

## Monument Reports Second Quarter Fiscal 2018 Results

### Gross Revenue of \$4.98 Million and Cash Cost of US\$805/Oz

Vancouver, B.C., March 1, 2018, Monument Mining Limited (TSX-V: MMY and FSE: D7Q1) “Monument” or the “Company” today announced its second quarter production and financial results for the three months ended December 31, 2017. All amounts are in United States dollars unless otherwise indicated (refer to [www.sedar.com](http://www.sedar.com) for full financial results).

President and CEO Cathy Zhai commented on second quarter fiscal 2018 financial results: “The Company continued to build on its development foundation at its Malaysian and Western Australian gold portfolios. At Selinsing, we commenced gold production at Felda Block 7, announced encouraging results from the drilling program at Peranggih North, and continued the Front End Engineering Design (“FEED”) study for the Sulphide Project. At Murchison, mine optimization at Burnakura progressed, as well as the Preliminary Economic Assessment (“PEA”) for the life of mine areas including an underground mining study.”

#### Second Quarter Highlights:

- 3,900oz of gold sold for gross revenue of \$4.98 million (Q2 fiscal 2017: 3,841oz of gold sold for gross revenue of \$4.64 million);
- 4,151oz of gold produced (Q2 fiscal 2017: 2,888oz);
- Cash cost per ounce (“oz”) of \$805/oz (Q2 fiscal 2017: \$840/oz);
- Commenced Felda Block 7 gold production at Selinsing;
- Entered \$7.00 million gold forward sale transaction;
- Announced results from the close spaced drilling program at Peranggih North, 10km north of Selinsing;
- FEED study being carried out on Selinsing to deliver an Implementation Execution Plan for the Sulphide Project; and
- PEA being carried out on Burnakura.

#### Second Quarter Production and Financial Highlights

	Three months ended December 31,		Six months ended December 31,	
	2017	2016	2017	2016
<b>Production</b>				
Ore mined (tonnes)	85,214	18,205	116,785	80,087
Ore processed (tonnes)	219,548	206,597	441,084	437,596
Average mill feed grade (g/t)	1.00	1.12	0.81	0.83
Processing recovery rate (%)	72%	62%	69%	59%
Gold production <sup>(1)</sup> (oz)	4,151	2,888	7,535	6,179
Gold sold (oz)	3,900	3,841	7,400	6,191
<b>Financial (in thousands of US dollars)</b>				
Revenue	\$ 4,975	\$ 4,637	\$ 9,477	\$ 7,779
Gross margin from mining operations	1,834	1,407	3,018	2,243
Net loss before other items	(423)	(890)	(1,483)	(1,714)
Net loss	(1,820)	(65)	(3,326)	(1,507)
Cash flows generated from/(used in) operations	922	1,553	2,896	(559)
Working capital	26,492	24,449	26,492	24,449
Loss per share before other items – basic (US\$/share)	(0.00)	(0.00)	(0.00)	(0.01)
Loss per share – basic (US\$/share)	(0.01)	(0.00)	(0.01)	(0.00)

	Three months ended December 31,		Six months ended December 31,	
	2017	2016	2017	2016
<u>Other</u>	US\$/oz	US\$/oz	US\$/oz	US\$/oz
Average realized gold price per ounce sold	1,276	1,207	1,281	1,256
<u>Cash cost per ounce</u> <sup>(2)</sup>				
Mining	153	145	165	164
Processing	551	625	623	660
Royalties	97	68	81	67
Operations, net of silver recovery	4	2	4	3
Total cash cost per ounce	805	840	873	894

(1) Defined as good delivery gold bullion according to London Bullion Market Association ("LBMA"), net of gold dose in transit and refinery adjustment.

(2) Total cash cost includes production costs such as mining, processing, tailing facility maintenance and camp administration, royalties, and operating costs such as storage, temporary mine production closure, community development cost and property fees, net of by-product credits. Cash cost excludes amortization, depletion, accretion expenses, capital costs, exploration costs and corporate administration costs.

## Production Results

Second quarter fiscal 2018 gold production was 4,151oz, a 44% increase compared to 2,888oz in the corresponding period of the previous year. Production included stockpiled super low grade oxide ore, old tailing materials, and oxide ore from the commencement of production at Felda Block 7 during the second quarter. The oxidized ore resulted in an improved processing recovery rate of 72.0% compared to 62.3% for the same quarter last year. Ore processed was increased by 6% to 219,548t from 206,597t in the same period last year. The increased mill feed was mainly due to reduced plant downtime and the processing of softer oxide ore materials.

