign currency exchange gain (loss)	21 (c)	40,426	(62,466)	(22,040)
Accretion interest on convertible note		(1,145,509)	301,742	(843,767)
Change in fair value of forward contract	21 (c), (b), (e)	1,602,306	-	1,602,306
Change in fair value of derivative liabilities	21 (b)	(4,759,797)	5,469,382	709,585
Interest income		104,946	-	104,946
		(4,157,628)	5,708,658	1,551,030
Income before taxes		31,231,583	5,776,135	37,007,718
Income tax recovery, net		20,577	-	20,577
Net income		\$ 31,252,160	\$ 5,776,135	\$ 37,028,295
Attributable to common shareholders		31,252,160	\$ 5,776,135	37,028,295
Total comprehensive income		\$ 31,252,160	\$ 5,776,135	\$ 37,028,295
Attributable to non-controlling interest		-	-	-
Attributable to common shareholders		\$ 31,252,160	\$ 5,776,135	\$ 37,028,295

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Three months ended September 30, 2010				
Notes	Canadian GAAP	Effect of transition to IFRS		IFRS
Revenue - gold sale	\$ 6,611,494	\$ -	\$ 6,611,494	
Production costs	21 (a) (1,090,945)	16,104	(1,074,841)	
Gross margin from mining operations	5,520,549	16,104	5,536,653	
Depletion and depreciation	21 (a) 61,988	1,241	63,229	
Accretion of asset retirement obligations	21 (a) 20,694	22,440	43,134	
	82,682	23,681	106,363	
Gross profit	5,437,867	(7,577)	5,430,290	
Other operating costs				
General and administration	306,020	-	306,020	
Share-based payments	418,502	-	418,502	
Legal, consulting and audit	77,839	-	77,839	
Shareholders communication	52,171	-	52,171	
Travel	53,678	-	53,678	
Regulatory compliance and filing	11,288	-	11,288	
Depreciation	2,547	-	2,547	
	922,045	-	922,045	
Operating income	4,515,822	(7,577)	4,508,245	
Other income (loss)				
Gain/(loss) due to change in fair value of derivative liabilities	21 (b) (3,428,021)	276,605	(3,151,416)	
Change in fair value of forward contract	21 (e) (26,976)	26,976	-	
Foreign currency exchange gain (loss)	21 (c) (306,405)	111,964	(194,441)	
Accretion interest on convertible note	(57,312)	-	(57,312)	
Interest income	13,187	-	13,187	
	(3,805,527)	415,545	(3,389,982)	
Income before taxes	710,295	407,968	1,118,263	
Net income after taxes	710,295	407,968	1,118,263	
Attributable to common shareholders	710,295	407,968	1,118,263	
Other comprehensive income (loss), net of tax				
Foreign currency translation	21 (c) 1,897,593	(1,897,593)	-	
Total comprehensive income (loss)	\$ 2,607,888	\$ (1,489,625)	\$ 1,118,263	
Attributable to common shareholders	\$ 2,607,888	\$ (1,489,625)	\$ 1,118,263	