## Financial Results and Discussion

### For the quarter ended December 31, 2017

Gold sales generated \$4.98 million for the quarter compared to \$4.64 million in the same period last year. The revenue resulted from 3,900oz of gold sold at an average realized gold price of \$1,276 per ounce for the quarter, compared to 3,841oz at an average realized gold price of \$1,207 per ounce in the same quarter last year. The weighted average London Fix PM gold price was \$1,275 per ounce for the quarter compared to \$1,203 per ounce for the same period last year. Total production costs decreased by 3% in the second quarter to \$3.14 million, compared to \$3.23 million in the same period last year. The decrease in costs reflected the slightly higher amount of gold sold in the current quarter, offset by lower production costs.

Mining operations generated a gross margin of \$1.83 million, an increase of 30% from \$1.41 million in the same quarter last year, before non-cash amortization and depreciation of \$1.39 million and \$1.37 million, respectively. Mining operations generated income of \$0.44 million compared to \$0.04 million in the same period last year and corporate expenses for the second quarter were \$0.87 million decreased by \$0.06 million or 7% compared to \$0.93 million in the prior year second quarter. Net loss for the quarter was \$1.82 million, or \$0.01 per share (basic) compared to net loss of \$0.07 million or \$0.00 per share (basic) in the same period last year. The decrease in earnings was mainly due to foreign currency exchange loss and higher income tax expense, offset by lower corporate expenses and increased income from mining operations.

For the second quarter, total cash generated was \$1.70 million from \$0.92 million provided from operations, \$2.00 million provided from financing activities from a gold forward sale transaction and \$1.22 million used for investing activities for exploration at Peranggih, the PEA for Burnakura, tailings storage facility upgrades and the Sulphide Project for Selinsing and care and maintenance for the Mengapur Project. In comparison, the second quarter last year consumed total cash of \$0.63 million from \$1.55 million generated from operations, offset by \$0.06 million used in financing activities for the on-site SGS Laboratory at Mengapur and \$2.13 million used for investing activities.

### For the six months ended December 31, 2017

Gold sales generated \$9.48 million for the six months ended December 31, 2017, an increase from \$7.78 million for the same period last year. The revenue resulted from 7,400oz of gold sold at an average realized gold price of \$1,281 per ounce compared to 6,191oz at an average realized gold price of \$1,256 per ounce for the same period last year. The weighted average London Fix PM gold price was \$1,280 per ounce for the six months compared to \$1,255 per ounce for the same period last year. Total production costs increased by 17% in the six months to \$6.46 million, compared to \$5.54 million in the same period last year. The increase in costs reflected the higher amount of gold produced and sold.

Mining operations generated a gross margin of \$3.02 million, an increase of 35% from \$2.24 million in the same period last year, before non-cash amortization and depreciation of \$2.82 million and \$2.30 million, respectively. Mining operations generated income of \$0.20 million compared to \$0.06 million in the same period last year and corporate expenses for the six months were \$1.68 million, increased by \$0.02 million or 2% compared to \$1.66 million for the same period last year. Net loss for the six months was \$3.33 million, or \$0.01 per share (basic) compared to net loss of \$1.51 million or \$0.00 per share (basic) in the same period last year. The decrease in earnings was mainly due to foreign currency exchange loss and higher income tax expense, offset by increased income from mining operations.

For the six months ended December 31, 2017, total cash generated was \$4.31 million from \$2.90 million provided from operations, \$5.00 million provided from financing activities from a gold forward sale transaction and \$3.59 million used for investing activities for the acquisition of mining rights over Felda Block 7 PMLs, exploration at Peranggih, the PEA for Burnakura, tailings storage facility upgrades and the Sulphide Project for Selinsing and care and maintenance for the Mengapur Project. In comparison, the six month period last year consumed total cash of \$5.56 million from \$0.56 million used in operations, \$0.11 million used in financing activities for the on-site SGS Laboratory at Mengapur and \$4.89 million used for investing activities.

## **Development**

### *Selinsing Gold Mine*

In the second quarter, the Company continued to advance the internal Definitive Feasibility Study (“DFS”) for the Sulphide Project. This study is focused on delivery of a detailed FEED by applying BIOX® processing technology and an execution plan for construction of additional flotation and BIOX® processing circuits and appropriate upgrade of the existing processing plant. It includes a basic processing design package, a front end engineering design, a further mine optimization and an economic analysis at a higher confidence level.

The basic processing design progressed with further laboratory work conducted at the SGS laboratory in Johannesburg under the management and guidance of the technology owners Outotec (Finland) Oy to test sulphide oxidation level and amenability of concentrates from representable samples of Selinsing/Buffalo Reef sulphide ore materials to the BIOX® process. Subsequent to the quarter end, bioleaching testwork results were announced showing that Selinsing/Buffalo sulphide ore are amenable to BIOX® process: over 90% sulphide oxidation occurred after 9 days, 98% after 15 days and 99% after the full 24 days.

Orway Mineral Consultants Pty Ltd (“Orway”) has been engaged to produce an overall plant design package, expected to be complete in the third quarter of fiscal 2018 followed by the FEED study. Contromation Energy Services (“CES”) has commenced preparing the FEED for the new processing plant. A number of specialized contractors were also engaged in the DFS for expansion of Sulphide Project: Geomapping Technology Sdn Bhd (“GTSB”) for a study on slope stability in the Selinsing and Buffalo Reef open pits and geotechnical studies on the proposed plant site; SRK Consulting (Australia) Pty Ltd (“SRK”) for the existing tailings storage facility expansion; Afrima Consulting Pty Ltd on the power draw study. Internal studies were initiated to address the additional clean water demand for the BIOX® plant and to gauge the requirements for expanded site water storage facilities. The FEED and a construction execution plan are scheduled to be completed during the fourth quarter of fiscal 2018.

### *Burnakura Project*

During the second quarter, the Company progressed mine optimization at Burnakura working towards a Preliminary Economic Assessment Study on the Burnakura life of mine areas with exploring underground potential. The PEA is planned for completion in early April 2018. Site preparation and development for early stage production is on-going. PEA progress during the quarter included review of the proposed scope of work and schedule, the compilation of data for geological sections and completion of a geotechnical study by Peter O’Bryan and Associates Pty Ltd. Ongoing work on the potential underground also continued with NOA 7\_8 resources re-modelled at a higher cut-off grade, allowing underground assessment works to continue. The updated resource model will be used for underground mining study in the PEA.

### *Acquisitions and Financing*

During the quarter, the Company closed Block 7 transaction for the exclusive mining right for all Proprietary Mining Leases (the “PML”) at Block 7, covering a total 39.12 acres adjacent and east of the Buffalo Reef property. The Company has commenced Felda Block 7 production. Felda Block 7 contains the extension of the BRC oxide ore body which is readily mined and processed through the existing gold processing plant. It also allows the pit shell to be fully developed across the boundary to access the entire sulphide ore beneath the BRC once the Sulphide Gold Project is in production.

Subsequent to the quarter, the Company announced a \$7.00 million gold forward sale transaction by receipt of a \$5.00 million prepayment, with a further \$2.00 million to be received by March 31, 2018. The transaction is non-dilutive to shareholders and the funds will be primarily used for the development of the Burnakura Gold Mine and for general working capital.

## **Exploration Progress**

### Malaysia

**Peranggih:** During the second quarter, the encouraging results from the completed close spaced drilling program at Peranggih North updated the internal resource model. The drilling program successfully delineated a zone of higher grade gold material, indicating that the mineralization occurs in the same regional shearing structure hosting Selinsing and Buffalo Reef deposits. Subsequent to the quarter, further exploration commenced and will be focused on the North Peranggih high grade area. Approximately 3,500m of resource definition and extension drilling are planned throughout the four main mineralized zones, to define Indicated and Inferred resources. The Peranggih Prospect has been identified as a new Gold Field that has the potential to host a significant mineralized hydrothermal breccia system. Sampling, assaying and cyanide leach testwork to date shows that recoveries exceed 80% ranging up to 98%.

**Felda:** During the second quarter, geo-metallurgical modelling has been completed for Felda Block 7, identifying significant blocks of leachable material within the existing Felda Block 7 Resource. High grade non-leachable blocks of transition sulphide ore have been identified, which could be mined and stockpiled for the future sulphide flotation plant.

### Western Australia

At Burnakura, the second quarter progressed with further updates to the NOA 7\_8 mineral resource estimate. The model was improved to better reflect underground mining opportunities. The updated model combined with the structural understanding of the deposit, highlighted the significant potential at depth for further resource extensions. A deep drilling program has been planned at the NOA7\_8 deposit and aims to test the underground potential to 500m. The program has significant potential to increase the life of mine, in conjunction with the early stage production plan. The program is scheduled to start upon commencement of the early stage of production or external funding.

At Tuckanarra geological modelling continued to support the proposed open pit operation. The Cable and Bollard deposits are in the process of being re-modelled for mine optimization studies. A study of the exploration potential was completed, highlighting there is significant potential for further discoveries along untested prospective strike. At Gabanintha a review of the geological resources is ongoing. Mine optimization studies have outlined a significant open pit operation, with underground potential. The review has highlighted that the deposits are open at depth.

## **About Monument**

Monument Mining Limited (TSX-V: MMY, FSE:D7Q1) is an established Canadian gold producer that owns and operates the Selinsing Gold Mine in Malaysia. Its experienced management team is committed to growth and is advancing several exploration and development projects including the Mengapur Copper and Iron Project, in Pahang State of Malaysia, and the Murchison Gold Projects comprising Burnakura, Gabanintha and Tuckanarra in the Murchison area of Western Australia. The Company employs approximately 190 people in both regions and is committed to the highest standards of environmental management, social responsibility, and health and safety for its employees and neighboring communities.

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